

COUNTY OF SAN JOAQUIN

AUDIT REPORT

JUNE 30, 2014

**COUNTY OF SAN JOAQUIN
AUDIT REPORT
JUNE 30, 2014**

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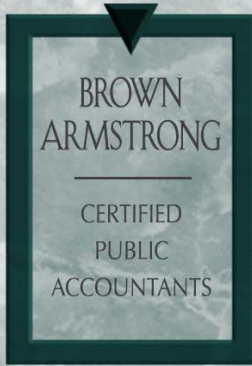
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BROWN ARMSTRONG

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, 2014, 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.

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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, 2014, 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.

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, schedules 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 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.

Emphasis of Matter

As described in Note 1 to the financial statements, during the year ended June 30, 2014, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 65 – *Items Previously Reported as Assets and Liabilities*, which modified the current financial reporting of those elements. Our opinion is not modified with respect to the matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 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 the County's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive style.

Bakersfield, California
December 30, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

**COUNTY OF SAN JOAQUIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

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, 2014. 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 2013-14 fiscal year by \$1,134.0 million, which is referred to as net position. Of this amount, \$243.3 million is considered unrestricted, which may be used to meet ongoing obligations to citizens and creditors, \$379.2 million is restricted and limited to specific purposes, and \$511.5 million is invested in capital assets, net of related debt.
- The County's total net position increased by \$69.3 million during the year. Governmental activities increased the County's net position by \$33.2 million, of which -\$0.1 million was due to a prior period adjustment, and business-type activities increased the County's net position by \$36.1 million, of which \$2.0 million was due to a prior period adjustment.
- As of June 30, 2014, the County governmental funds reported combined fund balances of \$450.7 million, which is an increase of \$34.9 million from last year's fund balance. Of the combined fund balances, \$268.4 million is nonspendable or restricted funds, while \$182.3 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, 2014, the unrestricted fund balance for the General Fund was \$121.2 million, or approximately 18.9% of the total General Fund operating expenditures.
- The County's total long-term liabilities that are due beyond one year at June 30, 2014, were \$334.2 million, \$22.3 million higher than the prior year, primarily due to regularly scheduled debt payments and offset by an increase of \$3.8 million in the County's Other Post Employment Benefits (OPEB) liability and an increase of \$23.1 million in claims 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, 2014**

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, 2014**

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 service 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 30-79 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 \$1,134.0 million at the close of fiscal year 2013-14.

**COUNTY OF SAN JOAQUIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

Condensed Statement of Net Position (in 000's)

	Governmental Activities		Business-Type Activities		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Assets:						
Current and other assets	\$ 756,807	\$ 715,502	\$ 183,933	\$ 100,940	\$ 940,740	\$ 816,442
Capital assets	582,625	576,527	105,744	106,491	688,369	683,018
Total assets	<u>1,339,432</u>	<u>1,292,029</u>	<u>289,677</u>	<u>207,431</u>	<u>1,629,109</u>	<u>1,499,460</u>
Deferred Outflows of Resources:	-	-	3,814	-	3,814	-
Total Assets and Deferred Outflows of Resources:	<u>1,339,432</u>	<u>1,292,029</u>	<u>293,491</u>	<u>207,431</u>	<u>1,632,923</u>	<u>1,499,460</u>
Liabilities:						
Current and other liabilities	96,456	82,212	66,389	38,672	162,845	120,884
Long-term liabilities	238,918	238,857	95,261	73,016	334,179	311,873
Total liabilities	<u>335,374</u>	<u>321,069</u>	<u>161,650</u>	<u>111,688</u>	<u>497,024</u>	<u>432,757</u>
Deferred Inflows of Resources						
Deferred SCA	1,917	2,033	-	-	1,917	2,033
Total deferred inflows	<u>1,917</u>	<u>2,033</u>	<u>-</u>	<u>-</u>	<u>1,917</u>	<u>2,033</u>
Net Position:						
Net investment in capital assets	462,766	451,195	48,767	51,508	511,533	502,703
Restricted	376,465	360,682	2,684	2,255	379,149	362,937
Unrestricted	162,910	157,049	80,390	41,981	243,300	199,030
Total net position	<u>1,002,141</u>	<u>968,926</u>	<u>131,841</u>	<u>95,744</u>	<u>1,133,982</u>	<u>1,064,670</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 1,339,432</u>	<u>\$ 1,292,028</u>	<u>\$ 293,491</u>	<u>\$ 207,432</u>	<u>\$ 1,632,923</u>	<u>\$ 1,499,460</u>

The largest portion of the County's net position in the amount of \$511.5 million, approximately 45.1% 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, \$379.1 million or 33.4%, 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 \$243.3 million, or 21.5%, 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 \$69.3 million during the current fiscal year. That increase is comprised of a combination of a \$1.8 million prior period adjustment to governmental and business-type activities, a \$58.5 million increase in revenues, and a \$55.3 million increase in expenditures from the prior year.

**COUNTY OF SAN JOAQUIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

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	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Revenues:						
Program Revenues:						
Charges for services	\$ 124,213	\$ 118,837	\$ 272,969	\$ 232,313	\$ 397,182	\$ 351,150
Operating grants and contributions	572,068	553,220	257	279	572,325	553,499
Capital grants and contributions	2,999	5,918	9	277	3,008	6,195
General Revenues:						
Property taxes	190,657	194,308	452	404	191,109	194,712
Property transfer taxes	2,642	2,643	-	-	2,642	2,643
Sales taxes	30,751	25,582	-	-	30,751	25,582
Motor vehicle and other in-lieu taxes	3,009	3,316	-	-	3,009	3,316
Transient occupancy tax	338	320	-	-	338	320
Franchise and others	2,683	2,498	-	-	2,683	2,498
Tobacco settlement proceeds	6,051	9,179	-	-	6,051	9,179
Investment earnings	3,446	3,330	238	209	3,684	3,539
Miscellaneous	1,137	2,749	-	-	1,137	2,749
Total Revenues	<u>939,994</u>	<u>921,900</u>	<u>273,925</u>	<u>233,482</u>	<u>1,213,919</u>	<u>1,155,382</u>
Expenses:						
General government	40,145	38,900	-	-	40,145	38,900
Public protection	288,441	284,684	-	-	288,441	284,684
Public ways and facilities	46,690	46,047	-	-	46,690	46,047
Health and sanitation	148,701	131,895	-	-	148,701	131,895
Public assistance	346,007	328,783	-	-	346,007	328,783
Education	5,797	5,466	-	-	5,797	5,466
Recreation and culture	7,353	6,069	-	-	7,353	6,069
Interest on long-term debt	8,103	7,262	-	-	8,103	7,262
Solid waste	-	-	19,960	19,262	19,960	19,262
Hospital	-	-	231,019	218,810	231,019	218,810
Airport	-	-	4,225	3,958	4,225	3,958
Total Expenses	<u>891,237</u>	<u>849,106</u>	<u>255,204</u>	<u>242,030</u>	<u>1,146,441</u>	<u>1,091,136</u>
Excess (deficiency) before transfers	48,757	72,794	18,721	(8,548)	67,478	64,246
Transfers	<u>(15,422)</u>	<u>(16,484)</u>	<u>15,422</u>	<u>16,484</u>	<u>-</u>	<u>-</u>
Change in net position	33,335	56,310	34,143	7,936	67,478	64,246
Net position, beginning of year, restated	968,806	912,616	97,698	87,808	1,066,504	1,000,424
Net position, end of the year	<u>\$ 1,002,141</u>	<u>\$ 968,926</u>	<u>\$ 131,841</u>	<u>\$ 95,744</u>	<u>\$ 1,133,982</u>	<u>\$ 1,064,670</u>

Governmental activities. Governmental activities increased the County's net position by \$33.3 million, accounting for 47.9% of the total increase in net position of the County.

**COUNTY OF SAN JOAQUIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

Revenues

Total revenues for the County's governmental activities increased by \$18.1 million, or 2.0%, over the previous year.

Expenses

Expenses for all functional categories funded by the County's general revenues reflected increases over the prior year. Thus, total expenses for governmental activities increased by \$42.1 million, or 5.0%, over the previous year. Of the total increase, \$1.2 million comes from general government, \$3.8 million in public protection, \$16.8 million in health and sanitation, \$17.2 million in public assistance, and \$1.3 million in culture and recreation.

Business-type activities. Business-type activities increased the County's net position by \$34.1 million. By excluding the operating and capital grants and the statutory-required contribution transfers of \$15.7 million from the governmental activities funds, the business-type activities would have increased the County net position by \$20.4 million.

Key factors that contributed to this increase from the operating activities were the gains of \$37.1 million by the Hospital, \$0.3 million by Solid Waste, and the losses of \$1.3 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, 2014, the County's governmental funds reported total fund balances of \$450.7 million, an increase of \$34.9 million, or 8.4%, in comparison with the prior year. Approximately \$182.3 million, or 40.5%, 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, \$268.4 million or 59.5%, 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, \$9.2 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, \$259.2 million.

The General Fund is the main operational fund of the County. At June 30, 2014, it had an unrestricted fund balance of \$121.2 million while its total fund balance was \$171.8 million, an increase of \$12.3 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 18.9% of total fund expenditures, while total fund balance represents 26.7% 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, 2014, of its \$66.1 million fund balance, \$0.2 million is nonspendable and the remaining balance of \$65.9 million is available for the next fiscal year's appropriation.

**COUNTY OF SAN JOAQUIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

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, 2014, of its \$5.3 million fund balance, \$5.3 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, 2014, it had a fund balance of \$47.2 million.

Revenues for governmental functions totaled \$943.7 million in fiscal year 2013-14, which represents a \$30.9 million, or 3.4%, increase from fiscal year 2012-13. The largest increases in revenues were aid from other governmental agencies \$20.4 million, attributable to an increase in Federal and State grant monies; tax revenues \$13.0 million, which is attributable to an increase in the assessed value of real estate; and charges for services \$1.6 million, due to an increase in chargeable services provided, fines, forfeitures, and penalties.

Expenditures for government functions totaled \$893.3 million in fiscal year 2013-14, which represents an increase of \$39.0 million, or 4.6%, from the prior year. The largest increases occurred in health and sanitation \$18.3 million, public assistance \$18.3 million, and public safety \$6.9 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 \$2.1 million in net position at June 30, 2014, the Airport Enterprise Fund had \$12.7 million, and the Hospital Enterprise Fund had \$117.1 million. The unrestricted net position amounted to \$6.0 million, -\$0.7 million, and \$82.7 million, respectively, of the total proprietary funds' net position.

The internal service funds had \$103.4 million in net position at June 30, 2014, with \$77.6 million as unrestricted. Of the unrestricted net position, \$51.7 million is designated for future claims under the County's self-insurance programs.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the 2013-14 fiscal year's original budget and the final amended budget resulted in a \$26.5 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 \$0.6 million, primarily due to an increase in capital outlay projects during the year.
- The public protection budget increased by \$2.1 million due to an increase in salaries and benefits and capital outlay projects during the current year.
- The reserve for contingency budget increased by \$6.7 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, 2014**

- The public assistance budget decreased by \$1.9 million to reflect a reduction to funding provided by various Federal and State government programs.
- The transfers-out budget increased by \$18.7 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 \$32.1 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 \$22.9 million in Aid from Other Governmental Agencies, \$0.3 million in Charges for Services, and \$33.4 million in transfers-in; while the major over-budget revenues were \$16.7 million in net property and sales tax and \$5.3 million in miscellaneous revenues.

Actual expenditures were less than final amended budgetary estimates by \$93.1 million. A majority of the difference is attributable to below budget expenditures in public protection (\$16.4 million), health and sanitation (\$4.7 million), public assistance (\$24.0 million), and general government (\$17.9 million). The County also appropriated \$25.6 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 \$61.0 million, thus eliminating the need to draw upon existing fund balance.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The County's net investment in capital assets, for its governmental and business-type activities as of June 30, 2014, amounted to \$511.5 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 1.8%.

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

- Infrastructure increased by \$7.7 million due to completion of various bridge and road projects.
- Equipment increased by \$4.5 million due to purchasing new vehicles, equipment, and furnishings.
- 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):

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013-14</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2012-13</u>
Infrastructure	\$ 244,317	\$ 236,593	\$ -	\$ -	\$ 244,317	\$ 236,593
Land and easements	14,551	14,551	4,663	4,663	19,214	19,214
Structure and improvements	277,748	283,214	71,600	75,403	349,348	358,617
Equipment	31,700	29,275	26,467	23,969	58,167	53,244
Construction in progress	5,730	5,646	1,949	735	7,679	6,381
Capital leases	8,580	7,248	1,065	1,721	9,645	8,969
Total	<u>\$ 582,626</u>	<u>\$ 576,527</u>	<u>\$ 105,744</u>	<u>\$ 106,491</u>	<u>\$ 688,370</u>	<u>\$ 683,018</u>

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, 2014**

Long-term debt

At June 30, 2014, the County had total long-term outstanding debt of \$334.2 million, excluding the amount due within one year (\$45.5 million). This amount was comprised of \$165.8 million of certificates of participation, \$12.7 million in landfill closure/postclosure, \$5.7 million in capital lease obligations, \$1.8 million in notes payable, \$5.3 million in earned compensated absences, \$75.5 million for estimated self-insurance claims liability, and \$67.3 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. Local economy continues to improve. The assessed value of the 2014 property tax roll has increased by 9.2% from prior year, countywide. While the overall 2014 assessed value is still \$4.2 billion lower than the peak value experienced in 2007, it reflects a remarkable recovery and improvement in the local real estate market, especially in the residential/housing areas, during the past two years. The significant growth is primarily attributable to market adjustments of those properties that were de-valuated during the declining market. Under Proposition 8, passed in 1978, properties are temporarily assessed lower when their market value falls below the Proposition 13 Factored Base Year Value (FBYV) – the original market value at time of purchase plus up to a 2% annual increase based on an inflation factor provided by the Board of Equalization. As the real estate market rebounds, these properties are reassessed and rolled back to the Proposition 13 FBYV. Currently, approximately 52,000 parcels remain under Proposition 8 and are valued below the Proposition 13 FBYV totaling \$3.8 billion. If recovery continues, values of these properties will likely be fully adjusted back to their Proposition 13 FBYV by fiscal year 2016-17.

The overall 2014-15 County budget increases by \$25.7 million, or 1.9%, from fiscal year 2013-14. The increase is primarily attributable to: 1) negotiated salary and benefits adjustments; 2) continued implementation of Mental Health Services Act (Proposition 63) programs which are aimed at expanding community access for mental health services; these programs are funded by the "millionaire tax" (a 1% State income tax on personal income in excess of \$1 million), 3) caseload growth in Health and Human Services programs due to the implementation of the Medi-Cal Expansion program and Affordable Care Act (ACA) effective January 2014; costs of these programs are largely supported by federal/State funds and service charges. Partially offsetting the increases is the accounting change for the community infrastructure program where unspent budget appropriations are encumbered rather than re-budgeted to more accurately reflect annual revenues.

- 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, 2014**

- In June of 2014, the Governor signed the fiscal year 2014-15 State budget which includes a General Fund budget totaling over \$107 billion. Key elements included in the State budget are: 1) paying down debt and reducing long-term liabilities; 2) establishing a more robust Rainy Day Fund; 3) continuing Medi-Cal Expansion and ACA programs; 4) activities related to the current drought emergency in California; and 5) funding Public Safety Realignment (also known as AB 109) and court-ordered prison population cap. Two initiatives passed by voters in November 2014: Proposition 1 authorizes the State to issue \$7.1 billion in general obligation bonds to fund various water-related projects and programs to 1) increase water supplies, 2) protect and restore watersheds, 3) improve water quality, and 4) increase flood protection. Proposition 2 amends the State Constitution to change state debt and reserve practices, including the establishment of a Budget Stabilization Account and reserves for schools and community colleges.

All of these factors were considered in preparing the County's budget for fiscal 2014-15, approximately \$1.352 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, 2014**

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and investments:				
Pooled	\$ 602,450,587	\$ 119,343,235	\$ 721,793,822	\$ 78,373,016
Other banks	-	691,006	691,006	300,000
Imprest cash	320,840	10,530	331,370	-
Accounts receivable, net	14,218,189	42,752,220	56,970,409	-
Taxes receivable	61,971,451	-	61,971,451	-
Interest receivable	406,883	8,772	415,655	41,154
Internal balances	2,419,536	(2,419,536)	-	-
Receivable external party	-	-	-	151,827
Due from other agencies	61,135,686	25,922	61,161,608	67,796,464
Loans receivable	20,000	-	20,000	-
Prepaid expenses	326,887	976,409	1,303,296	-
Inventory	1,333,439	3,115,285	4,448,724	-
Other assets	25,500	-	25,500	6,025,369
SCA lease receivable	1,916,945	-	1,916,945	-
Restricted assets:				
Cash and investments	10,244,904	19,429,450	29,674,354	-
Interest receivable	16,191	-	16,191	-
Capital assets:				
Non-depreciable	20,280,879	6,612,248	26,893,127	926,914
Depreciable, net	986,636,037	291,458,594	1,278,094,631	35,078,221
Accumulated depreciation	(424,291,410)	(192,327,112)	(616,618,522)	(13,442,755)
Total Assets	<u>\$ 1,339,432,544</u>	<u>\$ 289,677,023</u>	<u>\$ 1,629,109,567</u>	<u>\$ 175,250,210</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred gain on refunding	\$ -	\$ 3,813,912	\$ 3,813,912	\$ -
Total Deferred Outflows of Resources	<u>\$ -</u>	<u>\$ 3,813,912</u>	<u>\$ 3,813,912</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ 30,990,153	\$ 40,277,061	\$ 71,267,214	\$ 5,667,051
Accrued expenses	18,621,918	5,850,632	24,472,550	-
Unearned revenue	13,779,344	5,237,220	19,016,564	-
Other liabilities	592,079	512,898	1,104,977	30,607,186
Payable from restricted assets: accrued interest	1,002,729	471,646	1,474,375	-
Long-term liabilities:				
Due within one year	31,470,326	14,039,230	45,509,556	-
Due beyond one year	133,650,941	57,770,786	191,421,727	-
Claims liability: due beyond one year	51,680,852	23,791,121	75,471,973	96,229,762
Other post employment benefits: due beyond one year	53,586,046	13,698,953	67,284,999	-
	-	-	-	-
Total Liabilities	<u>335,374,388</u>	<u>161,649,547</u>	<u>497,023,935</u>	<u>132,503,999</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred service concession arrangement receipts	1,916,945	-	1,916,945	-
Total Deferred Inflows of Resources	<u>1,916,945</u>	<u>-</u>	<u>1,916,945</u>	<u>-</u>
NET POSITION				
Net Investment in capital assets	462,765,546	48,767,460	511,533,006	22,501,488
Restricted for:				
Capital projects	183,640,678	-	183,640,678	-
Debt service	10,261,095	586,312	10,847,407	-
Children and families act program	5,110,994	-	5,110,994	-
Substance abuse and crime prevention	(21,905)	-	(21,905)	-
Public works and community infrastructure	71,028,248	-	71,028,248	-
Local law enforcement programs	60,620	-	60,620	-
Mental health and substance abuse programs	59,733,662	-	59,733,662	-
Other programs	46,651,100	2,097,919	48,749,019	-
Unrestricted	162,911,173	80,389,697	243,300,870	20,244,723
Total Net Position	<u>1,002,141,211</u>	<u>131,841,388</u>	<u>1,133,982,599</u>	<u>42,746,211</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 1,339,432,544</u>	<u>\$ 293,490,935</u>	<u>\$ 1,632,923,479</u>	<u>\$ 175,250,210</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, 2014**

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:					
Governmental Activities:					
General government	\$ 50,327,715	\$ (10,182,142)	\$ 16,110,539	\$ 383,805	\$ 1,266,357
Public protection	282,857,129	5,583,957	42,130,757	120,393,781	-
Public ways and facilities	44,268,655	835,562	12,920,671	21,235,473	1,732,542
Community infrastructure program	1,585,481	-	2,437,929	-	-
Health and sanitation	138,690,554	1,156,691	46,529,972	88,192,766	-
Children and families act program	8,854,057	-	2,958	8,654,752	-
Public assistance	344,547,064	1,459,677	1,574,045	333,207,730	-
Education	5,611,979	184,694	149,422	-	-
Recreation and culture	6,391,820	961,561	2,357,105	-	-
Interest on long-term debt	8,103,411	-	-	-	-
Total Governmental Activities	891,237,865	-	124,213,398	572,068,307	2,998,899
Business-Type Activities:					
Hospital	231,019,266	-	251,158,643	-	-
Airport	4,225,330	-	1,782,589	12,521	8,603
Solid Waste	19,959,897	-	20,028,217	244,691	-
Total Business-Type Activities:	255,204,493	-	272,969,449	257,212	8,603
Total Primary Government	\$ 1,146,442,358	\$ -	\$ 397,182,847	\$ 572,325,519	\$ 3,007,502
Component Units:					
Head Start Child Development Council, Inc.	\$ 30,634,217	\$ -	\$ 2,677,030	\$ 27,602,452	\$ -
Health Plan of San Joaquin	463,308,208	-	2,659,344	446,433,608	-
San Joaquin Economic Development Association	1,137,514	-	1,561,415	165,557	-
Local Agency Formation Commission	511,819	-	-	519,083	-
Total Component Units	\$ 495,591,758	\$ -	\$ 6,897,789	\$ 474,720,700	\$ -
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			
\$ (22,384,872)	\$ -	\$ (22,384,872)	\$ -	Primary Government: 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	
(125,916,548)	-	(125,916,548)	-		
(9,215,531)	-	(9,215,531)	-		
852,448	-	852,448	-		
(5,124,507)	-	(5,124,507)	-		
(196,347)	-	(196,347)	-		
(11,224,966)	-	(11,224,966)	-		
(5,647,251)	-	(5,647,251)	-		
(4,996,276)	-	(4,996,276)	-		
(8,103,411)	-	(8,103,411)	-		
<u>(191,957,261)</u>	<u>-</u>	<u>(191,957,261)</u>	<u>-</u>		Total Governmental Activities
-	20,139,377	20,139,377	-		Business-Type Activities: Hospital Airport Solid Waste
-	(2,421,617)	(2,421,617)	-		
-	313,011	313,011	-		
<u>-</u>	<u>18,030,771</u>	<u>18,030,771</u>	<u>-</u>	Total Business-Type Activities:	
<u>(191,957,261)</u>	<u>18,030,771</u>	<u>(173,926,490)</u>	<u>-</u>	Total Primary Government	
-	-	-	(354,735)	Component Units: Head Start Child Development Council, Inc. Health Plan of San Joaquin San Joaquin Economic Development Association Local Agency Formation Commission	
-	-	-	(14,215,256)		
-	-	-	589,458		
-	-	-	7,264		
<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,973,269)</u>	Total Component Units	
190,657,357	452,344	191,109,701	-	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	
2,641,682	-	2,641,682	-		
30,750,927	-	30,750,927	-		
337,828	-	337,828	-		
2,682,650	-	2,682,650	-		
3,009,443	-	3,009,443	-		
3,446,408	238,142	3,684,550	197,081		
6,051,379	-	6,051,379	-		
1,136,688	-	1,136,688	-		
(15,422,000)	15,422,000	-	-		
<u>225,292,362</u>	<u>16,112,486</u>	<u>241,404,848</u>	<u>197,081</u>		Total General Revenues and Transfers
33,335,101	34,143,257	67,478,358	(13,776,188)		Change in Net Position
968,926,510	95,743,761	1,064,670,271	56,522,399		Net Position - Beginning
(120,400)	1,954,370	1,833,970	-	Adjustments to Beginning Net Position	
<u>\$ 1,002,141,211</u>	<u>\$ 131,841,388</u>	<u>\$ 1,133,982,599</u>	<u>\$ 42,746,211</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, 2014**

	General Fund	Mental Health and Substance Abuse Fund	First Five Program Fund
ASSETS			
Cash and investments:			
Pooled	\$ 182,809,157	\$ 58,823,069	\$ 6,594,680
Imprest cash	247,700	39,450	-
Accounts receivable	5,841,162	6,584,330	2,200
Taxes receivable	59,374,537	-	-
Interest receivable	135,960	37,206	4,154
Due from other agencies	43,212,034	10,606,109	1,337,230
Due from other funds	1,610,934	50,008	6
Advances to other funds	7,438,988	-	-
Loans receivable	20,000	-	-
Inventory	-	159,102	-
Other assets	25,500	-	-
Restricted assets:			
Restricted cash and investments	-	-	-
Other	-	-	-
Total Assets	<u>\$ 300,715,972</u>	<u>\$ 76,299,274</u>	<u>\$ 7,938,270</u>
LIABILITIES			
Accounts payable	\$ 8,690,680	\$ 6,036,809	\$ 1,721,582
Due to other funds	1,031,114	109,917	53,705
Accrued salaries	14,065,745	2,251,553	39,252
Unearned revenues	104,564,623	1,777,435	861,059
Advances from other funds	-	-	-
Accrued interest	5,339	-	-
Other liabilities	592,079	-	-
Total Liabilities	<u>128,949,580</u>	<u>10,175,714</u>	<u>2,675,598</u>
FUND BALANCES			
Nonspendable	7,484,489	159,102	-
Restricted	43,080,110	65,964,458	5,262,672
Committed	10,003,085	-	-
Assigned	25,806,721	-	-
Unassigned	85,391,987	-	-
Total Fund Balances	<u>171,766,392</u>	<u>66,123,560</u>	<u>5,262,672</u>
Total Liabilities and Fund Balances	<u>\$ 300,715,972</u>	<u>\$ 76,299,274</u>	<u>\$ 7,938,270</u>

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>	
\$ 46,461,973	\$ 156,923,560	\$ 451,612,439	ASSETS
-	33,650	320,800	Cash and investments:
27,043	1,371,060	13,825,795	Pooled
-	2,596,913	61,971,450	Imprest cash
36,163	91,785	305,268	Accounts receivable
-	4,178,860	59,334,233	Taxes receivable
649,415	91,236	2,401,599	Interest receivable
186,207	768,300	8,393,495	Due from other agencies
-	-	20,000	Due from other funds
-	555,545	714,647	Advances to other funds
-	-	25,500	Loans receivable
-	-	-	Inventory
-	-	-	Other assets
-	10,244,905	10,244,905	Restricted assets:
-	16,190	16,190	Restricted cash and investments
			Other
<u>\$ 47,360,801</u>	<u>\$ 176,872,004</u>	<u>\$ 609,186,321</u>	Total Assets
\$ 66,302	\$ 5,764,447	\$ 22,279,820	LIABILITIES
48,079	935,567	2,178,382	Accounts payable
-	2,107,819	18,464,369	Due to other funds
-	1,224,880	108,427,997	Accrued salaries
-	6,493,180	6,493,180	Unearned revenues
-	-	5,339	Advances from other funds
-	-	592,079	Accrued interest
			Other liabilities
<u>114,381</u>	<u>16,525,893</u>	<u>158,441,166</u>	Total Liabilities
186,207	1,323,845	9,153,643	FUND BALANCES
-	144,954,236	259,261,476	Nonspendable
-	-	10,003,085	Restricted
47,060,213	18,278,157	91,145,091	Committed
-	(4,210,127)	81,181,860	Assigned
<u>47,246,420</u>	<u>160,346,111</u>	<u>450,745,155</u>	Unassigned
			Total Fund Balances
<u>\$ 47,360,801</u>	<u>\$ 176,872,004</u>	<u>\$ 609,186,321</u>	Total Liabilities 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, 2014**

Fund Balance - Total Governmental Funds	\$ 450,745,155
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.	563,145,520
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.	103,430,739
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	94,648,652
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	(124,657,479)
Capital leases	(245,220)
Notes payable	(367,772)
Other post employment benefits liability	(53,038,105)
Compensated absences	(30,602,073)
Unamortized issuance costs	-
Accrued interest payable	(918,206)
Net Position of Governmental Activities	<u><u>\$ 1,002,141,211</u></u>

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, 2014**

	General Fund	Mental Health and Substance Abuse Fund	First Five Program Fund
Revenues:			
Taxes	\$ 203,964,691	\$ -	\$ -
Licenses and permits	6,955,411	-	-
Fines, forfeitures, and penalties	12,204,510	359,626	-
Use of money and property	2,064,398	165,310	18,758
Aid from other governmental agencies	409,461,755	59,669,260	8,909,943
Charges for services	36,034,719	37,803,794	-
Other revenues	9,244,475	1,188,783	2,958
	<u>679,929,959</u>	<u>99,186,773</u>	<u>8,931,659</u>
Total Revenues			
Expenditures:			
Current			
General government	45,777,990	-	-
Public protection	237,108,306	-	-
Public ways and facilities	-	-	-
Health and sanitation	42,603,668	94,597,405	9,164,409
Public assistance	307,717,857	-	-
Education	268,613	-	-
Recreation and culture	5,190,709	-	-
Capital outlay	3,287,249	937,882	-
Debt service			
Principal retirement	294,559	-	-
Interest and debt issuance costs	1,919	-	-
	<u>642,250,870</u>	<u>95,535,287</u>	<u>9,164,409</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>37,679,089</u>	<u>3,651,486</u>	<u>(232,750)</u>
Other Financing Sources (Uses)			
Transfers in	14,590,868	2,975,912	-
Transfers out	(39,930,030)	(820,813)	(120,473)
	<u>(25,339,162)</u>	<u>2,155,099</u>	<u>(120,473)</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	12,339,927	5,806,585	(353,223)
Fund Balances - Beginning	159,426,465	60,316,975	5,736,131
Prior Period Adjustment	-	-	(120,236)
	<u>159,426,465</u>	<u>60,316,975</u>	<u>5,615,895</u>
Fund Balances - Beginning, Restated			
Fund Balances - Ending	<u>\$ 171,766,392</u>	<u>\$ 66,123,560</u>	<u>\$ 5,262,672</u>

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

County Capital Outlay Fund	Other Governmental Funds	Total	
\$ -	\$ 21,125,047	\$ 225,089,738	Revenues:
-	207,891	7,163,302	Taxes
-	1,006,162	13,570,298	Licenses and permits
460,883	455,609	3,164,958	Fines, forfeitures, and penalties
1,266,357	107,253,769	586,561,084	Use of money and property
-	23,239,463	97,077,976	Aid from other governmental agencies
62,902	563,783	11,062,901	Charges for services
			Other revenues
<u>1,790,142</u>	<u>153,851,724</u>	<u>943,690,257</u>	Total Revenues
			Expenditures:
			Current
136,461	478	45,914,929	General government
108,310	37,851,686	275,068,302	Public protection
48,681	30,825,286	30,873,967	Public ways and facilities
921	510,311	146,876,714	Health and sanitation
31,532	34,556,800	342,306,189	Public assistance
-	5,296,055	5,564,668	Education
120,049	155,516	5,466,274	Recreation and culture
5,637,343	21,751,133	31,613,607	Capital outlay
			Debt service
-	3,046,859	3,341,418	Principal retirement
-	6,295,715	6,297,634	Interest and debt issuance costs
<u>6,083,297</u>	<u>140,289,839</u>	<u>893,323,702</u>	Total Expenditures
<u>(4,293,155)</u>	<u>13,561,885</u>	<u>50,366,555</u>	Excess (Deficiency) of Revenues Over (Under) Expenditures
			Other Financing Sources (Uses)
12,326,124	10,267,240	40,160,144	Transfers in
(400,865)	(14,366,964)	(55,639,145)	Transfers out
<u>11,925,259</u>	<u>(4,099,724)</u>	<u>(15,479,001)</u>	Total Other Financing Sources (Uses)
7,632,104	9,462,161	34,887,554	Net Change in Fund Balances
39,614,316	150,883,950	415,977,837	Fund Balances - Beginning
-	-	(120,236)	Prior Period Adjustment
<u>39,614,316</u>	<u>150,883,950</u>	<u>415,857,601</u>	Fund Balances - Beginning, Restated
<u>\$ 47,246,420</u>	<u>\$ 160,346,111</u>	<u>\$ 450,745,155</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, 2014**

Net Change in Fund Balances - Total Governmental Funds \$ 34,887,554

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	\$ 31,613,607	
Less current year depreciation	<u>(27,983,618)</u>	3,629,989

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	(4,353,802)	
Increase in accrued grant revenues	<u>1,612,464</u>	(2,741,338)

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	2,876,700	
Notes payable	11,135	
Capital leases	170,159	
Less amortization of discount on certificates of participation	<u>(1,284,565)</u>	1,773,429

Long-term debt proceeds are a financial resource in the governmental funds, but they have no impact on the statement of activities since they increase 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	21,867	
Change in other post employment benefits liability	<u>(3,372,198)</u>	(3,350,331)

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.		(228,091)
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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>(636,111)</u>
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Change in Net Position of Governmental Activities \$ 33,335,101

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

**COUNTY OF SAN JOAQUIN
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014**

	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	\$ 110,622,199	\$ 528,964	\$ 8,883,078	\$ 120,034,241	\$ 150,838,150
Imprest cash	2,580	250	7,700	10,530	40
Prepaid expenses	976,409	-	-	976,409	326,888
Accounts receivable, net	41,181,923	47,190	1,523,386	42,752,499	392,178
Interest receivable	-	384	8,388	8,772	101,615
Due from other funds	16,019	-	-	16,019	1,254,317
Due from other agencies	-	15,683	10,239	25,922	1,801,452
Inventories	3,082,925	-	32,360	3,115,285	618,791
Total Current Assets	<u>155,882,055</u>	<u>592,471</u>	<u>10,465,151</u>	<u>166,939,677</u>	<u>155,333,431</u>
Noncurrent Assets:					
Restricted assets:					
Cash and investments	12,101,867	-	7,327,583	19,429,450	-
Total Restricted Assets	<u>12,101,867</u>	<u>-</u>	<u>7,327,583</u>	<u>19,429,450</u>	<u>-</u>
Capital Assets:					
Non-depreciable	1,701,306	1,352,204	3,558,738	6,612,248	17,481
Depreciable, net	73,365,661	14,194,146	11,571,675	99,131,482	19,462,503
Total Capital Assets	<u>75,066,967</u>	<u>15,546,350</u>	<u>15,130,413</u>	<u>105,743,730</u>	<u>19,479,984</u>
Total Noncurrent Assets	<u>87,168,834</u>	<u>15,546,350</u>	<u>22,457,996</u>	<u>125,173,180</u>	<u>19,479,984</u>
Deferred outflows of resources:					
Deferred gain on refunding	3,813,912	-	-	3,813,912	-
Total Assets and Deferred Outflows of Resources	<u>\$ 246,864,801</u>	<u>\$ 16,138,821</u>	<u>\$ 32,923,147</u>	<u>\$ 295,926,769</u>	<u>\$ 174,813,415</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, 2014

	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	\$ 25,616,053	\$ 106,559	\$ 1,155,614	\$ 26,878,226	\$ 8,675,520
Cash included in accounts payable	13,398,835	-	-	13,398,835	-
Accrued payroll	5,562,876	38,310	249,446	5,850,632	154,810
Due to other funds	247,066	386,494	88,166	721,726	771,827
Other current liabilities	-	58,981	453,917	512,898	-
Payable from restricted assets:					
Interest payable	298,541	-	173,105	471,646	84,524
Current portion:					
Certificates of participation (COP)	6,100,000	-	1,480,000	7,580,000	-
Notes payable	-	8,685	-	8,685	67,360
Capital leases	-	-	356,311	356,311	2,152,787
Compensated absences	5,544,481	71,252	478,501	6,094,234	233,925
Total Current Liabilities	56,767,852	670,281	4,435,060	61,873,193	12,140,753
Long-Term Liabilities:					
Unearned revenue	4,357,710	879,510	-	5,237,220	-
Advances from other funds	-	1,714,108	-	1,714,108	186,207
Certificates of participation, net	31,690,000	-	12,451,834	44,141,834	-
Notes payable	-	36,351	-	36,351	1,438,570
Capital leases	-	-	223,045	223,045	5,386,853
Compensated absences	577,844	(569)	83,942	661,217	1,500
Claims liability	23,791,121	-	-	23,791,121	51,680,852
Liability for closure/ postclosure costs	-	-	12,708,339	12,708,339	-
Other post employment benefits liability	12,629,322	114,956	954,675	13,698,953	547,941
Total Long-Term Liabilities	73,045,997	2,744,356	26,421,835	102,212,188	59,241,923
Total Liabilities	129,813,849	3,414,637	30,856,895	164,085,381	71,382,676
Net Position:					
Net investment in capital assets	32,276,967	13,452,242	3,038,251	48,767,460	11,940,344
Restricted for:					
Debt service	-	-	586,312	586,312	-
Landfill site closure and postclosure	-	-	(7,559,331)	(7,559,331)	-
Other	2,097,919	-	-	2,097,919	13,855,931
Unrestricted, net	82,676,066	(728,058)	6,001,020	87,949,028	77,634,464
Total Net Position	117,050,952	12,724,184	2,066,252	131,841,388	103,430,739
Total Liabilities and Net Position	\$ 246,864,801	\$ 16,138,821	\$ 32,923,147	\$ 295,926,769	\$ 174,813,415

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, 2014**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	General Hospital	Stockton Metropolitan Airport	Solid Waste	Total	Internal Service Funds
Operating Revenues:					
Charges for services	\$ 235,673,731	\$ 197,638	\$ 8,641,536	\$ 244,512,905	\$ 87,235,443
Concessions and rentals	-	1,543,689	10,598,573	12,142,262	-
Miscellaneous	13,385,393	41,262	770,994	14,197,649	239,037
Property tax	-	452,344	-	452,344	-
Aid from other agencies	-	12,521	-	12,521	-
Total Operating Revenues	249,059,124	2,247,454	20,011,103	271,317,681	87,474,480
Operating Expenses:					
Salaries and benefits	126,515,135	917,377	6,661,792	134,094,304	4,353,579
Services and supplies	95,271,103	1,432,338	8,500,572	105,204,013	23,504,565
Liability claims and loss adjustments	-	-	-	-	51,206,644
Insurance	-	183,346	427,125	610,471	4,561,476
Landfill closure and postclosure expense	-	-	1,173,153	1,173,153	-
Depreciation and amortization	8,228,006	1,553,283	2,160,498	11,941,787	4,761,441
Miscellaneous	-	1,199	19,645	20,844	185,419
Total Operating Expenses	230,014,244	4,087,543	18,942,785	253,044,572	88,573,124
Operating Income (Loss)	19,044,880	(1,840,089)	1,068,318	18,273,109	(1,098,644)
Non-Operating Revenues (Expenses):					
Gain (loss) on sale of asset	-	-	17,114	17,114	102,100
Interest income	199,437	1,900	36,805	238,142	439,719
Aid from other governmental agencies	-	8,603	244,691	253,294	-
Other	2,099,519	-	-	2,099,519	21,664
Interest expense	(1,005,022)	(137,787)	(1,017,112)	(2,159,921)	(257,948)
Total Non-Operating Revenues (Expenses)	1,293,934	(127,284)	(718,502)	448,148	305,535
Net Income (Loss) Before Transfers	20,338,814	(1,967,373)	349,816	18,721,257	(793,109)
Transfers:					
Transfers in	14,800,175	621,825	-	15,422,000	57,000
Capital Contributions	-	-	-	-	100,000
Total Transfers and Capital Contributions	14,800,175	621,825	-	15,422,000	157,000
Change in Net Position	35,138,989	(1,345,548)	349,816	34,143,257	(636,109)
Net Position - Beginning of Year	79,957,593	14,069,732	1,716,436	95,743,761	104,066,848
Prior Period Adjustment	1,954,370	-	-	1,954,370	-
Net Position - End of Year	\$ 117,050,952	\$ 12,724,184	\$ 2,066,252	\$ 131,841,388	\$ 103,430,739

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, 2014**

	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	\$ 272,335,279	\$ 2,223,991	\$ 19,574,132	\$ 294,133,402	\$ 88,809,505
Cash payments to suppliers for goods and services	(40,220,064)	(1,474,537)	(8,868,128)	(50,562,729)	(74,849,083)
Cash payments to other departments for goods and services	7,541,476	(96,652)	(55,750)	7,389,074	(5,286,834)
Cash payments to employees for services	(160,377,164)	(907,249)	(6,689,624)	(167,974,037)	(4,398,086)
Net Cash Provided (Used) by Operating Activities	<u>79,279,527</u>	<u>(254,447)</u>	<u>3,960,630</u>	<u>82,985,710</u>	<u>4,275,502</u>
Cash Flows from Noncapital Financing Activities:					
Transfers in (out)	14,800,175	621,825	-	15,422,000	-
State and Federal grant receipts (aid from other governments)	-	-	244,692	244,692	100,000
Prior period adjustment	-	3,751	2,948	6,699	-
Loan repayment or borrowing	-	(219,459)	-	(219,459)	-
Other non-operating receipts (payments)	2,099,519	(42,403)	-	2,057,116	53,994
Net Cash Provided (Used) by Noncapital Financing Activities	<u>16,899,694</u>	<u>363,714</u>	<u>247,640</u>	<u>17,511,048</u>	<u>153,994</u>
Cash Flows from Capital and Related Financing Activities:					
Capital contribution grants	-	8,603	-	8,603	-
Acquisition and construction of capital assets	(7,666,132)	(243,439)	(2,460,589)	(10,370,160)	(3,916,267)
Insurance recovery	-	-	-	-	21,664
Proceeds from sale of property and equipment	(92,990)	-	17,114	(75,876)	195,563
Issuance cost refund	-	-	-	-	-
Other post employment benefits obligation	-	7,065	-	7,065	-
Principal payment on debts	(5,979,737)	(7,707)	(1,743,407)	(7,730,851)	(2,113,433)
Interest payments on debts	(1,005,022)	(137,787)	(782,198)	(1,925,007)	(259,952)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(14,743,881)</u>	<u>(373,265)</u>	<u>(4,969,080)</u>	<u>(20,086,226)</u>	<u>(6,072,425)</u>
Cash Flows from Investing Activities:					
Interest on investment and note receivable	164,220	2,171	36,043	202,434	433,084
Net Cash Provided by Investing Activities	<u>164,220</u>	<u>2,171</u>	<u>36,043</u>	<u>202,434</u>	<u>433,084</u>
Increase (Decrease) in Cash and Investments	81,599,560	(261,827)	(724,767)	80,612,966	(1,209,845)
Cash and Investments, Beginning of Year	<u>27,728,251</u>	<u>791,041</u>	<u>16,943,128</u>	<u>45,462,420</u>	<u>152,048,035</u>
Cash and Investments, End of Year	<u>\$ 109,327,811</u>	<u>\$ 529,214</u>	<u>\$ 16,218,361</u>	<u>\$ 126,075,386</u>	<u>\$ 150,838,190</u>

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, 2014**

	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)	\$ 19,044,880	\$ (1,840,089)	\$ 1,068,318	\$ 18,273,109	\$ (1,098,644)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	8,228,006	1,553,283	2,160,498	11,941,787	4,761,441
Other postemployment benefits	737,553	-	-	737,553	-
Provision for bad debts	52,916,584	-	-	52,916,584	-
(Increase) decrease in receivables	(31,486,381)	(23,463)	(323,556)	(31,833,400)	(29,967)
(Increase) decrease in prepaid expenses	103,950	-	13,103	117,053	(8,360)
(Increase) decrease in inventories	169,655	-	(13,489)	156,166	(7,906)
Increase (decrease) in payables	5,035,614	55,822	(117,397)	4,974,039	1,365,588
Increase (decrease) in closure/postclosure liability	-	-	1,173,153	1,173,153	(706,650)
Increase (decrease) in unearned revenues	24,529,666	-	-	24,529,666	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 79,279,527</u>	<u>\$ (254,447)</u>	<u>\$ 3,960,630</u>	<u>\$ 82,985,710</u>	<u>\$ 4,275,502</u>

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

**COUNTY OF SAN JOAQUIN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014**

	June 30, 2014				December 31, 2013
	Investment Trust Fund	Agency Funds	Private Purpose Trust Funds	Total	Pension Trust Fund
Assets					
Cash and investments - pooled	\$ 870,541,907	\$ 38,756,286	\$ 6,402,124	\$ 915,700,317	\$ 728,496
Cash and investments held by others	4,393,908	3,166,494	-	7,560,402	-
Pension trust investments	-	-	-	-	2,425,880,450
Investments sold, funds not received	-	-	-	-	18,316,197
Investment income receivables	647,541	-	6,466	654,007	2,798,941
Loan program investment	-	-	3,073,591	3,073,591	-
Loans receivable	5,445,866	12,000,000	37,747,717	55,193,583	-
Other receivables	-	34,089,801	-	34,089,801	15,822
Pension fund contribution receivable	-	-	-	-	7,537,892
Due from other agencies	-	-	22,141	22,141	-
Other assets	872,752	3,338	-	876,090	81,357
Capital assets, net of depreciation	-	-	-	-	427,463
Contribution to investment pool receivable	7,043,826	-	-	7,043,826	-
Imprest cash	5,300	-	-	5,300	25
Post employment healthcare fund investments	-	-	-	-	20,570,358
Total Assets	\$ 888,951,100	\$ 88,015,919	\$ 47,252,039	\$ 1,024,219,058	\$ 2,476,357,001
Liabilities					
Accounts payable	\$ 13,897,969	\$ 32,665,973	\$ 390	\$ 46,564,332	\$ -
Accrued liabilities	130,721	-	-	130,721	21,331,253
Securities lending - cash collateral	-	-	-	-	108,034,614
Securities purchased but not paid	-	-	-	-	5,478,771
Unearned revenue	644,546	-	-	644,546	-
Loan payable	24,656,246	20,000	-	24,676,246	-
Due to other agencies	-	55,329,946	-	55,329,946	-
Total Liabilities	39,329,482	88,015,919	390	127,345,791	134,844,638
Net Position					
Held in trust for:					
Employee pension benefits	-	-	-	-	2,321,731,717
Employee post employment health benefits	-	-	-	-	19,780,646
Revolving loans	-	-	46,758,103	46,758,103	-
External investment pool participants	849,621,618	-	-	849,621,618	-
Other purposes	-	-	455,972	455,972	-
Unrealized pool investments market appreciation	-	-	37,574	37,574	-
Total Net Position	849,621,618	-	47,251,649	896,873,267	2,341,512,363
Total Liabilities and Net Position	\$ 888,951,100	\$ 88,015,919	\$ 47,252,039	\$ 1,024,219,058	\$ 2,476,357,001

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, 2014**

	June 30, 2014			December 31, 2013
	Investment Trust Fund	Private Purpose Trust Funds	Total	Pension Trust Fund
Additions				
Employer's contributions	\$ -	\$ -	\$ -	\$ 119,494,319
Employees' contributions	-	-	-	22,689,882
Contributions from investment pool participants	3,636,081,385	-	3,636,081,385	-
Capital contributions from other governments	-	532,395	532,395	-
Interest and investment income	2,688,993	434,831	3,123,824	198,172,396
Miscellaneous income	-	21,079	21,079	276,842
Total Additions	3,638,770,378	988,305	3,639,758,683	340,633,439
Deductions				
Benefit payments	-	100,537	100,537	154,232,885
Contribution refund	-	-	-	1,168,934
Withdrawals from pooled investments	3,626,324,132	-	3,626,324,132	-
Program expenditures	-	(388,319)	(388,319)	-
Allowance for loan adjustments	-	284,023	284,023	-
Administration and program expenses	-	519,754	519,754	4,134,716
Total Deductions	3,626,324,132	515,995	3,626,840,127	159,536,535
Change in Net Position	12,446,246	472,310	12,918,556	181,096,904
Net Position - Beginning	837,291,423	46,779,339	884,070,762	2,160,415,459
Prior Period Adjustment	(116,051)	-	(116,051)	-
Net Position - Ending	\$ 849,621,618	\$ 47,251,649	\$ 896,873,267	\$ 2,341,512,363

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, 2014**

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 \$583,630 as of June 30, 2014, 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 2013-14. 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, 2013. 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 San Joaquin 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) San Joaquin 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 Water and 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. Separate financial statements of these JPAs are available at the County Auditor-Controller's Office.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (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, 2014, the County implemented the following standards:

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. 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.

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. 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. 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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Financial Presentation (Continued)

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.

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, Medi-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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Financial Presentation (Continued)

Fund Financial Statements (Continued)

- 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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 unearned 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 2013-14 net assessed valuation of the County real property was \$55.4 billion.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Property Taxes (Continued)

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 \$39.6 million as of June 30, 2014.

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 1.0%) of the annual taxes levied on properties participating in the Teeter Plan in a Tax Loss Reserve Fund. The balance was approximately \$18.4 million at June 30, 2014. 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, 2014, are recorded as taxes receivable (approximate \$80.4 million) and are offset by an unearned revenue liability of \$74.2 million on the fund statements. The changes in unearned 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 \$62.0 million, net of the estimated uncollectible amount of \$18.4 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 expensed in the period incurred. Bonds payable are reported net of the applicable bond discount or premium.

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 2013-14 were \$5.3 million.

At December 31, 2013, the total number of the eligible members for the sick leave bank benefit was comprised of 1,927 active members and 936 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 2013-14 was \$921.2 million, and estimated adjustments for contractual allowances and bad debts were \$786.9 million, resulting in net patient revenue of \$134.4 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 under a schedule of maximum allowance methodology 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, 2015. 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 2014, the Hospital received \$20.4 million in DSRIP funds.

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, 2014, 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	\$ 32,123	\$ 4,323	\$ 62,376	\$ 6,590	\$ 105,412
Outstanding warrants	(46,329)	-	-	-	(46,329)
Investments	1,747,271	11,179	2,384,075	-	4,142,525
	<u>\$ 1,733,065</u>	<u>\$ 15,502</u>	<u>\$ 2,446,451</u>	<u>\$ 6,590</u>	<u>\$ 4,201,608</u>

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

	Unrestricted	Restricted	Total
Primary Government	\$ 722,816	\$ 29,674	\$ 752,490
Investment Trust Fund	874,941	-	874,941
Private Purpose Trust Funds	6,402	-	6,402
Agency Fund	41,923	-	41,923
Pension Trust Fund	2,447,179	-	2,447,179
Discretely Presented Component Units	78,673	-	78,673
	<u>\$ 4,171,934</u>	<u>\$ 29,674</u>	<u>\$ 4,201,608</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 \$32.1 million. Of the total deposits, \$30.5 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, 2014, the County had the following pool investments (in \$000's):

	<u>Fair Value</u>	<u>Weighted Average Maturities (in days)</u>	<u>Fair Value as % of the Pool Investments</u>	<u>Credit Rating S&P/MIS</u>
Commercial Paper	\$ 24,997	11	1.4%	A-1+/P-1
Money Market Account - Bank of the West	24,990	-	1.4%	A-1/P-1
Sweep Account - Bank of the West	132,543	-	7.6%	A-1/P-1
Federal Farm Credit Bank	25,990	160	1.5%	A-1+/P-1
Federal Home Loan Bank	685,422	149	39.2%	A-1+/P-1
Federal Home Loan Mortgage Corporation	481,657	551	27.6%	AA+/Aaa
Federal National Mortgage Association	194,715	436	11.0%	AA+/Aaa
Medium-Term Note - General Electric Company	20,129	466	1.2%	A-1+/Aa3
Medium-Term Note - GE Capital Corporation	20,185	529	1.2%	AA+/A1
General Obligation Bonds - California	86,643	161	5.0%	A/Aa3
State Local Agency Investment Fund (LAIF)	<u>50,000</u>	-	<u>2.9%</u>	Not rated
Total	<u>\$ 1,747,271</u>	265	<u>100.0%</u>	

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, 2014, 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, 2014, 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, 2014, 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, 2014 (in \$000's):

<u>Issuer</u>	<u>Amount</u>	<u>Percent of Investments</u>
Federal Home Loan Bank	\$ 685,422	39.20%
Federal Home Loan Mortgage Corporation	481,657	27.60%
Federal National Mortgage Association	194,715	11.00%
State of California (LAIF)	86,643	5.00%

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, 2014, 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 June 30, 2014, was \$64.8 billion. Of that amount, 1.86% was invested in structured notes and asset-backed securities with the remaining 98.14% invested in other non-derivative financial products.

The financial statements are available at the State Treasurer's Office website at 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, 2014. 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**	\$ 850,606	\$ 882,459	\$ 1,733,065
Investment income receivable	524	644	1,168
Pool participants fund deposit receivable	220,846	7,044	227,890
Other assets	52,756	205,143	257,899
	<u>1,124,732</u>	<u>1,095,290</u>	<u>2,220,022</u>
Liabilities	<u>240,149</u>	<u>220,930</u>	<u>461,079</u>
Net Position	<u>\$ 884,583</u>	<u>\$ 874,360</u>	<u>\$ 1,758,943</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	\$ 2,695,911	\$ 3,638,770	\$ 6,334,681
Investment income	2,064	2,450	4,514
Total Additions	<u>2,697,975</u>	<u>3,641,220</u>	<u>6,339,195</u>
Deductions:			
Distributions	<u>2,548,989</u>	<u>3,616,857</u>	<u>6,165,846</u>
Net Change	148,986	24,363	173,349
Net Position - Beginning	736,074	837,291	1,573,365
Prior Period Adjustment	<u>(477)</u>	<u>12,706</u>	<u>12,229</u>
Net Position - Ending	<u>\$ 884,583</u>	<u>\$ 874,360</u>	<u>\$ 1,758,943</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 (\$12.4 million) and to restrict cash for patient gift funds (\$2,097,919). Presented below are those deposits and investments managed by the trustee banks at June 30, 2014 (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	\$ 3,074	\$ 3,501	\$ 6,575	Not applicable	Not applicable
Federal Home Loan Bank	-	493	493	0.9	A-1+/P-1
Federal Home Loan Mortgage Corporation	-	4,818	4,818	1.9	AA+/Aaa
Federal National Mortgage Association	-	3,616	3,616	1.7	AA+/Aaa
Repurchase Agreements	-	-	-	Not applicable	
Federal Farm Credit Banks	-	-	-	0	
	<u>\$ 3,074</u>	<u>\$ 12,428</u>	<u>\$ 15,502</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 2013-14, the targeted allocations of the investment portfolio were: 16.25% in domestic equity investments, 16.25% in international equities, 1.50% in global equities, 24.00% in fixed income investments, 10.00% in real estate investments, 7.00% in inflation protection, 10.00% in risk parity, and 15.00% 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	\$ 462,717
Domestic debt securities	488,448
International equities	496,488
Real estate	261,061
Alternative investments	<u>567,326</u>
Subtotal	<u>2,276,040</u>
Investments Held by Broker-Dealers Under Securities Loans:	
Domestic equities	86,451
Domestic debt securities	20,321
International equities and debt securities	<u>1,263</u>
Total Investments Held by Broker-Dealers Under Securities Loans	108,035
Commingled Funds:	
Short-term investment pool	<u>-</u>
Subtotal	<u>108,035</u>
Total	<u>\$ 2,384,075</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, 2013, the Plan had \$171.1 million, \$63.1 million, and \$108.0 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 \$416,750 and \$390,081, in 2013 and 2012, respectively. The table below details the County’s out-on-loan securities, excluding the commingled funds owned by the SJCERA, as of December 31, 2013 (in \$000’s):

	<u>Fair Value</u>	<u>Cash Collateral Value</u>	<u>Non-Cash Collateral Value</u>
Domestic equities	\$ 85,342	\$ 86,451	\$ 767
Domestic debt securities	21,835	20,321	1,993
International equities	<u>18,114</u>	<u>1,263</u>	<u>17,904</u>
Total	<u>\$ 125,291</u>	<u>\$ 108,035</u>	<u>\$ 20,664</u>

NOTE 2 – CASH AND INVESTMENTS (Continued)

Pension Trust Fund Investments (Continued)

Credit Risk – The Plan’s investments at December 31, 2013, 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	\$ 5,342
AA	8,634
A	31,814
BBB	39,277
BB	17,964
B	13,014
CCC	11,155
CC	1,923
C	-
D	14,185
Not rated	220,330
U.S. government and agencies (implicit guarantee, includes FNMA, FHLB, FHLMC, and others)	<u>124,810</u>
Total investments in fixed domestic income securities	<u>\$ 488,448</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, 2013, 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, 2013, 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)

(in \$000's)	Fair Value	Weighted Average Maturity (Years)
Asset backed securities	\$ 18,373	15.4
Bank loans	25,425	5.7
Commercial mortgage-backed	5,059	22.7
U.S. government bonds	8,952	0.6
U.S. government mortgages	82,625	23.2
U.S. government agencies	1,398	4.0
Index linked government bonds	47,449	12.4
Corporate and other credit	73,653	10.4
Non-government backed CMO's	51,751	22.7
Municipal/revenue bonds	7,111	16.1
Real estate financing	166,652	
Total	<u>\$ 488,448</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, 2013, the Plan's derivative financial instruments had a fair value of \$2.4 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, 2013, is as follows (in \$000's):

<u>Currency Type</u>	<u>Fair Value</u>
Australian Dollar	\$ 1,981
Brazilian Real	2,114
British Pound Sterling	22,469
Canadian Dollar	273
Euro Currency	17,606
Hong Kong Dollar	5,178
Israel Shekel	647
Japanese Yen	6,650
Malaysian Ringgit	296
Norwegian Krone	1,188
Singapore Dollar	3,779
South Africa Rand	415
Swedish Krona	623
Swiss Franc	2,225
Thailand Baht	367
Total	<u>\$ 65,811</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):

Receivables - Governmental Activities	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	\$ 75,791	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,791
Accounts	5,841	6,584	2	27	1,371	392	14,217
Sales tax	2,006	-	-	-	2,597	-	4,603
Interest	136	37	4	36	92	102	407
Loan receivable	20	-	-	-	-	-	20
Due from other governments	43,212	10,606	1,337	-	4,179	1,801	61,135
Gross receivables	127,006	17,227	1,343	63	8,239	2,295	156,173
Less: allowance for uncollectible	(18,423)	-	-	-	-	-	(18,423)
	<u>\$ 108,583</u>	<u>\$ 17,227</u>	<u>\$ 1,343</u>	<u>\$ 63</u>	<u>\$ 8,239</u>	<u>\$ 2,295</u>	<u>\$ 137,750</u>

Receivables - Business-Type Activities	General Hospital	Stockton Metropolitan Airport	Solid Waste	Total Business-Type Activities
Accounts	\$ 41,182	\$ 74	\$ 1,523	\$ 42,779
Interest	-	-	9	9
Due from other agencies	-	16	10	26
Gross receivables	41,182	90	1,542	42,814
Less: allowance for uncollectible	-	(27)	-	(27)
	<u>\$ 41,182</u>	<u>\$ 63</u>	<u>\$ 1,542</u>	<u>\$ 42,787</u>

Governmental funds report unearned 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, 2014, the various components of unearned revenue reported were as follows (in \$000's):

Governmental Activities:	Unavailable	Unearned	Total
General Fund:			
Property taxes receivable – secured	\$ 69,706	\$ -	\$ 69,706
Property taxes receivable – unsecured	4,461	-	4,461
Due from other governmental agencies	17,000	-	17,000
Grants received prior to meeting all eligible requirements	-	12,579	12,579
Others	819	-	819
Mental Health and Substance Abuse Fund:			
Due from other governmental agencies	1,777	-	1,777
First Five Program Fund:			
Due from other governmental agencies	-	861	861
Other Governmental Funds and Internal Service Funds:			
Due from other governmental agencies	243	-	243
Grants received prior to meeting all eligible requirements	-	164	164
Others	274	-	274
Property taxes receivable - unsecured	544	-	544
	<u>\$ 94,824</u>	<u>\$ 13,604</u>	<u>\$ 108,428</u>

NOTE 3 – RECEIVABLES (Continued)

Business-Type Activities:	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Hospital	\$ -	\$ 4,358	\$ 4,358
Airport	-	880	880
Solid Waste	-	-	-
	<u>\$ -</u>	<u>\$ 5,238</u>	<u>\$ 5,238</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, 2014, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	General Hospital Fund	\$ 156,360
	Stockton Metropolitan Airport Fund	382,708
	Solid Waste Fund	76,552
	Internal Service Funds	41,055
	General Fund	179,826
	Mental Health and Substance Abuse Fund	24,637
	First Five Program Fund	53,031
	County Capital Outlay Fund	205
	Other Governmental Funds	<u>696,560</u>
		<u>1,610,934</u>
Mental Health and Substance Abuse Fund	Internal Service Funds	31,277
	General Hospital Fund	<u>18,731</u>
	<u>50,008</u>	
First Five Program Fund	General Fund	<u>6</u>
County Capital Outlay Fund	Internal Service Funds	<u>649,415</u>
Other Governmental Funds	County Capital Outlay Fund	47,874
	General Fund	38,856
	Other Governmental Funds	3,393
	Solid Waste Fund	<u>1,113</u>
	<u>91,236</u>	
	Governmental Funds	<u>2,401,599</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	\$ 71,975
	Stockton Metropolitan Airport Fund	3,786
	Solid Waste Fund	10,501
	Internal Service Funds	48,153
	General Fund	798,334
	Mental Health and Substance Abuse Fund	85,280
	First Five Program Fund	674
	Other Governmental Funds	<u>235,614</u>
		Internal Service Funds
General Hospital Fund	General Fund	14,092
	Internal Service Funds	<u>1,927</u>
		<u>16,019</u>
Total	Enterprise Funds	<u>16,019</u>
		<u>\$ 3,671,935</u>

Advances to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 5,724,880
	Stockton Metropolitan Airport Fund	<u>1,714,108</u>
		7,438,988
County Capital Outlay Fund	Internal Service Funds	<u>186,207</u>
		<u>186,207</u>
Other Governmental Funds	Other Governmental Funds	<u>768,300</u>
		<u>768,300</u>
		<u>\$ 8,393,495</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	\$ 14,800
	Stockton Metropolitan Airport Fund	622
	Mental Health and Substance Abuse Fund	2,915
	County Capital Outlay Fund	11,858
	Internal Service Funds	57
	Other Governmental Funds	<u>9,678</u>
		<u>39,930</u>
Mental Health and Substance Abuse Fund	General Fund	737
	County Capital Outlay Fund	<u>84</u>
		<u>821</u>
First Five Program Fund	General Fund	<u>120</u>
County Capital Outlay Fund	General Fund	<u>401</u>
		<u>401</u>
Other Governmental Funds	General Fund	13,333
	County Capital Outlay Fund	384
	Mental Health and Substance Abuse Fund	61
	Other Governmental Funds	<u>589</u>
		<u>14,367</u>
		<u>\$ 55,639</u>

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014, was as follows (in \$000's):

	Balance June 30, 2013	Additions	Retirement	Transfers and Adjustments	Balance June 30, 2014
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 14,551	\$ -	\$ -	\$ -	\$ 14,551
Construction in progress	5,646	84	-	-	5,730
Total capital assets, not being depreciated	<u>20,197</u>	<u>84</u>	<u>-</u>	<u>-</u>	<u>20,281</u>
Capital assets, being depreciated:					
Structure and improvements	432,914	3,742	-	-	436,656
Furniture and equipment	97,882	9,510	(3,588)	78	103,882
Capitalized leases	14,762	3,740	(95)	(120)	18,287
Other capitalized assets	8,742	-	-	-	8,742
Infrastructure	397,126	21,943	-	-	419,069
Total capital assets, being depreciated	<u>951,426</u>	<u>38,935</u>	<u>(3,683)</u>	<u>(42)</u>	<u>986,636</u>
Less accumulated depreciation for:					
Structure and improvements	149,700	9,209	-	-	158,909
Furniture and equipment	68,607	7,013	(3,394)	(46)	72,180
Capitalized leases	7,513	2,289	(95)	-	9,707
Other capitalized assets	8,742	-	-	-	8,742
Infrastructure	160,533	14,221	-	(1)	174,753
Total accumulated depreciation	<u>395,095</u>	<u>32,732</u>	<u>(3,489)</u>	<u>(47)</u>	<u>424,291</u>
Total capital assets, being depreciated, net	<u>556,331</u>	<u>6,203</u>	<u>(194)</u>	<u>5</u>	<u>562,345</u>
Governmental activities capital assets, net	<u>\$ 576,528</u>	<u>\$ 6,287</u>	<u>\$ (194)</u>	<u>\$ 5</u>	<u>\$ 582,626</u>
Business-Type Activities					
Capital assets, not being depreciated:					
Land	\$ 4,663	\$ -	\$ -	\$ -	\$ 4,663
Construction in progress	735	1,303	(63)	(26)	1,949
Total capital assets, not being depreciated	<u>5,398</u>	<u>1,303</u>	<u>(63)</u>	<u>(26)</u>	<u>6,612</u>
Capital assets, being depreciated:					
Structure and improvements	195,108	1,891	-	-	196,999
Furniture and equipment	83,063	7,239	(402)	2,858	92,758
Capital leases	4,593	-	-	(2,891)	1,702
Total capital assets, being depreciated	<u>282,764</u>	<u>9,130</u>	<u>(402)</u>	<u>(33)</u>	<u>291,459</u>
Less accumulated depreciation for:					
Structure and improvements	119,705	5,950	(269)	13	125,399
Furniture and equipment	59,094	5,010	(295)	2,482	66,291
Capital leases	2,872	243	-	(2,478)	637
Total accumulated depreciation	<u>181,671</u>	<u>11,203</u>	<u>(564)</u>	<u>17</u>	<u>192,327</u>
Total capital assets, being depreciated, net	<u>101,093</u>	<u>(2,073)</u>	<u>162</u>	<u>(50)</u>	<u>99,132</u>
Business-type activities capital assets, net	<u>\$ 106,491</u>	<u>\$ (770)</u>	<u>\$ 99</u>	<u>\$ (76)</u>	<u>\$ 105,744</u>

NOTE 5 – CAPITAL ASSETS (Continued)

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

	<u>Amount</u>
General government	\$ 3,899
Public protection	5,895
Public ways and facilities	14,772
Health and sanitation	968
Social services	1,510
Education	43
Recreation and culture	897
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>4,748</u>
Total depreciation expense - governmental activities	<u><u>\$ 32,732</u></u>

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

	<u>Amount</u>
Airport enterprise	\$ 1,553
Solid Waste enterprise	2,161
General Hospital enterprise	<u>7,489</u>
Total depreciation expense – business-type functions	<u><u>\$ 11,203</u></u>

NOTE 6 – LONG-TERM DEBT

The following is a schedule of long-term liabilities as of June 30, 2014 (in \$000's):

Governmental Activities:

	<u>Amount</u>				
	<u>Balance</u>			<u>Balance</u>	<u>Amounts</u>
	<u>June 30, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2014</u>	<u>Due Within</u>
					<u>One Year</u>
Certificates of participation	\$ 125,270	\$ -	\$ 2,870	\$ 122,400	\$ 2,925
Discount/Premium (net)	2,199	58	-	2,257	-
Notes payable	1,913	-	70	1,843	74
Capital leases	6,406	3,740	2,350	7,796	2,312
Other post employment benefits	50,622	2,964	-	53,586	-
Compensated absences	30,463	30,825	30,463	30,825	26,160
Estimated claims	52,388	-	707	51,681	-
	<u>\$ 269,261</u>	<u>\$ 37,587</u>	<u>\$ 36,460</u>	<u>\$ 270,388</u>	<u>\$ 31,471</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				
	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014	Amounts Due Within One Year
Certificates of participation	\$ 58,930	\$ -	\$ 7,208	\$ 51,722	\$ 7,580
Deferred gain on refunding	(4,364)	4,364	-	-	-
Notes payable	53	-	8	45	9
Capital lease	939	-	360	579	356
Other post employment benefits	12,906	793	-	13,699	-
Landfill closure and postclosure	11,535	1,173	-	12,708	-
Compensated absences	6,813	6,755	6,812	6,756	6,094
Estimated claims	-	23,791	-	23,791	-
	<u>\$ 86,812</u>	<u>\$ 36,876</u>	<u>\$ 14,388</u>	<u>\$ 109,300</u>	<u>\$ 14,039</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	\$ 18,286,732	\$ 1,701,635
Less: accumulated depreciation	<u>9,707,253</u>	<u>636,885</u>
Net Value	<u>\$ 8,579,479</u>	<u>\$ 1,064,750</u>

The related amortization on the capital leases is as follows:

Year Ended June 30	Governmental Activities	Business-Type Activities
2014-15	\$ 2,495,690	\$ 369,008
2015-16	2,043,857	149,602
2016-17	1,689,372	52,412
2017-18	979,158	26,206
2018-19	616,260	-
2020 - 2024	<u>428,497</u>	<u>-</u>
Total Requirements	8,252,834	597,228
Less Interest	<u>456,442</u>	<u>17,872</u>
Present Value of Remaining Payments	<u>\$ 7,796,392</u>	<u>\$ 579,356</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, 2014:

<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	\$ -
2003 Solid Waste System Facilities Projects (including refunding)	May 8, 2003	36,830,000	13,931,834
2012 San Joaquin General Hospital Refunding	November 16, 2012	43,755,000	37,790,000
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>7,765,000</u>
Total		<u>\$ 314,410,000</u>	<u>\$ 174,121,834</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, 2014, the 1993 COPs were fully defeased.

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.

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, 2014, the outstanding balances on the loans totaled \$335,500.

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, 2014, the outstanding note was approximately \$1.51 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 \$45,036 as of June 30, 2014, 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, Senate Bill (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 \$71.0 million as of June 30, 2014. 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, 2014.

The County utilizes the delinquent tax penalty collections in 2013-14, 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 2013-14, 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, 2014, the County set aside 2.5%, instead of 1.0%. The reserve fund balance was \$18.4 million.

Schedule of Future Payments

The following is a schedule of the future long-term debts payments as of June 30, 2014 (in \$000’s):

Governmental Activities:

Year Ended June 30	Certificates of Participation		Notes Payable	
	Principal	Interest	Principal	Interest
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	3,690	5,321	88	68
2020-2024	20,720	23,637	497	280
2025-2029	26,495	17,740	615	161
2030-2034	33,730	10,337	198	50
2035-2039	25,035	1,933	92	25
2040-2044	-	-	39	3
	122,400	81,941	1,843	895
Add gain on advance refunding	2,257	-	-	-
Total Debt	\$ 124,657	\$ 81,941	\$ 1,843	\$ 895

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
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	8,495	586	3	-
2020-2023	11,552	635	-	-
2024-2029	-	-	-	-
	51,722	5,916	45	12
Less discount on advance refunding	(3,814)	-	-	-
Total Debt	<u>\$ 47,908</u>	<u>\$ 5,916</u>	<u>\$ 45</u>	<u>\$ 12</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 2013-14	<u>\$ 55,426,721,693</u>
Legal Debt Limit – 1 1/4% of total assessed value	<u>\$ 692,834,021</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, 2014, 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, 2014, such special assessment debt outstanding totaled approximately \$583,630.

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, 2014, the landfill closure and postclosure care liability (\$12.7 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 \$95.7 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 2014. 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 2013-14. The funds available for landfill closure and postclosure remain at \$5.1 million, which leaves approximately \$7.6 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 6.1% of the new capacity. North County will be operative until 2048 and is at 13.0% 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 public agencies in the State through the California State Association of Counties (CSAC) – Excess Insurance Authority (EIA) 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 EIA 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 EIA 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 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 2013), the full value of the County's unpaid casualty (general liability and malpractice liability) liabilities and the workers compensation program liabilities at June 30, 2014, were estimated at a discounted value of \$14.4 million and \$31.7 million, respectively, using the discount rate of 2.0%. 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, 2014.

The insurance funds had the following net position at June 30, 2014 (in \$000's):

	<u>Net Position</u>
Casualty Insurance	\$ 8,993
Workers Compensation Insurance	15,792
Health Insurance	34,082
Medical Malpractice Insurance	7,083
Dental Insurance	3,351
Unemployment Insurance	<u>3,878</u>
 Total	 <u><u>\$ 73,179</u></u>

Changes in the insurance funds' claim liabilities for fiscal years 2012-13 and 2013-14 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>
Balance at June 30, 2012	\$ 18,180	\$ 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>(7,830)</u>	<u>(8,225)</u>	<u>(1,822)</u>	<u>(32,178)</u>	<u>(4,923)</u>	<u>(1,322)</u>	<u>(56,300)</u>
Balance at June 30, 2013	10,642	29,828	5,265	6,065	255	333	52,388
Claims and changes in estimates for fiscal year 2013-14	2,063	9,428	(1,650)	35,238	5,175	952	51,206
Less: claim payments	<u>(1,807)</u>	<u>(7,642)</u>	<u>(129)</u>	<u>(36,230)</u>	<u>(5,074)</u>	<u>(1,031)</u>	<u>(51,913)</u>
Balance at June 30, 2014	<u><u>\$ 10,898</u></u>	<u><u>\$ 31,614</u></u>	<u><u>\$ 3,486</u></u>	<u><u>\$ 5,073</u></u>	<u><u>\$ 356</u></u>	<u><u>\$ 254</u></u>	<u><u>\$ 51,681</u></u>

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, 2014, are (in \$000's):

<u>Year Ended June 30</u>	<u>Primary Government</u>
2015	\$ 3,503
2016	2,091
2017	1,876
2018	1,296
2019	676
Thereafter	<u>3,501</u>
	<u>\$ 12,943</u>

Total rent expense under operating lease agreements during the year ended June 30, 2014, was approximately \$3.6 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 2013-14 rent payment was \$848,419.

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, 2014 (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>
2015	\$ 732
2016	603
2017	579
2018	576
2019	482
Thereafter	<u>10,111</u>
	<u>\$ 13,083</u>

Total rental income under operating lease agreements during the year ended June 30, 2014, was \$920,661.

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 net investment in capital assets, restricted, and unrestricted.

NOTE 12 – NET POSITION/FUND BALANCES (Continued)

- Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.
- 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, 2014, is as follows:

	General Fund	Major Special Revenue Funds		Major Capital Projects Fund		Total
		Mental Health and Substance Abuse Fund	First Five Program Fund	County Capital Projects Fund	Other Funds	
Fund balances:						
Nonspendable:						
Inventory	\$ -	\$ 159,102	\$ -	\$ -	\$ 555,545	\$ 714,647
Advances	7,438,989	-	-	186,207	768,300	8,393,496
Loans receivable	45,500	-	-	-	-	45,500
Total Nonspendable	7,484,489	159,102	-	186,207	1,323,845	9,153,643
Restricted for:						
General government services	366,565	-	-	-	574,178	940,743
Public protection services	21,358,296	-	-	-	15,292,361	36,650,657
Emergency medical services	1,722,093	-	-	-	-	1,722,093
Agricultural services	1,006,470	-	-	-	-	1,006,470
Community services	9,650,128	-	-	-	4,554,907	14,205,035
Health and sanitation services	7,081,282	65,964,458	5,262,672	-	1,576,163	79,884,575
Parks and recreation services	1,895,276	-	-	-	-	1,895,276
Road projects and maintenance	-	-	-	-	46,402,331	46,402,331
Fish and game programs	-	-	-	-	240,543	240,543
County facilities	-	-	-	-	16,780,225	16,780,225
Job Training Partnership Act	-	-	-	-	3,924,283	3,924,283
Rabies treatment	-	-	-	-	2,240	2,240
County Headstart	-	-	-	-	-	-
Library programs	-	-	-	-	1,462,485	1,462,485
Narcotics enforcement	-	-	-	-	60,610	60,610
Recorder's equipment automation	-	-	-	-	4,364,048	4,364,048
Child support	-	-	-	-	-	-
Community infrastructure	-	-	-	-	22,197,569	22,197,569
Lighting district maintenance	-	-	-	-	1,030,920	1,030,920
Service areas maintenance	-	-	-	-	5,481,677	5,481,677
Maintenance district services	-	-	-	-	10,181,569	10,181,569
Flood control districts	-	-	-	-	5,683,638	5,683,638
Water district services	-	-	-	-	60,559	60,559
Improvement district services	-	-	-	-	1,143,724	1,143,724
In-home support services	-	-	-	-	-	-
Courthouse construction	-	-	-	-	314,146	314,146
Criminal justice construction	-	-	-	-	3,626,060	3,626,060
Total Restricted	43,080,110	65,964,458	5,262,672	-	144,954,236	259,261,476
Committed to:						
General reserve - emergencies	10,003,085	-	-	-	-	10,003,085
Total Committed	10,003,085	-	-	-	-	10,003,085
Assigned to:						
Budgetary deficit - subsequent year	25,806,721	-	-	-	-	25,806,721
Capital projects	-	-	-	47,060,213	46,848	47,107,061
Debt service	-	-	-	-	9,648,364	9,648,364
Airport projects	-	-	-	-	7,268,369	7,268,369
Health and sanitation projects	-	-	-	-	1,314,576	1,314,576
Total Assigned	25,806,721	-	-	47,060,213	18,278,157	91,145,091
Unassigned:	85,391,987	-	-	-	(4,210,127)	81,181,860
Total Fund Balances	\$ 171,766,392	\$ 66,123,560	\$ 5,262,672	\$ 47,246,420	\$ 160,346,111	\$ 450,745,155

NOTE 13 – DEFICIT FUND BALANCE/NET POSITION

The following funds had deficit fund balances at June 30, 2014:

Substance Abuse and Crime Prevention (Nonmajor Special Revenue Fund) The deficit resulted from a reduction in Proposition 36 funding.	\$ (11)
County Head Start (Nonmajor Special Revenue Fund) The deficit resulted from prior year's excess expenditures over revenues.	(41,324)
Child Support (Nonmajor Special Revenue Fund) The deficit resulted from prior year's excess expenditures over revenues.	(36,945)
Northeastern San Joaquin Groundwater Banking Authority (Nonmajor Special Revenue Fund) The deficit resulted from prior year's excess expenditures over revenues.	(166,019)
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.	(2,431,225)
In Home Support Services Authority (Nonmajor Capital Projects Fund) The deficit resulted from an increase in wastewater infrastructure expenditures for CSA #44, zones E and G.	(50,616)
County Service Areas (Nonmajor Capital Projects Fund) The deficit resulted from an increase in wastewater infrastructure expenditures for CSA #44, zones E and G.	(1,483,987)
	<u>\$ (4,210,127)</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.

NOTE 14 – EMPLOYEE RETIREMENT SYSTEM (Continued)

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, 2014.

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 \$2.3 billion at December 31, 2013. 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, 2013.

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 2013, the employees' contributions were about \$22.7 million, an average of 6.2% of the annual covered payroll.

The adopted employers' 2013 basic tier I contribution rates, based on the actuarial determined requirements applicable to covered payroll were 55.61% for safety members and 30.69% for general members. Tier II rates for 2013 were 41.28% for safety members and 23.46% 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, 2013, 2012, and 2011, were \$119.5 million, \$108.1 million, and \$112.9 million, respectively, equal to the required contributions for each year.

NOTE 14 – EMPLOYEE RETIREMENT SYSTEM (Continued)

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 2013-14 were \$5.3 million.

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 2013-14, the County contributed \$24,308 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 2013-14, the Health Plan of San Joaquin contributed \$817,379 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, 2014, was \$1,527,943.

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, 2014, the Council contributed \$584,584 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, 2014.

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 2013-14, the County’s actual contribution amounted to \$3.1 million for current premiums.

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 No. 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	\$ 8,328
Interest on net OPEB-Implicit Subsidy obligation	2,541
Adjustment to annual required contribution	<u>(4,006)</u>
Annual OPEB-Implicit Subsidy cost	6,863
Contribution made	<u>3,106</u>
Increase in obligation	3,757
Net OPEB-Implicit Subsidy obligation - beginning of year	<u>63,528</u>
Net OPEB-Implicit Subsidy obligation - end of year	<u><u>\$ 67,285</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 December 31,	Annual OPEB-Subsidy Obligation	Annual Actual Contribution	Percentage of Annual Cost Contribution	Net OPEB Obligation End of Year
2011	\$ 11,176	\$ 1,819	16.28%	\$ 58,119
2012	\$ 9,644	\$ 4,235	43.91%	\$ 63,528
2013	\$ 6,863	\$ 3,106	45.26%	\$ 67,285

Funded Status and Funding Progress. As of December 31, 2013, 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 \$76.2 million. The covered payroll was \$340.0 million, and the ratio of the UAAL to the covered payroll was 22.4%.

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

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.

In the December 31, 2013 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 4.50%. 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, 2013, was 24 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 2013-14 was \$219,600.

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
ASSETS					
Cash and investment – pool	\$ 441,023	\$ 2,730,633	\$ 421,830	\$ 74,760,492	\$ 78,353,978
Cash and investments – other	-	19,038	-	300,000	319,038
Due from other governments	-	-	-	67,796,464	67,796,464
Interest receivable	-	-	290	40,864	41,154
Accounts receivable	151,815	-	12	-	151,827
Depreciable assets, net	710,532	2,684	-	21,849,164	22,562,380
Other assets	1,429,642	-	-	4,595,727	6,025,369
Total Assets	\$ 2,733,012	\$ 2,752,355	\$ 422,132	\$ 169,342,711	\$ 175,250,210
LIABILITIES AND NET POSITION					
LIABILITIES					
Accounts payable and accrued expenses	\$ 2,320,358	\$ 185,333	\$ 20,303	\$ 3,141,057	\$ 5,667,051
Accrued claims payable	-	-	-	96,229,762	96,229,762
Provider risk sharing payable	-	-	-	5,895,065	5,895,065
Other liabilities	-	-	-	24,712,121	24,712,121
Total Liabilities	2,320,358	185,333	20,303	129,978,005	132,503,999
NET POSITION					
Net investment in capital assets	649,640	2,684	-	21,849,164	22,501,488
Unrestricted net position	(236,986)	2,564,338	401,829	17,515,542	20,244,723
Total Net Position	412,654	2,567,022	401,829	39,364,706	42,746,211
Total Liabilities and Net Position	\$ 2,733,012	\$ 2,752,355	\$ 422,132	\$ 169,342,711	\$ 175,250,210

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	\$ 27,602,452	\$ 165,557	\$ 519,083	\$ 446,433,608	\$ 474,720,700
Charges for services	2,677,030	-	-	2,659,344	5,336,374
Interest income	-	267	1,597	195,217	197,081
Miscellaneous	-	1,561,415	-	-	1,561,415
Total program revenues	30,279,482	1,727,239	520,680	449,288,169	481,815,570
Program expenses:					
General government	-	-	511,819	-	511,819
Public assistance	30,634,217	1,137,514	-	-	31,771,731
Health	-	-	-	463,308,208	463,308,208
Total program expenses	30,634,217	1,137,514	511,819	463,308,208	495,591,758
Change in net position	(354,735)	589,725	8,861	(14,020,039)	(13,776,188)
Net position, beginning	767,389	1,977,297	392,968	53,384,745	56,522,399
Net position, ending	\$ 412,654	\$ 2,567,022	\$ 401,829	\$ 39,364,706	\$ 42,746,211

NOTE 17 – COMPONENT UNIT CONDENSED FINANCIAL INFORMATION (Continued)

	Head Start Child Development Council, Inc.	San Joaquin Economic Development Association	Local Agency Formation Commission	Health Plan of San Joaquin County	Total
Cash flows from operating activities:					
Cash received from:					
Service fees	\$ 27,879,145	\$ 1,561,415	\$ -	\$ 459,391,187	\$ 488,831,747
Operating grants and contributions	2,051,832	165,557	520,871	-	2,738,260
Interest income	-	267	1,577	-	1,844
Other revenues	-	-	-	1,297,141	1,297,141
Cash paid to:					
Healthcare providers	-	-	-	(403,398,061)	(403,398,061)
Program expenditures	(29,703,286)	(870,709)	(118,837)	(9,501,940)	(40,194,772)
Employees	-	(170,794)	(386,166)	(20,819,024)	(21,375,984)
Net cash provided (used) in operating activities	227,691	685,736	17,445	26,969,303	27,900,175
Cash flows from capital financing and related activities:					
Purchase of capital assets	-	-	-	(2,612,008)	(2,612,008)
Net cash provided (used) by capital financing and related activities	-	-	-	(2,612,008)	(2,612,008)
Cash flows from investing activities:					
Investment income	-	(29)	-	188,385	188,356
Net cash provided (used) for investing activities	-	(29)	-	188,385	188,356
Net increase (decrease) in cash and cash equivalents	227,691	685,707	17,445	24,545,680	25,476,523
Cash and cash equivalents, beginning of year	213,332	2,044,926	404,385	50,214,812	52,877,455
Cash and cash equivalents, end of year	\$ 441,023	\$ 2,730,633	\$ 421,830	\$ 74,760,492	\$ 78,353,978
Reconciliation of net increase (decrease) in net assets to net cash provided by operating activities:					
Operating income (loss)	\$ (354,735)	\$ 589,725	\$ 8,861	\$ (14,215,256)	\$ (13,971,405)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	180,177	1,163	-	2,588,207	2,769,547
(Increase) decrease in receivables	297,921	-	1,768	(25,940,641)	(25,640,952)
(Increase) decrease in other assets	(775,941)	-	-	(3,750,568)	(4,526,509)
Increase (decrease) in payables	912,737	94,848	6,816	60,678,254	61,692,655
Increase (decrease) in other liabilities	(32,468)	-	-	7,609,307	7,576,839
Net cash provided (used) by operating activities	\$ 227,691	\$ 685,736	\$ 17,445	\$ 26,969,303	\$ 27,900,175

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 2013, the County's actuarially determined ultimate loss liability of these lawsuits under the casualty insurance and workers compensation programs were approximately \$10.9 million and \$31.7 million, respectively. The assets of these two insurance funds totaling \$69.9 million were sufficient to cover these actuarially determined losses as of June 30, 2014 (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.

NOTE 18 – COMMITMENTS AND CONTINGENCIES (Continued)

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 decrease of \$1.5 million in 2014 and recognized a decrease of \$2.5 million in net patient service revenue in 2013 for changes in estimated cost report settlements.

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, 2014. 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 December 30, 2014, which is the date the basic financial statements were available to be issued.

On July 23, 2014, the County issued a 2014 Refunding Bond at an average rate of 4.1% in the amount of \$12,655,000. The 2014 Refunding Bond defeased the 2003 Refunding Bond for the Solid Waste System. The 2014 Refunding Bond will mature on April 1, 2022.

NOTE 20 – DEFERRED INFLOWS OF RESOURCES

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the County 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.

NOTE 20 – DEFERRED INFLOWS OF RESOURCES (Continued)

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, 2014, 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

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

The deferred inflows of resources activity for this SCA for the year ended June 30, 2014, was as follows (\$000's):

	Balance June 30, 2013	Additions/ Restatements	Deletions/ Amortization ¹	Balance June 30, 2014
Present Value of Installment Payments²:				
SCA - Micke Grove Golf Course	\$ 2,033	\$ -	\$ (116)	\$ 1,917
Total deferred inflows of resources	<u>\$ 2,033</u>	<u>\$ -</u>	<u>\$ (116)</u>	<u>\$ 1,917</u>

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

² 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>Government-Wide Statements</u>	
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Fund Balance, June 30, 2013, as previously reported	\$ 968,926,510	\$ 95,743,761
Restatements:		
Correct reporting of prior year revenues and expenses	<u>(120,400)</u>	<u>1,954,370</u>
Fund Balance, June 30, 2013, as restated	<u>\$ 968,806,110</u>	<u>\$ 97,698,131</u>

REQUIRED SUPPLEMENTARY INFORMATION

**COUNTY OF SAN JOAQUIN
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2014**

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, 2014
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%
1/1/2013	2,125,700	3,353,294	1,227,594	63.4%	365,892	336%

Schedule of Employer Contributions
(amount in thousands)

Actuarial Valuation	Actual Annual Contribution	Annual Required Contribution	Percentage Contribution	Net OPEB Obligation
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%	-
2013	119,494	119,494	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, 2014**

Required Supplementary Information
For the Year Ended June 30, 2014
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
12/31/2008	\$ -	\$ 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%
12/31/2013	-	76,194	76,194	0.0%	340,024	22%

(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 OPEB Obligation
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	11,176	16.3%	58,119
2012	4,235	9,644	43.9%	63,528
2013	3,106	6,863	45.3%	67,285

(Employer contributions begin with fiscal year 2008 per GASB Statement No. 45.)

**COUNTY OF SAN JOAQUIN
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2014
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 103,177,688	\$ 103,177,688	\$ 103,117,690	\$ (59,998)
Resources (inflows):				
Taxes	187,304,319	187,304,319	203,964,691	16,660,372
Licenses and permits	5,446,094	5,653,001	6,758,614	1,105,613
Fines, forfeitures, and penalties	7,556,857	7,556,857	8,859,688	1,302,831
Use of money and property	958,609	958,609	1,062,463	103,854
Aid from other governmental agencies	417,542,900	419,623,222	396,738,132	(22,885,090)
Charges for services	33,499,074	33,851,736	33,586,411	(265,325)
Miscellaneous	1,867,823	1,997,819	7,313,361	5,315,542
Other financing sources	45,098,494	59,607,293	26,196,303	(33,410,990)
Total resources	<u>699,274,170</u>	<u>716,552,856</u>	<u>684,479,663</u>	<u>(32,073,193)</u>
Charges to appropriations (outflows):				
Current:				
General government	64,185,965	64,820,429	46,947,031	17,873,398
Public protection	247,364,287	249,419,965	233,054,769	16,365,196
Public ways and facilities	26,477	26,477	(26,797)	53,274
Health and sanitation	37,377,765	37,377,765	32,644,899	4,732,866
Public assistance	332,682,272	330,783,723	306,843,203	23,940,520
Education	311,992	311,992	268,612	43,380
Recreation and culture	5,463,907	5,463,907	5,180,702	283,205
Reserve for contingency	18,901,078	25,603,536	-	25,603,536
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	11,135	(11,135)
Interest	-	283,424	1,918	281,506
Other financing uses - transfers out	37,822,978	56,536,096	52,568,783	3,967,313
Total charges to appropriations	<u>744,136,721</u>	<u>770,627,314</u>	<u>677,494,255</u>	<u>93,133,059</u>
Fund balance, end of year	<u>\$ 58,315,137</u>	<u>\$ 49,103,230</u>	<u>\$ 110,103,098</u>	<u>\$ 60,999,868</u>

**COUNTY OF SAN JOAQUIN
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2014
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	\$ 684,479,663
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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.	(25,912,875)
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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>21,363,171</u>
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Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 679,929,959</u>
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Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 677,494,255
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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.	(42,803,159)
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Disbursements from General Fund special accounts were not budgeted but were reported as expenditures for financial reporting purposes.	8,696,458
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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>(1,136,684)</u>
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Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 642,250,870</u>
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**COUNTY OF SAN JOAQUIN
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2014
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	\$ 60,316,974	\$ 60,316,974	\$ 60,316,974	\$ -
Resources (inflows):				
Taxes	-	-	-	-
Fines, forfeitures, and penalties	210,000	210,000	359,626	149,626
Use of money and property	18,500	18,500	165,309	146,809
Aid from other governmental agencies	66,601,426	66,867,029	59,669,260	(7,197,769)
Charges for services	39,414,830	39,414,830	37,803,794	(1,611,036)
Other revenues	1,032,380	1,032,380	1,188,783	156,403
Other financing sources	3,414,947	3,414,947	2,975,912	(439,035)
Total resources	<u>110,692,083</u>	<u>110,957,686</u>	<u>102,162,684</u>	<u>(8,795,002)</u>
Charges to appropriations (outflows):				
Current:				
Health and sanitation	<u>115,194,427</u>	<u>115,460,030</u>	<u>96,769,593</u>	<u>18,690,437</u>
Total charges to appropriations (outflows)	<u>115,194,427</u>	<u>115,460,030</u>	<u>96,769,593</u>	<u>18,690,437</u>
Fund balance, end of year	<u><u>\$ 55,814,630</u></u>	<u><u>\$ 55,814,630</u></u>	<u><u>\$ 65,710,065</u></u>	<u><u>\$ 9,895,435</u></u>

**COUNTY OF SAN JOAQUIN
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2014
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 \$ 102,162,684

Differences - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes. (2,975,911)

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds \$ 99,186,773

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule, not including fund balance \$ 96,769,593

Differences - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (820,813)

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. (413,493)

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds \$ 95,535,287

**COUNTY OF SAN JOAQUIN
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2014
BUDGETARY COMPARISON SCHEDULE
FIRST FIVE PROGRAM FUND**

	<u>Budgeted Amounts</u>		Actual Amount Budgetary Basis	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Budgetary fund balances, July 1	\$ 5,615,895	\$ 5,615,895	\$ 5,615,895	\$ -
Resources (inflows):				
Use of money and property	17,000	17,902	18,758	856
Aid from other governmental agencies	8,933,408	9,045,655	8,909,943	(135,712)
Other revenues	-	-	2,958	2,958
Total resources	<u>8,950,408</u>	<u>9,063,557</u>	<u>8,931,659</u>	<u>(131,898)</u>
Charges to appropriations (outflows):				
Current:				
Salaries and benefits	991,631	991,631	756,183	235,448
Services and supplies	11,502,324	11,560,477	9,300,581	2,259,896
Transfers out	-	-	120,473	(120,473)
Other financing uses	-	-	-	-
Total charges to appropriations	<u>12,493,955</u>	<u>12,552,108</u>	<u>10,177,237</u>	<u>2,374,871</u>
Fund balance, end of year	<u>\$ 2,072,348</u>	<u>\$ 2,127,344</u>	<u>\$ 4,370,317</u>	<u>\$ 2,242,973</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 schedule, not including fund balance \$ 8,931,659

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule \$ 10,177,237

Differences - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (120,473)

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. (892,355)

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds \$ 9,164,409

**COUNTY OF SAN JOAQUIN
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2014**

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, 2014**

	General Accounts	Contingency	General Reserve	Total
ASSETS				
Cash and investments:				
Pooled	\$ 147,375,319	\$ 25,426,721	\$ 10,007,117	\$ 182,809,157
Imprest cash	247,700	-	-	247,700
Interest receivable	135,960	-	-	135,960
Accounts receivable	5,841,162	-	-	5,841,162
Taxes receivable	59,374,537	-	-	59,374,537
Due from other agencies	43,212,034	-	-	43,212,034
Due from other funds	1,230,934	380,000	-	1,610,934
Advances to other funds	3,428,947	4,010,041	-	7,438,988
Loans receivable	-	20,000	-	20,000
Other assets	25,500	-	-	25,500
	<u>\$ 260,872,093</u>	<u>\$ 29,836,762</u>	<u>\$ 10,007,117</u>	<u>\$ 300,715,972</u>
LIABILITIES				
Accounts payable	\$ 8,690,680	\$ -	\$ -	\$ 8,690,680
Accrued payroll	14,065,745	-	-	14,065,745
Accrued interest	5,339	-	-	5,339
Due to other funds	1,031,114	-	-	1,031,114
Unearned revenues	104,564,623	-	-	104,564,623
Other liabilities	592,079	-	-	592,079
	<u>128,949,580</u>	<u>-</u>	<u>-</u>	<u>128,949,580</u>
FUND BALANCES				
Nonspendable	3,454,448	4,030,041	-	7,484,489
Restricted	43,080,110	-	-	43,080,110
Committed	-	-	10,003,085	10,003,085
Assigned	-	25,806,721	-	25,806,721
Unassigned	85,387,955	-	4,032	85,391,987
	<u>131,922,513</u>	<u>29,836,762</u>	<u>10,007,117</u>	<u>171,766,392</u>
Total Liabilities and Fund Balances	<u>\$ 260,872,093</u>	<u>\$ 29,836,762</u>	<u>\$ 10,007,117</u>	<u>\$ 300,715,972</u>

**COUNTY OF SAN JOAQUIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL GENERAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	General Accounts	Contingency	General Reserve	Total
Revenues:				
Taxes	\$ 203,964,691	\$ -	\$ -	\$ 203,964,691
Licenses, permits, and franchises	6,955,411	-	-	6,955,411
Fines, forfeitures, and penalties	12,204,510	-	-	12,204,510
Revenue from use of money and property	1,854,083	207,833	2,482	2,064,398
Aid from other governmental agencies	409,461,755	-	-	409,461,755
Charges for services	36,034,719	-	-	36,034,719
Other revenue	9,244,475	-	-	9,244,475
Total Revenues	679,719,644	207,833	2,482	679,929,959
Expenditures:				
Current:				
General government	45,777,990	-	-	45,777,990
Public protection	237,108,306	-	-	237,108,306
Health and sanitation	42,603,668	-	-	42,603,668
Public assistance	307,717,857	-	-	307,717,857
Education	268,613	-	-	268,613
Recreation and culture	5,190,709	-	-	5,190,709
Capital outlay	3,287,249	-	-	3,287,249
Debt service:				
Principal	294,559	-	-	294,559
Interest	1,919	-	-	1,919
Total Expenditures	642,250,870	-	-	642,250,870
Excess (Deficiency) of Revenues Over (Under) Expenditures	37,468,774	207,833	2,482	37,679,089
Other Financing Sources (Uses):				
Operating transfers between General Fund accounts	(6,534,127)	6,534,127	-	-
Transfers in	14,590,868	-	-	14,590,868
Transfers out	(39,930,030)	-	-	(39,930,030)
Total Other Financing Sources (Uses)	(31,873,289)	6,534,127	-	(25,339,162)
Net Change in Fund Balances	5,595,485	6,741,960	2,482	12,339,927
Fund Balances, Beginning of Year	126,327,028	23,094,802	10,004,635	159,426,465
Fund Balances, End of Year	\$ 131,922,513	\$ 29,836,762	\$ 10,007,117	\$ 171,766,392

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET
ALL GENERAL FUND SPECIAL ACCOUNTS
JUNE 30, 2014**

	General Accounts	Sheriff's Special Accounts	Prisoner Welfare Accounts	Sheriff Commissary Jail Industries
ASSETS				
Cash and investments:				
Pooled	\$ 82,775,444	\$ 3,180,358	\$ 1,090,367	\$ 200,081
Imprest cash	95,100	-	-	-
Accounts receivable	4,171,945	55,500	318,921	44,627
Taxes receivable	59,367,037	-	-	-
Interest receivable	111,951	2,290	368	-
Due from other agencies	36,431,588	168,040	-	-
Due from other funds	659,933	1,983	96,430	-
Advances to other funds	3,428,948	-	-	-
Other assets	25,500	-	-	-
	<u>\$ 187,067,446</u>	<u>\$ 3,408,171</u>	<u>\$ 1,506,086</u>	<u>\$ 244,708</u>
Total Assets				
	<u>\$ 187,067,446</u>	<u>\$ 3,408,171</u>	<u>\$ 1,506,086</u>	<u>\$ 244,708</u>
LIABILITIES				
Accounts payable	\$ 8,360,462	\$ 41,105	\$ 59,476	\$ 10
Due to other funds	932,826	7,128	8,674	-
Accrued payroll	14,065,745	-	-	-
Unearned revenues	91,595,568	37,124	155,557	-
Other liabilities	592,154	-	-	-
Interest payable	-	-	-	-
	<u>115,546,755</u>	<u>85,357</u>	<u>223,707</u>	<u>10</u>
Total Liabilities				
	<u>115,546,755</u>	<u>85,357</u>	<u>223,707</u>	<u>10</u>
FUND BALANCES				
Nonspendable	3,454,448	-	-	-
Restricted	-	3,322,814	1,282,379	244,698
Unassigned	68,066,243	-	-	-
	<u>71,520,691</u>	<u>3,322,814</u>	<u>1,282,379</u>	<u>244,698</u>
Total Fund Balances				
	<u>71,520,691</u>	<u>3,322,814</u>	<u>1,282,379</u>	<u>244,698</u>
Total Liabilities and Fund Balances	<u>\$ 187,067,446</u>	<u>\$ 3,408,171</u>	<u>\$ 1,506,086</u>	<u>\$ 244,708</u>

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET (Continued)
ALL GENERAL FUND SPECIAL ACCOUNTS
JUNE 30, 2014**

	<u>Court Fees and Assessments</u>	<u>Emergency Medical Services</u>	<u>Agriculture Special Accounts</u>	<u>Public Health Special Accounts</u>
ASSETS				
Cash and investments:				
Pooled	\$ 2,658,854	\$ 1,836,968	\$ 997,413	\$ 6,746,162
Imprest cash	-	-	-	-
Accounts receivable	22,874	49,607	87,405	105,407
Taxes receivable	-	-	-	7,500
Interest receivable	1,766	1,558	156	1,911
Due from other agencies	150,668	-	-	77,974
Due from other funds	-	-	2,605	-
Advances to other funds	-	-	-	-
Other assets	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 2,834,162</u>	<u>\$ 1,888,133</u>	<u>\$ 1,087,579</u>	<u>\$ 6,938,954</u>
LIABILITIES				
Accounts payable	\$ -	\$ 84,302	\$ 26,908	\$ -
Due to other funds	-	81,738	-	-
Accrued payroll	-	-	-	-
Unearned revenues	-	-	54,276	-
Other liabilities	-	-	(75)	-
Interest payable	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>166,040</u>	<u>81,109</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	2,834,162	1,722,093	1,006,470	6,938,954
Unassigned	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>2,834,162</u>	<u>1,722,093</u>	<u>1,006,470</u>	<u>6,938,954</u>
Total Liabilities and Fund Balances	<u>\$ 2,834,162</u>	<u>\$ 1,888,133</u>	<u>\$ 1,087,579</u>	<u>\$ 6,938,954</u>

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET (Continued)
ALL GENERAL FUND SPECIAL ACCOUNTS
JUNE 30, 2014**

	Community Service Special Accounts	Parks' Special Accounts	Recorder's Accounts	Assessor Special Accounts	Probation Juvenile Welfare
ASSETS					
Cash and investments:					
Pooled	\$ 11,185,598	\$ 1,893,721	\$ 366,208	\$ 629,875	\$ 3,404,734
Imprest cash	2,600	-	-	-	-
Accounts receivable	4,287	-	357	674	844,138
Taxes receivable	-	-	-	-	-
Interest receivable	474	1,555	-	481	1,287
Due from other agencies	6,383,764	-	-	-	-
Due from other funds	-	-	-	-	469,983
Advances to other funds	-	-	-	-	-
Other assets	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 17,576,723</u>	<u>\$ 1,895,276</u>	<u>\$ 366,565</u>	<u>\$ 631,030</u>	<u>\$ 4,720,142</u>
LIABILITIES					
Accounts payable	\$ 24,701	\$ -	\$ -	\$ -	\$ -
Due to other funds	748	-	-	-	-
Accrued payroll	-	-	-	-	-
Unearned revenues	11,144,377	-	-	-	-
Other liabilities	-	-	-	-	-
Interest payable	5,339	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>11,175,165</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	6,401,558	1,895,276	366,565	-	4,720,142
Unassigned	-	-	-	631,030	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>6,401,558</u>	<u>1,895,276</u>	<u>366,565</u>	<u>631,030</u>	<u>4,720,142</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 17,576,723</u>	<u>\$ 1,895,276</u>	<u>\$ 366,565</u>	<u>\$ 631,030</u>	<u>\$ 4,720,142</u>

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET (Continued)
ALL GENERAL FUND SPECIAL ACCOUNTS
JUNE 30, 2014**

	Community Development Accounts	District Attorney Accounts	HSA Grant Accounts	Other Accounts	Total
ASSETS					
Cash and investments:					
Pooled	\$ 3,246,555	\$ 8,902,630	\$ 1,570,049	\$ 16,690,302	\$ 147,375,319
Imprest cash	-	-	150,000	-	247,700
Accounts receivable	-	135,260	-	160	5,841,162
Taxes receivable	-	-	-	-	59,374,537
Interest receivable	2,016	6,211	-	3,936	135,960
Due from other agencies	-	-	-	-	43,212,034
Due from other funds	-	-	-	-	1,230,934
Advances to other funds	(1)	-	-	-	3,428,947
Other assets	-	-	-	-	25,500
	<u>\$ 3,248,570</u>	<u>\$ 9,044,101</u>	<u>\$ 1,720,049</u>	<u>\$ 16,694,398</u>	<u>\$ 260,872,093</u>
LIABILITIES					
Accounts payable	\$ -	\$ 90,000	\$ -	\$ 3,716	\$ 8,690,680
Due to other funds	-	-	-	-	1,031,114
Accrued payroll	-	-	-	-	14,065,745
Unearned revenues	-	-	1,577,721	-	104,564,623
Other liabilities	-	-	-	-	592,079
Interest payable	-	-	-	-	5,339
	<u>-</u>	<u>90,000</u>	<u>1,577,721</u>	<u>3,716</u>	<u>128,949,580</u>
FUND BALANCES					
Nonspendable	-	-	-	-	3,454,448
Restricted	3,248,570	8,954,101	142,328	-	43,080,110
Unassigned	-	-	-	16,690,682	85,387,955
	<u>3,248,570</u>	<u>8,954,101</u>	<u>142,328</u>	<u>16,690,682</u>	<u>131,922,513</u>
Total Fund Balances	<u>3,248,570</u>	<u>8,954,101</u>	<u>142,328</u>	<u>16,690,682</u>	<u>131,922,513</u>
Total Liabilities and Fund Balances	<u>\$ 3,248,570</u>	<u>\$ 9,044,101</u>	<u>\$ 1,720,049</u>	<u>\$ 16,694,398</u>	<u>\$ 260,872,093</u>

**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, 2014**

	General Accounts	Sheriff's Special Accounts	Prisoner Welfare Accounts	Sheriff Commissary Jail Industries
Revenues:				
Taxes	\$ 203,964,691	\$ -	\$ -	\$ -
Licenses, permits, and franchises	6,758,614	-	-	-
Fines, forfeitures, and penalties	8,859,688	(152,280)	-	-
Revenue from use of money and property	1,052,597	9,804	2,110	618,075
Aid from other governmental agencies	396,738,132	655,218	-	-
Charges for services	33,586,412	46,113	1,805	-
Other revenue	7,396,338	138,574	1,344,873	-
Total Revenues	658,356,472	697,429	1,348,788	618,075
Expenditures:				
Current:				
General government	45,777,096	-	-	-
Public protection	231,261,122	399,083	454,877	790
Health and sanitation	41,364,140	-	-	-
Public assistance	306,117,826	-	-	-
Education	268,613	-	-	-
Recreation and culture	5,190,709	-	-	-
Capital outlay	3,278,427	-	8,822	-
Debt service:				
Principal	294,559	-	-	-
Interest	1,919	-	-	-
Total Expenditures	633,554,411	399,083	463,699	790
Excess (Deficiency) of Revenues Over (Under) Expenditures	24,802,061	298,346	885,089	617,285
Other Financing Sources (Uses):				
Transfers between General Fund accounts	2,977,207	(603,579)	(473,578)	(629,719)
Transfers in	12,172,097	-	-	-
Transfers out	(38,448,925)	-	-	-
Total Other Financing Sources (Uses)	(23,299,621)	(603,579)	(473,578)	(629,719)
Net Change in Fund Balances	1,502,440	(305,233)	411,511	(12,434)
Fund Balances, Beginning of Year	70,018,251	3,628,047	870,868	257,132
Fund Balances, End of Year	\$ 71,520,691	\$ 3,322,814	\$ 1,282,379	\$ 244,698

**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, 2014**

	Court Fees and Assessments	Emergency Medical Services	Agriculture Special Accounts	Public Health Special Accounts
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and franchises	-	-	-	-
Fines, forfeitures, and penalties	272,873	(1,385,652)	-	447,627
Revenue from use of money and property	8,044	8,926	30,601	7,955
Aid from other governmental agencies	571,638	526,038	-	1,037,473
Charges for services	-	-	642,618	(177,151)
Other revenue	-	97,152	113,609	(265,234)
	<u>852,555</u>	<u>(753,536)</u>	<u>786,828</u>	<u>1,050,670</u>
Total Revenues				
Expenditures:				
Current:				
General government	-	-	-	-
Public protection	-	-	107,854	-
Health and sanitation	-	1,032,498	-	207,030
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
	<u>-</u>	<u>1,032,498</u>	<u>107,854</u>	<u>207,030</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>852,555</u>	<u>(1,786,034)</u>	<u>678,974</u>	<u>843,640</u>
Other Financing Sources (Uses):				
Transfers between General Fund accounts	(1,039,565)	(162,000)	(715,340)	(659,607)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<u>(1,039,565)</u>	<u>(162,000)</u>	<u>(715,340)</u>	<u>(659,607)</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	(187,010)	(1,948,034)	(36,366)	184,033
Fund Balances, Beginning of Year	<u>3,021,172</u>	<u>3,670,127</u>	<u>1,042,836</u>	<u>6,754,921</u>
Fund Balances, End of Year	<u>\$ 2,834,162</u>	<u>\$ 1,722,093</u>	<u>\$ 1,006,470</u>	<u>\$ 6,938,954</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, 2014**

	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	38,865	-	-	-	-
Revenue from use of money and property	6,886	5,760	65	12,828	22,770
Aid from other governmental agencies	6,470,725	-	-	-	3,599,755
Charges for services	204,263	317,013	62,511	205,093	-
Other revenue	42,073	282,811	-	-	-
Total Revenues	6,762,812	605,584	62,576	217,921	3,622,525
Expenditures:					
Current:					
General government	-	-	-	-	-
Public protection	-	-	-	-	4,863,690
Health and sanitation	-	-	-	-	-
Public assistance	1,600,031	-	-	-	-
Education	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:	-	-	-	-	-
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	1,600,031	-	-	-	4,863,690
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,162,781	605,584	62,576	217,921	(1,241,165)
Other Financing Sources (Uses):					
Transfers between General Fund accounts	(1,182,258)	(1,544,607)	(132,000)	(384,500)	-
Transfers in	-	-	-	-	2,418,771
Transfers out	-	-	-	(104,043)	-
Total Other Financing Sources (Uses)	(1,182,258)	(1,544,607)	(132,000)	(488,543)	2,418,771
Net Change in Fund Balances	3,980,523	(939,023)	(69,424)	(270,622)	1,177,606
Fund Balances, Beginning of Year	2,421,035	2,834,299	435,989	901,652	3,542,536
Fund Balances, End of Year	\$ 6,401,558	\$ 1,895,276	\$ 366,565	\$ 631,030	\$ 4,720,142

**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, 2014**

	Community Development Accounts	District Attorney Accounts	HSA Grant Accounts	Other Accounts	Total
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 203,964,691
Licenses, permits, and franchises	196,797	-	-	-	6,955,411
Fines, forfeitures, and penalties	-	4,123,389	-	-	12,204,510
Revenue from use of money and property	8,704	20,997	(688)	38,649	1,854,083
Aid from other governmental agencies	-	(137,224)	-	-	409,461,755
Charges for services	15,180	1,037,300	-	93,562	36,034,719
Other revenue	-	14,445	-	79,834	9,244,475
Total Revenues	220,681	5,058,907	(688)	212,045	679,719,644
Expenditures:					
Current:					
General government	-	-	-	894	45,777,990
Public protection	110	20,780	-	-	237,108,306
Health and sanitation	-	-	-	-	42,603,668
Public assistance	-	-	-	-	307,717,857
Education	-	-	-	-	268,613
Recreation and culture	-	-	-	-	5,190,709
Capital outlay	-	-	-	-	3,287,249
Debt service:					
Principal	-	-	-	-	294,559
Interest	-	-	-	-	1,919
Total Expenditures	110	20,780	-	894	642,250,870
Excess (Deficiency) of Revenues Over (Under) Expenditures	220,571	5,038,127	(688)	211,151	37,468,774
Other Financing Sources (Uses):					
Transfers between General Fund accounts	-	(2,196,723)	-	212,142	(6,534,127)
Transfers in	-	-	-	-	14,590,868
Transfers out	-	-	-	(1,377,062)	(39,930,030)
Total Other Financing Sources (Uses)	-	(2,196,723)	-	(1,164,920)	(31,873,289)
Net Change in Fund Balances	220,571	2,841,404	(688)	(953,769)	5,595,485
Fund Balances, Beginning of Year	3,027,999	6,112,697	143,016	17,644,451	126,327,028
Fund Balances, End of Year	\$ 3,248,570	\$ 8,954,101	\$ 142,328	\$ 16,690,682	\$ 131,922,513

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, 2014**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments:				
Pooled	\$ 142,948,121	\$ 47,416	\$ 13,928,023	\$ 156,923,560
Imprest cash	33,650	-	-	33,650
Interest receivable	87,755	35	3,995	91,785
Accounts receivable	1,209,020	-	162,040	1,371,060
Taxes receivable	2,596,913	-	-	2,596,913
Due from other agencies	4,178,860	-	-	4,178,860
Due from other funds	91,050	-	186	91,236
Inventory	555,545	-	-	555,545
Advances to other funds	768,300	-	-	768,300
Restricted assets:				
Restricted cash and investments	-	10,244,905	-	10,244,905
Others	-	16,190	-	16,190
 Total Assets	 <u>\$ 152,469,214</u>	 <u>\$ 10,308,546</u>	 <u>\$ 14,094,244</u>	 <u>\$ 176,872,004</u>
 LIABILITIES				
Accounts payable	\$ 5,764,447	\$ -	\$ -	\$ 5,764,447
Accrued payroll	2,107,819	-	-	2,107,819
Due to other funds	935,567	-	-	935,567
Advances from other funds	4,706,625	-	1,786,555	6,493,180
Unearned revenues	1,224,880	-	-	1,224,880
 Total Liabilities	 <u>14,739,338</u>	 <u>-</u>	 <u>1,786,555</u>	 <u>16,525,893</u>
 FUND BALANCES				
Nonspendable	1,323,845	-	-	1,323,845
Restricted	139,132,171	660,182	5,161,883	144,954,236
Assigned	-	9,648,364	8,629,793	18,278,157
Unassigned	(2,726,140)	-	(1,483,987)	(4,210,127)
 Total Fund Balances	 <u>137,729,876</u>	 <u>10,308,546</u>	 <u>12,307,689</u>	 <u>160,346,111</u>
 Total Liabilities and Fund Balances	 <u>\$ 152,469,214</u>	 <u>\$ 10,308,546</u>	 <u>\$ 14,094,244</u>	 <u>\$ 176,872,004</u>

**COUNTY OF SAN JOAQUIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 21,125,047	\$ -	\$ -	\$ 21,125,047
Licenses, permits, and franchises	207,891	-	-	207,891
Fines, forfeitures, and penalties	10,793	-	995,369	1,006,162
Revenue from use of money and property	384,336	52,364	18,909	455,609
Aid from other governmental agencies	107,253,769	-	-	107,253,769
Charges for services	23,176,999	23,658	38,806	23,239,463
Other revenue	563,780	-	3	563,783
Total Revenues	152,722,615	76,022	1,053,087	153,851,724
Expenditures:				
Current:				
General government	-	478	-	478
Public protection	37,851,686	-	-	37,851,686
Public ways and facilities	30,823,581	-	1,705	30,825,286
Health and sanitation	510,311	-	-	510,311
Public assistance	34,556,800	-	-	34,556,800
Education	5,296,055	-	-	5,296,055
Recreation and culture	155,516	-	-	155,516
Capital outlay	21,667,287	-	83,846	21,751,133
Debt service:				-
Principal	170,159	2,876,700	-	3,046,859
Interest and debt issuance costs	150,472	6,145,243	-	6,295,715
Total Expenditures	131,181,867	9,022,421	85,551	140,289,839
Excess (Deficiency) of Revenues Over (Under) Expenditures	21,540,748	(8,946,399)	967,536	13,561,885
Other Financing Sources (Uses):				
Transfers in	1,269,000	8,998,240	-	10,267,240
Transfers out	(14,145,837)	(14,806)	(206,321)	(14,366,964)
Total Other Financing Sources (Uses)	(12,876,837)	8,983,434	(206,321)	(4,099,724)
Net Change in Fund Balances	8,663,911	37,035	761,215	9,462,161
Fund Balances, Beginning of the Year	129,065,965	10,271,511	11,546,474	150,883,950
Fund Balances, End of Year	\$ 137,729,876	\$ 10,308,546	\$ 12,307,689	\$ 160,346,111

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, 2014**

	Road	Fish and Game	County Facilities Fee Program	Special Districts Settlement Fund
ASSETS				
Cash and investments	\$ 37,928,997	\$ 228,690	\$ 16,287,548	\$ 573,815
Imprest cash	500	-	-	-
Interest receivable	20,673	75	11,009	363
Accounts receivable	264,917	11,778	481,668	-
Taxes receivable	2,038,278	-	-	-
Due from other agencies	286,083	-	-	-
Due from other funds	62,159	-	-	-
Inventories	555,545	-	-	-
Advances to other funds	-	-	-	768,300
Restricted assets:				
Cash and investments	-	-	-	-
Total Assets	<u>\$ 41,157,152</u>	<u>\$ 240,543</u>	<u>\$ 16,780,225</u>	<u>\$ 1,342,478</u>
LIABILITIES				
Accounts payable	\$ 3,885,583	\$ -	\$ -	\$ -
Accrued payroll	682,800	-	-	-
Due to other funds	170,389	-	-	-
Advances from other funds	-	-	-	-
Unearned revenues	420,333	-	-	-
Total Liabilities	<u>5,159,105</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	555,545	-	-	768,300
Restricted	35,442,502	240,543	16,780,225	574,178
Unassigned	-	-	-	-
Total Fund Balances	<u>35,998,047</u>	<u>240,543</u>	<u>16,780,225</u>	<u>1,342,478</u>
Total Liabilities and Fund Balances	<u>\$ 41,157,152</u>	<u>\$ 240,543</u>	<u>\$ 16,780,225</u>	<u>\$ 1,342,478</u>

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014**

	Work Incentive Act	Rabies Treatment	County Head Start	Road District #1
ASSETS				
Cash and investments	\$ 4,603,730	\$ -	\$ 132,580	\$ 1,971,550
Imprest cash	250	-	-	-
Interest receivable	-	-	(314)	1,450
Accounts receivable	55,610	2,240	-	-
Taxes receivable	-	-	-	23,981
Due from other agencies	310,677	-	-	-
Due from other funds	161	-	-	-
Inventories	-	-	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Total Assets	<u>\$ 4,970,428</u>	<u>\$ 2,240</u>	<u>\$ 132,266</u>	<u>\$ 1,996,981</u>
LIABILITIES				
Accounts payable	\$ 328,863	\$ -	\$ 159,030	\$ 319,998
Accrued payroll	706,912	-	14,560	-
Due to other funds	10,370	-	-	-
Advances from other funds	-	-	-	-
Unearned revenues	-	-	-	23,387
Total Liabilities	<u>1,046,145</u>	<u>-</u>	<u>173,590</u>	<u>343,385</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	3,924,283	2,240	-	1,653,596
Unassigned	-	-	(41,324)	-
Total Fund Balances	<u>3,924,283</u>	<u>2,240</u>	<u>(41,324)</u>	<u>1,653,596</u>
Total Liabilities and Fund Balances	<u>\$ 4,970,428</u>	<u>\$ 2,240</u>	<u>\$ 132,266</u>	<u>\$ 1,996,981</u>

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014**

	Road District #2	Road District #3	Road District #4	Road District #5
ASSETS				
Cash and investments	\$ 820,487	\$ 1,015,699	\$ 4,749,732	\$ 3,089,370
Imprest cash	-	-	-	-
Interest receivable	542	732	3,280	2,334
Accounts receivable	-	-	-	-
Taxes receivable	14,782	24,627	140,211	44,610
Due from other agencies	-	-	-	5,665
Due from other funds	-	-	-	-
Inventories	-	-	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Total Assets	\$ 835,811	\$ 1,041,058	\$ 4,893,223	\$ 3,141,979
LIABILITIES				
Accounts payable	\$ 141,437	\$ 1,985	\$ 238,910	\$ 4,740
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Unearned revenues	14,391	24,059	136,745	43,571
Total Liabilities	155,828	26,044	375,655	48,311
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	679,983	1,015,014	4,517,568	3,093,668
Unassigned	-	-	-	-
Total Fund Balances	679,983	1,015,014	4,517,568	3,093,668
Total Liabilities and Fund Balances	\$ 835,811	\$ 1,041,058	\$ 4,893,223	\$ 3,141,979

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014**

	County Library	District Attorney Narcotics Enforcement	Sheriff Narcotics Enforcement	Justice Assistance Grant
ASSETS				
Cash and investments	\$ 1,456,144	\$ 7,300	\$ 46,187	\$ 225,462
Imprest cash	-	-	7,500	-
Interest receivable	287	7	29	156
Accounts receivable	-	-	-	-
Taxes receivable	216,446	-	-	-
Due from other agencies	-	-	-	-
Due from other funds	-	-	-	-
Inventories	-	-	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Total Assets	<u>\$ 1,672,877</u>	<u>\$ 7,307</u>	<u>\$ 53,716</u>	<u>\$ 225,618</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 413	\$ -
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	8,165
Advances from other funds	-	-	-	-
Unearned revenues	210,392	-	-	-
Total Liabilities	<u>210,392</u>	<u>-</u>	<u>413</u>	<u>8,165</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	1,462,485	7,307	53,303	217,453
Unassigned	-	-	-	-
Total Fund Balances	<u>1,462,485</u>	<u>7,307</u>	<u>53,303</u>	<u>217,453</u>
Total Liabilities and Fund Balances	<u>\$ 1,672,877</u>	<u>\$ 7,307</u>	<u>\$ 53,716</u>	<u>\$ 225,618</u>

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014**

	Supplemental Local Law Enforcement Block Grant	Recorder's Equipment Automation	Child Support	Community Infra- Structure
ASSETS				
Cash and investments	\$ 25,681	\$ 4,376,165	\$ 637,897	\$ 22,119,689
Imprest cash	-	-	25,400	-
Interest receivable	-	2,980	746	14,341
Accounts receivable	-	4,283	2	98,944
Taxes receivable	-	-	-	-
Due from other agencies	-	-	-	-
Due from other funds	-	-	6,452	-
Inventories	-	-	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Total Assets	<u>\$ 25,681</u>	<u>\$ 4,383,428</u>	<u>\$ 670,497</u>	<u>\$ 22,232,974</u>
LIABILITIES				
Accounts payable	\$ -	\$ 19,380	\$ 55,525	\$ 35,175
Accrued payroll	25,671	-	372,152	-
Due to other funds	-	-	91,911	230
Advances from other funds	-	-	-	-
Unearned revenues	-	-	187,854	-
Total Liabilities	<u>25,671</u>	<u>19,380</u>	<u>707,442</u>	<u>35,405</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	10	4,364,048	-	22,197,569
Unassigned	-	-	(36,945)	-
Total Fund Balances	<u>10</u>	<u>4,364,048</u>	<u>(36,945)</u>	<u>22,197,569</u>
Total Liabilities and Fund Balances	<u>\$ 25,681</u>	<u>\$ 4,383,428</u>	<u>\$ 670,497</u>	<u>\$ 22,232,974</u>

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014**

	Substance Abuse and Crime Prevention	Public Works Special Accounts	AB 109 Trial Court Security	AB 109 District Attorney - Public Defender
ASSETS				
Cash and investments	\$ -	\$ 4,525,444	\$ 3,536,067	\$ 820,507
Imprest cash	-	-	-	-
Interest receivable	(11)	2,833	2,244	575
Accounts receivable	-	26,630	1,133	-
Taxes receivable	-	-	-	-
Due from other agencies	-	-	879,811	491,172
Due from other funds	-	-	-	-
Inventories	-	-	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Total Assets	\$ (11)	\$ 4,554,907	\$ 4,419,255	\$ 1,312,254
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 3,092	\$ -
Accrued payroll	-	-	10,392	-
Due to other funds	-	-	17,961	469,983
Advances from other funds	-	-	-	-
Unearned revenues	-	-	-	-
Total Liabilities	-	-	31,445	469,983
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	4,554,907	4,387,810	842,271
Unassigned	(11)	-	-	-
Total Fund Balances	(11)	4,554,907	4,387,810	842,271
Total Liabilities and Fund Balances	\$ (11)	\$ 4,554,907	\$ 4,419,255	\$ 1,312,254

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014**

	AB 118 Local Community Corrections Fund	AB 118 Health and Human Services	Special Districts Under the Board	Total
ASSETS				
Cash and investments	\$ 8,104,583	\$ 1,575,428	\$ 24,089,369	\$ 142,948,121
Imprest cash	-	-	-	33,650
Interest receivable	5,361	735	17,328	87,755
Accounts receivable	10	-	261,805	1,209,020
Taxes receivable	-	-	93,978	2,596,913
Due from other agencies	2,142,431	-	63,021	4,178,860
Due from other funds	16,018	-	6,260	91,050
Inventories	-	-	-	555,545
Advances to other funds	-	-	-	768,300
Restricted assets:				
Cash and investments	-	-	-	-
Total Assets	\$ 10,268,403	\$ 1,576,163	\$ 24,531,761	\$ 152,469,214
LIABILITIES				
Accounts payable	\$ 133,165	\$ -	\$ 437,151	\$ 5,764,447
Accrued payroll	277,309	-	18,023	2,107,819
Due to other funds	13,112	-	153,446	935,567
Advances from other funds	-	-	4,706,625	4,706,625
Unearned revenues	-	-	164,148	1,224,880
Total Liabilities	423,586	-	5,479,393	14,739,338
FUND BALANCES				
Nonspendable	-	-	-	1,323,845
Restricted	9,844,817	1,576,163	21,700,228	139,132,171
Unassigned	-	-	(2,647,860)	(2,726,140)
Total Fund Balances	9,844,817	1,576,163	19,052,368	137,729,876
Total Liabilities and Fund Balances	\$ 10,268,403	\$ 1,576,163	\$ 24,531,761	\$ 152,469,214

**COUNTY OF SAN JOAQUIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	Road	Fish and Game	County Facilities Fee Program	Special Districts Settlement Fund
Revenues:				
Taxes	\$ 7,779,762	\$ -	\$ -	\$ -
Licenses and permits	142,650	-	-	-
Aid from other governmental agencies	22,706,258	19,277	-	-
Fines, forfeitures, and penalties	-	10,793	-	-
Use of money and property	91,226	362	46,198	3,490
Charges for services	710,354	-	2,495,552	-
Miscellaneous	165,354	-	-	-
Total Revenues	31,595,604	30,432	2,541,750	3,490
Expenditures:				
Current:				
Public protection	-	60,613	-	-
Public ways and facilities	11,063,011	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	20,708,099	-	-	-
Debt service - interest	-	-	-	-
Debt service - principal payment	-	-	-	-
Total Expenditures	31,771,110	60,613	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(175,506)	(30,181)	2,541,750	3,490
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(368,199)	(13,647)	(1,413,099)	-
Total Other Financing Sources (Uses)	(368,199)	(13,647)	(1,413,099)	-
Net Change in Fund Balances	(543,705)	(43,828)	1,128,651	3,490
Fund Balances, Beginning of Year	36,541,752	284,371	15,651,574	1,338,988
Fund Balances, End of Year	<u>\$ 35,998,047</u>	<u>\$ 240,543</u>	<u>\$ 16,780,225</u>	<u>\$ 1,342,478</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, 2014**

	Work Incentive Act	Rabies Treatment	County Head Start	Road District #1
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 565,460
Licenses and permits	-	65,241	-	-
Aid from other governmental agencies	9,525,430	-	22,785,721	6,444
Fines, forfeitures, and penalties	-	-	-	-
Use of money and property	1,402	-	111	6,102
Charges for services	814,589	-	-	-
Miscellaneous	263,543	-	-	-
Total Revenues	10,604,964	65,241	22,785,832	578,006
Expenditures:				
Current:				
Public protection	-	-	-	-
Public ways and facilities	-	-	-	1,156,519
Health and sanitation	-	-	-	-
Public assistance	9,481,995	-	24,125,716	-
Education	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	39,899	-	-	-
Debt service - interest	-	-	-	-
Debt service - principal payment	-	-	-	-
Total Expenditures	9,521,894	-	24,125,716	1,156,519
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,083,070	65,241	(1,339,884)	(578,513)
Other Financing Sources (Uses):				
Transfers in	3,584	-	909,223	-
Transfers out	-	(63,708)	-	(41,439)
Total Other Financing Sources (Uses)	3,584	(63,708)	909,223	(41,439)
Net Change in Fund Balances	1,086,654	1,533	(430,661)	(619,952)
Fund Balances, Beginning of Year	2,837,629	707	389,337	2,273,548
Fund Balances, End of Year	<u>\$ 3,924,283</u>	<u>\$ 2,240</u>	<u>\$ (41,324)</u>	<u>\$ 1,653,596</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, 2014**

	Road District #2	Road District #3	Road District #4	Road District #5
Revenues:				
Taxes	\$ 341,757	\$ 704,970	\$ 3,247,666	\$ 1,068,468
Licenses and permits	-	-	-	-
Aid from other governmental agencies	12,681	6,657	37,505	17,617
Fines, forfeitures, and penalties	-	-	-	-
Use of money and property	2,376	2,753	12,448	9,623
Charges for services	-	-	500	-
Miscellaneous	-	-	5,600	-
Total Revenues	356,814	714,380	3,303,719	1,095,708
Expenditures:				
Current:				
Public protection	-	-	-	-
Public ways and facilities	770,950	585,234	3,423,922	1,457,508
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	-	-	-	-
Debt service - interest	-	-	-	-
Debt service - principal payment	-	-	-	-
Total Expenditures	770,950	585,234	3,423,922	1,457,508
Excess (Deficiency) of Revenues Over (Under) Expenditures	(414,136)	129,146	(120,203)	(361,800)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(28,868)	(145,952)	(233,724)	(135,993)
Total Other Financing Sources (Uses)	(28,868)	(145,952)	(233,724)	(135,993)
Net Change in Fund Balances	(443,004)	(16,806)	(353,927)	(497,793)
Fund Balances, Beginning of Year	1,122,987	1,031,820	4,871,495	3,591,461
Fund Balances, End of Year	<u>\$ 679,983</u>	<u>\$ 1,015,014</u>	<u>\$ 4,517,568</u>	<u>\$ 3,093,668</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, 2014**

	County Library	District Attorney Narcotics Enforcement	Sheriff Narcotics Enforcement	Justice Assistance Grant
Revenues:				
Taxes	\$ 5,202,380	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Aid from other governmental agencies	198,014	-	-	182,079
Fines, forfeitures, and penalties	-	-	-	-
Use of money and property	1,625	12	129	573
Charges for services	149,422	-	-	-
Miscellaneous	-	15,483	2,081	-
Total Revenues	5,551,441	15,495	2,210	182,652
Expenditures:				
Current:				
Public protection	-	8,200	3,217	199,648
Public ways and facilities	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	5,296,055	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	-	-	2,080	-
Debt service - interest	-	-	-	-
Debt service - principal payment	-	-	-	-
Total Expenditures	5,296,055	8,200	5,297	199,648
Excess (Deficiency) of Revenues Over (Under) Expenditures	255,386	7,295	(3,087)	(16,996)
Other Financing Sources (Uses):				
Transfers in	120,151	-	-	-
Transfers out	-	-	-	(2,175)
Total Other Financing Sources (Uses)	120,151	-	-	(2,175)
Net Change in Fund Balances	375,537	7,295	(3,087)	(19,171)
Fund Balances, Beginning of Year	1,086,948	12	56,390	236,624
Fund Balances, End of Year	<u>\$ 1,462,485</u>	<u>\$ 7,307</u>	<u>\$ 53,303</u>	<u>\$ 217,453</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, 2014**

	Supplemental Local Law Enforcement Block Grant	Recorder's Equipment Automation	Child Support	Community Infra- Structure
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Aid from other governmental agencies	-	-	14,858,585	-
Fines, forfeitures, and penalties	-	-	-	-
Use of money and property	10	12,828	3,351	61,850
Charges for services	-	708,259	-	2,437,929
Miscellaneous	-	-	69,744	-
Total Revenues	10	721,087	14,931,680	2,499,779
Expenditures:				
Current:				
Public protection	-	336,586	14,397,369	-
Public ways and facilities	-	-	-	1,585,482
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	-	37,033	105,732	-
Debt service - interest	-	-	-	-
Debt service - principal payment	-	-	-	-
Total Expenditures	-	373,619	14,503,101	1,585,482
Excess (Deficiency) of Revenues Over (Under) Expenditures	10	347,468	428,579	914,297
Other Financing Sources (Uses):				
Transfers in	-	91,236	-	-
Transfers out	-	(452,193)	(481,760)	-
Total Other Financing Sources (Uses)	-	(360,957)	(481,760)	-
Net Change in Fund Balances	10	(13,489)	(53,181)	914,297
Fund Balances, Beginning of Year	-	4,377,537	16,236	21,283,272
Fund Balances, End of Year	\$ 10	\$ 4,364,048	\$ (36,945)	\$ 22,197,569

**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, 2014**

	Substance Abuse and Crime Prevention	Public Works Special Accounts	AB 109 Trial Court Security	AB 109 District Attorney - Public Defender
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Aid from other governmental agencies	-	-	11,636,275	2,796,173
Fines, forfeitures, and penalties	-	-	-	-
Use of money and property	-	12,361	8,389	2,088
Charges for services	-	129,488	-	-
Miscellaneous	-	23,117	-	-
Total Revenues	-	164,966	11,644,664	2,798,261
Expenditures:				
Current:				
Public protection	-	-	2,144,813	-
Public ways and facilities	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	-	-	57,160	-
Debt service - interest	-	-	-	-
Debt service - principal payment	-	-	-	-
Total Expenditures	-	-	2,201,973	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	164,966	9,442,691	2,798,261
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(7,356,420)	(2,418,771)
Total Other Financing Sources (Uses)	-	-	(7,356,420)	(2,418,771)
Net Change in Fund Balances	-	164,966	2,086,271	379,490
Fund Balances, Beginning of Year	(11)	4,389,941	2,301,539	462,781
Fund Balances, End of Year	<u>\$ (11)</u>	<u>\$ 4,554,907</u>	<u>\$ 4,387,810</u>	<u>\$ 842,271</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, 2014**

	AB 118 Local Community Corrections Fund	AB 118 Health and Human Services	Special Districts Under the Board	Total
Revenues:				
Taxes	\$ -	\$ -	\$ 2,214,584	\$ 21,125,047
Licenses and permits	-	-	-	207,891
Aid from other governmental agencies	19,999,615	2,085,104	380,334	107,253,769
Fines, forfeitures, and penalties	-	-	-	10,793
Use of money and property	20,102	1,370	83,557	384,336
Charges for services	-	-	15,730,906	23,176,999
Miscellaneous	70	-	18,788	563,780
Total Revenues	20,019,787	2,086,474	18,428,169	152,722,615
Expenditures:				
Current:				
Public protection	15,566,029	-	5,135,211	37,851,686
Public ways and facilities	-	-	10,780,955	30,823,581
Health and sanitation	-	510,311	-	510,311
Public assistance	-	-	949,089	34,556,800
Education	-	-	-	5,296,055
Recreation and culture	-	-	155,516	155,516
Capital outlay	326,046	-	391,238	21,667,287
Debt service - interest	-	-	150,472	150,472
Debt service - principal payment	-	-	170,159	170,159
Total Expenditures	15,892,075	510,311	17,732,640	131,181,867
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,127,712	1,576,163	695,529	21,540,748
Other Financing Sources (Uses):				
Transfers in	-	-	144,806	1,269,000
Transfers out	(384,000)	-	(605,889)	(14,145,837)
Total Other Financing Sources (Uses)	(384,000)	-	(461,083)	(12,876,837)
Net Change in Fund Balances	3,743,712	1,576,163	234,446	8,663,911
Fund Balances, Beginning of Year	6,101,105	-	18,817,922	129,065,965
Fund Balances, End of Year	\$ 9,844,817	\$ 1,576,163	\$ 19,052,368	\$ 137,729,876

**COUNTY OF SAN JOAQUIN
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL DISTRICTS GOVERNED BY
 THE BOARD OF SUPERVISORS – SPECIAL REVENUE FUNDS
 JUNE 30, 2014**

	Lighting Districts	Service Areas	Maintenance Districts
ASSETS			
Cash and investments	\$ 1,031,312	\$ 6,281,869	\$ 10,143,411
Interest receivable	691	4,621	7,339
Accounts receivable	(303)	78,821	44,849
Taxes receivable	7,524	6,062	15,505
Due from other agencies	-	155	280
Due from other funds	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 1,039,224</u>	<u>\$ 6,371,528</u>	<u>\$ 10,211,384</u>
LIABILITIES			
Accounts payable	\$ 977	\$ 211,321	\$ 67,795
Accrued salaries and benefits	-	-	-
Advances from other funds	-	1,277,677	-
Due to other funds	-	7,669	327
Unearned revenues	7,327	5,915	15,093
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>8,304</u>	<u>1,502,582</u>	<u>83,215</u>
FUND BALANCES			
Restricted	1,030,920	4,868,946	10,128,169
Unassigned	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>1,030,920</u>	<u>4,868,946</u>	<u>10,128,169</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 1,039,224</u>	<u>\$ 6,371,528</u>	<u>\$ 10,211,384</u>

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL DISTRICTS GOVERNED BY
THE BOARD OF SUPERVISORS – SPECIAL REVENUE FUNDS
JUNE 30, 2014**

	Flood Control District	Water District	North Eastern San Joaquin Ground Water Banking Authority
ASSETS			
Cash and investments	\$ 5,622,212	\$ 54,450	\$ 345,637
Interest receivable	3,948	40	224
Accounts receivable	130,697	7,741	-
Taxes receivable	64,808	79	-
Due from other agencies	22,621	45	37,054
Due from other funds	6,260	-	-
	<u>\$ 5,850,546</u>	<u>\$ 62,355</u>	<u>\$ 382,915</u>
LIABILITIES			
Accounts payable	\$ 86,161	\$ 1,626	\$ 48,103
Accrued salaries and benefits	-	-	-
Advances from other funds	-	-	500,831
Due to other funds	145,093	92	-
Unearned revenues	135,735	78	-
	<u>366,989</u>	<u>1,796</u>	<u>548,934</u>
FUND BALANCES			
Restricted	5,483,557	60,559	-
Unassigned	-	-	(166,019)
	<u>5,483,557</u>	<u>60,559</u>	<u>(166,019)</u>
Total Fund Balances	<u>5,483,557</u>	<u>60,559</u>	<u>(166,019)</u>
Total Liabilities and Fund Balances	<u>\$ 5,850,546</u>	<u>\$ 62,355</u>	<u>\$ 382,915</u>

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL DISTRICTS GOVERNED BY
THE BOARD OF SUPERVISORS – SPECIAL REVENUE FUNDS
JUNE 30, 2014**

	Mokelumne Water and Power Authority	Improvement Districts	IHSS Public Authority	Total
ASSETS				
Cash and investments	\$ 499,756	\$ 127,998	\$ (17,276)	\$ 24,089,369
Interest receivable	386	79	-	17,328
Accounts receivable	-	-	-	261,805
Taxes receivable	-	-	-	93,978
Due from other agencies	-	-	2,866	63,021
Due from other funds	-	-	-	6,260
	<u>500,142</u>	<u>128,077</u>	<u>(14,410)</u>	<u>24,531,761</u>
Total Assets	\$ 500,142	\$ 128,077	\$ (14,410)	\$ 24,531,761
LIABILITIES				
Accounts payable	\$ 3,250	\$ -	\$ 17,918	\$ 437,151
Accrued salaries and benefits	-	-	18,023	18,023
Advances from other funds	2,928,117	-	-	4,706,625
Due to other funds	-	-	265	153,446
Unearned revenues	-	-	-	164,148
	<u>2,931,367</u>	<u>-</u>	<u>36,206</u>	<u>5,479,393</u>
Total Liabilities	2,931,367	-	36,206	5,479,393
FUND BALANCES				
Restricted	-	128,077	-	21,700,228
Unassigned	(2,431,225)	-	(50,616)	(2,647,860)
	<u>(2,431,225)</u>	<u>128,077</u>	<u>(50,616)</u>	<u>19,052,368</u>
Total Fund Balances	(2,431,225)	128,077	(50,616)	19,052,368
Total Liabilities and Fund Balances	\$ 500,142	\$ 128,077	\$ (14,410)	\$ 24,531,761

**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, 2014**

	Lighting Districts	Service Areas	Maintenance Districts
Revenues:			
Taxes	\$ 174,338	\$ 154,819	\$ 373,096
Aid from other governmental agencies	2,018	1,792	4,139
Use of money and property	2,781	31,731	28,642
Charges for services	264,750	4,556,924	6,715,359
Miscellaneous	-	4,578	18,546
Total Revenues	443,887	4,749,844	7,139,782
Expenditures:			
Current:			
Public protection	-	-	-
Public ways and facilities	360,702	3,365,718	6,121,392
Public assistance	-	-	-
Recreation and culture	-	155,516	-
Capital outlay	-	124,256	260,180
Debt service - interest	-	132,381	-
Debt service - principal	-	-	-
Total Expenditures	360,702	3,777,871	6,381,572
Excess (Deficiency) of Revenues Over (Under) Expenditures	83,185	971,973	758,210
Other Financing Sources (Uses):			
Transfers in	-	144,806	-
Transfers out	-	(605,889)	-
Total Other Financing Sources (Uses)	-	(461,083)	-
Net Change in Fund Balances	83,185	510,890	758,210
Fund Balances, Beginning of Year	947,735	4,358,056	9,369,959
Fund Balances, End of Year	\$ 1,030,920	\$ 4,868,946	\$ 10,128,169

**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, 2014**

	Flood Control District	Water District	North Eastern San Joaquin Ground Water Banking Authority
Revenues:			
Taxes	\$ 1,510,056	\$ 2,275	\$ -
Aid from other governmental agencies	50,109	22	322,254
Use of money and property	16,623	134	1,023
Charges for services	4,092,844	101,029	-
Miscellaneous	(533,780)	(26,379)	155,823
Total Revenues	5,135,852	77,081	479,100
Expenditures:			
Current:			
Public protection	5,135,211	-	-
Public ways and facilities	-	67,266	365,657
Public assistance	-	-	-
Recreation and culture	-	-	-
Capital outlay	-	-	-
Debt service - interest	9,366	-	1,274
Debt service - principal	170,159	-	-
Total Expenditures	5,314,736	67,266	366,931
Excess (Deficiency) of Revenues Over (Under) Expenditures	(178,884)	9,815	112,169
Other Financing Sources (Uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balances	(178,884)	9,815	112,169
Fund Balances, Beginning of Year	5,662,441	50,744	(278,188)
Fund Balances, End of Year	<u>\$ 5,483,557</u>	<u>\$ 60,559</u>	<u>\$ (166,019)</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, 2014**

	Mokelumne Water and Power Authority	Improvement Districts	IHSS Public Authority	Total
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 2,214,584
Aid from other governmental agencies	-	-	-	380,334
Use of money and property	1,947	350	326	83,557
Charges for services	-	-	-	15,730,906
Miscellaneous	400,000	-	-	18,788
Total Revenues	401,947	350	326	18,428,169
Expenditures:				
Current:				
Public protection	-	-	-	5,135,211
Public ways and facilities	500,220	-	-	10,780,955
Public assistance	-	-	949,089	949,089
Recreation and culture	-	-	-	155,516
Capital outlay	-	-	6,802	391,238
Debt service - interest	7,451	-	-	150,472
Debt service - principal	-	-	-	170,159
Total Expenditures	507,671	-	955,891	17,732,640
Excess (Deficiency) of Revenues Over (Under) Expenditures	(105,724)	350	(955,565)	695,529
Other Financing Sources (Uses):				
Transfers in	-	-	-	144,806
Transfers out	-	-	-	(605,889)
Total Other Financing Sources (Uses)	-	-	-	(461,083)
Net Change in Fund Balances	(105,724)	350	(955,565)	234,446
Fund Balances, Beginning of Year	(2,325,501)	127,727	904,949	18,817,922
Fund Balances, End of Year	\$ (2,431,225)	\$ 128,077	\$ (50,616)	\$ 19,052,368

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, 2014**

	Special Districts Governed by the Board of Supervisors				Total
	1993 Capital Facility Project	Maintenance District Shaded Terrace	Maintenance District Sunnyside	Flag City	
ASSETS					
Cash and investments	\$ -	\$ 37,925	\$ 9,491	\$ -	\$ 47,416
Interest receivable	-	28	7	-	35
Restricted assets:					
Cash and investments	9,633,024	-	-	611,881	10,244,905
Receivables	15,340	-	-	850	16,190
Total Assets	<u>\$ 9,648,364</u>	<u>\$ 37,953</u>	<u>\$ 9,498</u>	<u>\$ 612,731</u>	<u>\$ 10,308,546</u>
FUND BALANCES					
Restricted	\$ -	\$ 37,953	\$ 9,498	\$ 612,731	\$ 660,182
Assigned	9,648,364	-	-	-	9,648,364
Total Fund Balances	<u>\$ 9,648,364</u>	<u>\$ 37,953</u>	<u>\$ 9,498</u>	<u>\$ 612,731</u>	<u>\$ 10,308,546</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, 2014**

	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	\$ 50,329	\$ 111	\$ 27	\$ 1,897	\$ 52,364
Charges for services	-	18,219	5,439	-	23,658
Total Revenues	50,329	18,330	5,466	1,897	76,022
Expenditures:					
Debt service:					
General government	-	303	175	-	478
Principal retirement	2,720,000	5,000	1,700	150,000	2,876,700
Interest and debt issuance costs	5,672,800	13,223	3,780	455,440	6,145,243
Total Expenditures	8,392,800	18,526	5,655	605,440	9,022,421
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,342,471)	(196)	(189)	(603,543)	(8,946,399)
Other Financing Sources (Uses):					
Transfers in	8,392,800	-	-	605,440	8,998,240
Transfers out	-	-	-	(14,806)	(14,806)
Total Other Financing Sources	8,392,800	-	-	590,634	8,983,434
Net Change in Fund Balances	50,329	(196)	(189)	(12,909)	37,035
Fund Balances, Beginning of Year	9,598,035	38,149	9,687	625,640	10,271,511
Fund Balances, End of Year	\$ 9,648,364	\$ 37,953	\$ 9,498	\$ 612,731	\$ 10,308,546

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, 2014**

	<u>Courthouse Construction</u>	<u>Criminal Justice Construction</u>	<u>Airport East Construction</u>
ASSETS			
Cash and investments	\$ 219,214	\$ 3,556,501	\$ 7,268,369
Due from other fund	93	93	-
Interest receivable	81	2,184	-
Accounts receivable	94,758	67,282	-
	<u>314,146</u>	<u>3,626,060</u>	<u>7,268,369</u>
Total Assets	<u>\$ 314,146</u>	<u>\$ 3,626,060</u>	<u>\$ 7,268,369</u>
LIABILITIES			
Advances from other funds	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Restricted	314,146	3,626,060	-
Assigned	-	-	7,268,369
Unassigned	-	-	-
	<u>314,146</u>	<u>3,626,060</u>	<u>7,268,369</u>
Total Fund Balances	<u>314,146</u>	<u>3,626,060</u>	<u>7,268,369</u>
Total Liabilities and Fund Balances	<u>\$ 314,146</u>	<u>\$ 3,626,060</u>	<u>\$ 7,268,369</u>

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET (Continued)
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2014**

	MG Golf Course Capital Improvement Trust	Public Health Construction	Special Districts Governed by the Board of Supervisors	Total
ASSETS				
Cash and investments	\$ 46,819	\$ 1,313,744	\$ 1,523,376	\$ 13,928,023
Due from other fund	-	-	-	186
Interest receivable	29	832	869	3,995
Accounts receivable	-	-	-	162,040
Total Assets	\$ 46,848	\$ 1,314,576	\$ 1,524,245	\$ 14,094,244
LIABILITIES				
Advances from other funds	-	-	1,786,555	1,786,555
Total Liabilities	-	-	1,786,555	1,786,555
FUND BALANCES				
Restricted	-	-	1,221,677	5,161,883
Assigned	46,848	1,314,576	-	8,629,793
Unassigned	-	-	(1,483,987)	(1,483,987)
Total Fund Balances	46,848	1,314,576	(262,310)	12,307,689
Total Liabilities and Fund Balances	\$ 46,848	\$ 1,314,576	\$ 1,524,245	\$ 14,094,244

**COUNTY OF SAN JOAQUIN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014**

	Courthouse Construction	Criminal Justice Construction	Airport East Construction
Revenues:			
Fines, forfeitures, and penalties	\$ 317,740	\$ 677,629	\$ -
Use of money and property	444	9,094	1,784
Charges for services	-	-	-
Miscellaneous	-	-	3
Total Revenues	318,184	686,723	1,787
Expenditures:			
Public ways and facilities	-	-	-
Capital outlay	-	-	83,846
Total Expenditures	-	-	83,846
Excess (Deficiency) of Revenues Over (Under) Expenditures	318,184	686,723	(82,059)
Other Financing Sources (Uses):			
Transfers out	(176,321)	-	-
Total Other Financing Sources (Uses)	(176,321)	-	-
Net Change in Fund Balances	141,863	686,723	(82,059)
Fund Balances, Beginning of Year	172,283	2,939,337	7,350,428
Fund Balances, End of Year	\$ 314,146	\$ 3,626,060	\$ 7,268,369

**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, 2014**

	MG Golf Course Capital Improvement Trust	Public Health Construction	Special Districts Governed by the Board of Supervisors	Total
Revenues:				
Fines, forfeitures, and penalties	\$ -	\$ -	\$ -	\$ 995,369
Use of money and property	84	3,652	3,851	18,909
Charges for services	30,908	-	7,898	38,806
Miscellaneous	-	-	-	3
Total Revenues	30,992	3,652	11,749	1,053,087
Expenditures:				
Public ways and facilities	-	-	1,705	1,705
Capital outlay	-	-	-	83,846
Total Expenditures	-	-	1,705	85,551
Excess (Deficiency) of Revenues Over (Under) Expenditures	30,992	3,652	10,044	967,536
Other Financing Sources (Uses):				
Transfers out	-	-	(30,000)	(206,321)
Total Other Financing Sources (Uses)	-	-	(30,000)	(206,321)
Net Change in Fund Balances	30,992	3,652	(19,956)	761,215
Fund Balances, Beginning of Year	15,856	1,310,924	(242,354)	11,546,474
Fund Balances, End of Year	<u>\$ 46,848</u>	<u>\$ 1,314,576</u>	<u>\$ (262,310)</u>	<u>\$ 12,307,689</u>

**COUNTY OF SAN JOAQUIN
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL DISTRICTS GOVERNED BY
 THE BOARD OF SUPERVISORS – CAPITAL PROJECTS FUNDS
 JUNE 30, 2014**

	Improvement Districts	Lighting Districts	Maintenance Districts
ASSETS			
Cash and investments	\$ 1,015,005	\$ -	\$ 5,928
Interest receivable	642	-	21
 Total Assets	<u>\$ 1,015,647</u>	<u>\$ -</u>	<u>\$ 5,949</u>
 LIABILITIES			
Advances from other funds	\$ -	\$ -	\$ -
 Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
 FUND BALANCES			
Restricted	1,015,647	-	5,949
Unassigned	-	-	-
 Total Fund Balances	<u>1,015,647</u>	<u>-</u>	<u>5,949</u>
 Total Liabilities and Fund Balances	<u>\$ 1,015,647</u>	<u>\$ -</u>	<u>\$ 5,949</u>

**COUNTY OF SAN JOAQUIN
 COMBINING BALANCE SHEET (Continued)
 NONMAJOR SPECIAL DISTRICTS GOVERNED BY
 THE BOARD OF SUPERVISORS – CAPITAL PROJECTS FUNDS
 JUNE 30, 2014**

	County Service Areas	Flood Control	Total
ASSETS			
Cash and investments	\$ 302,362	\$ 200,081	\$ 1,523,376
Interest receivable	206	-	869
	<u>\$ 302,568</u>	<u>\$ 200,081</u>	<u>\$ 1,524,245</u>
LIABILITIES			
Advances from other funds	\$ 1,786,555	\$ -	\$ 1,786,555
	<u>1,786,555</u>	<u>-</u>	<u>1,786,555</u>
FUND BALANCES			
Restricted	-	200,081	1,221,677
Unassigned	(1,483,987)	-	(1,483,987)
	<u>(1,483,987)</u>	<u>200,081</u>	<u>(262,310)</u>
	<u>\$ 302,568</u>	<u>\$ 200,081</u>	<u>\$ 1,524,245</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, 2014**

	Improvement Districts	Lighting Districts	Maintenance Districts
Revenues:			
Use of money and property	\$ 2,811	\$ -	\$ 83
Charges for services	7,898	-	-
Total Revenues	<u>10,709</u>	<u>-</u>	<u>83</u>
Expenditures:			
Public ways and facilities	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>10,709</u>	<u>-</u>	<u>83</u>
Other Financing Sources (Uses):			
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	10,709	-	83
Fund Balances, Beginning of Year	<u>1,004,938</u>	<u>-</u>	<u>5,866</u>
Fund Balances, End of Year	<u>\$ 1,015,647</u>	<u>\$ -</u>	<u>\$ 5,949</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, 2014**

	County Service Areas	Flood Control	Total
Revenues:			
Use of money and property	\$ 907	\$ 50	\$ 3,851
Charges for services	-	-	7,898
Total Revenues	<u>907</u>	<u>50</u>	<u>11,749</u>
Expenditures:			
Public ways and facilities	<u>1,705</u>	-	<u>1,705</u>
Total Expenditures	<u>1,705</u>	<u>-</u>	<u>1,705</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(798)</u>	<u>50</u>	<u>10,044</u>
Other Financing Sources (Uses):			
Transfers out	<u>(30,000)</u>	-	<u>(30,000)</u>
Total Other Financing Sources (Uses)	<u>(30,000)</u>	<u>-</u>	<u>(30,000)</u>
Net Change in Fund Balances	(30,798)	50	(19,956)
Fund Balances, Beginning of Year	<u>(1,453,189)</u>	<u>200,031</u>	<u>(242,354)</u>
Fund Balances, End of Year	<u>\$ (1,483,987)</u>	<u>\$ 200,081</u>	<u>\$ (262,310)</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, 2014**

	Fleet Services	Office Automation	Central Telephone	Radio Communi- cations
<u>Assets</u>				
Current Assets:				
Cash and investments	\$ 13,359,061	\$ 716,828	\$ 1,669,375	\$ 1,860,205
Imprest cash	40	-	-	-
Receivables	22,399	903	24,827	-
Interest receivable	9,212	358	953	1,280
Due from governmental funds	718,498	121,859	357,132	89
Due from other governments	-	-	-	81,229
Other liabilities	-	-	-	-
Prepaid expense	-	64,066	-	8,360
Receivable	-	-	-	-
Inventories	597,571	-	21,220	-
	<u>14,706,781</u>	<u>904,014</u>	<u>2,073,507</u>	<u>1,951,163</u>
Total Current Assets				
Noncurrent Assets:				
Capital assets:				
Non-depreciable	-	-	-	-
Depreciable	8,340,241	3,837,856	228,553	7,055,853
	<u>8,340,241</u>	<u>3,837,856</u>	<u>228,553</u>	<u>7,055,853</u>
Total Noncurrent Assets	<u>8,340,241</u>	<u>3,837,856</u>	<u>228,553</u>	<u>7,055,853</u>
Total Assets	<u>\$ 23,047,022</u>	<u>\$ 4,741,870</u>	<u>\$ 2,302,060</u>	<u>\$ 9,007,016</u>
<u>Liabilities</u>				
Current Liabilities:				
Accounts payable	\$ 444,734	\$ 303,388	\$ 132,868	\$ 79,815
Accrued payroll	101,512	-	53,298	-
Interest payable	4,810	13,234	-	7,121
Due to other funds	9,221	42,082	29,329	10,388
Compensated absences	161,008	-	72,917	-
Current portion of capital leases	440,947	1,165,667	-	546,173
Current portion of notes payable	-	-	-	-
	<u>1,162,232</u>	<u>1,524,371</u>	<u>288,412</u>	<u>643,497</u>
Total Current Liabilities	<u>1,162,232</u>	<u>1,524,371</u>	<u>288,412</u>	<u>643,497</u>
Long-Term Liabilities:				
Advances from other funds	-	-	-	-
Compensated absences	1,500	-	-	-
Capital lease obligations	1,097,687	2,375,247	-	1,913,919
Claims liability	-	-	-	-
Notes payable	-	-	-	-
OPEB liability	416,537	-	131,404	-
	<u>1,515,724</u>	<u>2,375,247</u>	<u>131,404</u>	<u>1,913,919</u>
Total Long-Term Liabilities	<u>1,515,724</u>	<u>2,375,247</u>	<u>131,404</u>	<u>1,913,919</u>
Total Liabilities	<u>2,677,956</u>	<u>3,899,618</u>	<u>419,816</u>	<u>2,557,416</u>
<u>Net Position</u>				
Net investments in capital assets	6,801,607	296,942	228,553	4,595,761
Restricted	13,855,931	-	-	-
Unrestricted	(288,472)	545,310	1,653,691	1,853,839
	<u>20,369,066</u>	<u>842,252</u>	<u>1,882,244</u>	<u>6,449,600</u>
Total Net Position	<u>20,369,066</u>	<u>842,252</u>	<u>1,882,244</u>	<u>6,449,600</u>
Total Liabilities and Net Position	<u>\$ 23,047,022</u>	<u>\$ 4,741,870</u>	<u>\$ 2,302,060</u>	<u>\$ 9,007,016</u>

**COUNTY OF SAN JOAQUIN
COMBINING STATEMENT OF FUND NET POSITION (Continued)
INTERNAL SERVICE FUNDS
JUNE 30, 2014**

	Southern Water System	Purchasing ISF	Health Insurance	Dental Insurance	Medical Malpractice Insurance
<u>Assets</u>					
Current Assets:					
Cash and investments	\$ 36,115	\$ 1,580,591	\$ 43,591,314	\$ 3,870,193	\$ 10,567,542
Imprest cash	-	-	-	-	-
Receivables	344,010	39	-	-	-
Interest receivable	22	925	28,337	2,659	7,798
Due from governmental funds	-	56,147	-	-	-
Due from other governments	-	-	1,410,229	221,590	-
Other liabilities	-	-	-	-	-
Prepaid expense	-	-	-	-	-
Receivable	-	-	-	-	-
Inventories	-	-	-	-	-
	<u>380,147</u>	<u>1,637,702</u>	<u>45,029,880</u>	<u>4,094,442</u>	<u>10,575,340</u>
Total Current Assets					
Noncurrent Assets:					
Capital assets:					
Non-depreciable	17,481	-	-	-	-
Depreciable	-	-	-	-	-
	<u>17,481</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Noncurrent Assets					
	<u>\$ 397,628</u>	<u>\$ 1,637,702</u>	<u>\$ 45,029,880</u>	<u>\$ 4,094,442</u>	<u>\$ 10,575,340</u>
<u>Liabilities</u>					
Current Liabilities:					
Accounts payable	\$ (32,272)	\$ 1,171,268	\$ 5,845,264	\$ 387,385	\$ 6,711
Accrued payroll	-	-	-	-	-
Interest payable	-	-	-	-	-
Due to other funds	-	2,314	28,963	-	-
Compensated absences	-	-	-	-	-
Current portion of capital leases	-	-	-	-	-
Current portion of notes payable	-	-	-	-	-
	<u>(32,272)</u>	<u>1,173,582</u>	<u>5,874,227</u>	<u>387,385</u>	<u>6,711</u>
Total Current Liabilities					
Long-Term Liabilities:					
Advances from other funds	186,207	-	-	-	-
Compensated absences	-	-	-	-	-
Capital lease obligations	-	-	-	-	-
Claims liability	-	-	5,073,467	355,560	3,486,000
Notes payable	-	-	-	-	-
OPEB liability	-	-	-	-	-
	<u>186,207</u>	<u>-</u>	<u>5,073,467</u>	<u>355,560</u>	<u>3,486,000</u>
Total Long-Term Liabilities					
	<u>153,935</u>	<u>1,173,582</u>	<u>10,947,694</u>	<u>742,945</u>	<u>3,492,711</u>
<u>Net Position</u>					
Net investments in capital assets	17,481	-	-	-	-
Restricted	-	-	-	-	-
Unrestricted	226,212	464,120	34,082,186	3,351,497	7,082,629
	<u>243,693</u>	<u>464,120</u>	<u>34,082,186</u>	<u>3,351,497</u>	<u>7,082,629</u>
Total Net Position					
	<u>\$ 397,628</u>	<u>\$ 1,637,702</u>	<u>\$ 45,029,880</u>	<u>\$ 4,094,442</u>	<u>\$ 10,575,340</u>
Total Liabilities and Net Position					

COUNTY OF SAN JOAQUIN
COMBINING STATEMENT OF FUND NET POSITION (Continued)
INTERNAL SERVICE FUNDS
JUNE 30, 2014

	Casualty Insurance	Workers Comp Insurance	Unemployment Insurance	Total
Assets				
Current Assets:				
Cash and investments	\$ 22,139,703	\$ 47,406,131	\$ 4,041,092	\$ 150,838,150
Imprest cash	-	-	-	40
Receivables	-	-	-	392,178
Interest receivable	14,578	32,964	2,529	101,615
Due from governmental funds	124	468	-	1,254,317
Due from other governments	-	-	88,404	1,801,452
Other liabilities	-	-	-	-
Prepaid expense	4,462	250,000	-	326,888
Receivable	-	-	-	-
Inventories	-	-	-	618,791
Total Current Assets	22,158,867	47,689,563	4,132,025	155,333,431
Noncurrent Assets:				
Capital assets:				
Non-depreciable	-	-	-	17,481
Depreciable	-	-	-	19,462,503
Total Noncurrent Assets	-	-	-	19,479,984
Total Assets	\$ 22,158,867	\$ 47,689,563	\$ 4,132,025	\$ 174,813,415
Liabilities				
Current Liabilities:				
Accounts payable	\$ 53,039	\$ 283,320	\$ -	\$ 8,675,520
Accrued payroll	-	-	-	154,810
Interest payable	59,359	-	-	84,524
Due to other funds	649,415	115	-	771,827
Compensated absences	-	-	-	233,925
Current portion of capital leases	-	-	-	2,152,787
Current portion of notes payable	67,360	-	-	67,360
Total Current Liabilities	829,173	283,435	-	12,140,753
Long-Term Liabilities:				
Advances from other funds	-	-	-	186,207
Compensated absences	-	-	-	1,500
Capital lease obligations	-	-	-	5,386,853
Claims liability	10,898,000	31,613,670	254,155	51,680,852
Notes payable	1,438,570	-	-	1,438,570
OPEB liability	-	-	-	547,941
Total Long-Term Liabilities	12,336,570	31,613,670	254,155	59,241,923
Total Liabilities	13,165,743	31,897,105	254,155	71,382,676
Net Position				
Net investments in capital assets	-	-	-	11,940,344
Restricted	-	-	-	13,855,931
Unrestricted	8,993,124	15,792,458	3,877,870	77,634,464
Total Net Position	8,993,124	15,792,458	3,877,870	103,430,739
Total Liabilities and Net Position	\$ 22,158,867	\$ 47,689,563	\$ 4,132,025	\$ 174,813,415

**COUNTY OF SAN JOAQUIN
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	Fleet Services	Office Automation	Central Telephone	Radio Communi- cations
Operating Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Equipment rental	6,623,226	1,477,720	363,537	40,532
User fees	1,027,573	80,460	5,027,853	2,791,359
Interest charges to users	-	77,967	-	-
Other	194,045	-	-	-
Total Operating Revenues	7,844,844	1,636,147	5,391,390	2,831,891
Operating Expenses:				
Liability claims and loss adjustment	-	-	-	-
Salaries and benefits	2,764,242	-	1,589,337	-
Insurance	305,721	17	1,337	318
Services and supplies	5,590,003	532,254	2,853,797	1,428,529
Depreciation and amortization	1,840,731	1,345,730	378,135	1,183,416
Miscellaneous	17,954	-	-	-
Total Operating Expenses	10,518,651	1,878,001	4,822,606	2,612,263
Operating Income (Loss)	(2,673,807)	(241,854)	568,784	219,628
Non-Operating Revenues (Expenses):				
Gain (loss) on sale of equipment	102,100	-	-	-
Investment income (loss)	43,181	1,659	2,374	5,033
Interest expense	(35,364)	(89,118)	-	(68,480)
Insurance recovery	21,664	-	-	-
Total Non-Operating Revenues (Expenses)	131,581	(87,459)	2,374	(63,447)
Net Income (Loss) Before Transfers and Contributions	(2,542,226)	(329,313)	571,158	156,181
Transfers and Contributions				
Capital contributions/grants-non county	100,000	-	-	-
Transfers in	57,000	-	-	-
Total Transfers and Contributions	157,000	-	-	-
Change in Net Position	(2,385,226)	(329,313)	571,158	156,181
Net Position - Beginning of Year	22,754,292	1,171,565	1,311,086	6,293,419
Net Position - End of Year	\$ 20,369,066	\$ 842,252	\$ 1,882,244	\$ 6,449,600

**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, 2014**

	Southern Water System	Purchasing ISF	Health Insurance	Dental Insurance	Medical Malpractice Insurance
Operating Revenues:					
Charges for services	\$ 57,335	\$ -	\$ 40,503,332	\$ 5,719,651	\$ 1,940,000
Equipment rental	-	-	-	-	-
User fees	-	6,315,613	298,313	-	-
Interest charges to users	-	-	-	-	-
Other	-	33,124	-	-	-
Total Operating Revenues	57,335	6,348,737	40,801,645	5,719,651	1,940,000
Operating Expenses:					
Liability claims and loss adjustment	-	-	35,238,272	5,174,806	(1,649,512)
Salaries and benefits	-	-	-	-	-
Insurance	-	-	-	-	1,175,150
Services and supplies	-	6,352,685	2,858,079	72,710	167,727
Depreciation and amortization	13,429	-	-	-	-
Miscellaneous	-	-	166,378	-	-
Total Operating Expenses	13,429	6,352,685	38,262,729	5,247,516	(306,635)
Operating Income (Loss)	43,906	(3,948)	2,538,916	472,135	2,246,635
Non-Operating Revenues (Expenses):					
Gain (loss) on sale of equipment	-	-	-	-	-
Investment income (loss)	98	3,948	123,267	10,844	30,832
Interest expense	-	-	-	-	-
Insurance recovery	-	-	-	-	-
Total Non-Operating Revenues (Expenses)	98	3,948	123,267	10,844	30,832
Net Income (Loss) Before Transfers and Contributions	44,004	-	2,662,183	482,979	2,277,467
Transfers and Contributions					
Capital contributions/grants-non county	-	-	-	-	-
Transfers in	-	-	-	-	-
Total Transfers and Contributions	-	-	-	-	-
Change in Net Position	44,004	-	2,662,183	482,979	2,277,467
Net Position - Beginning of Year	199,689	464,120	31,420,003	2,868,518	4,805,162
Net Position - End of Year	<u>\$ 243,693</u>	<u>\$ 464,120</u>	<u>\$ 34,082,186</u>	<u>\$ 3,351,497</u>	<u>\$ 7,082,629</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, 2014**

	Casualty Insurance	Workers Comp Insurance	Unemployment Insurance	Total
Operating Revenues:				
Charges for services	\$ 5,479,779	\$ 7,107,001	\$ 2,304,192	\$ 63,111,290
Equipment rental	-	-	-	8,505,015
User fees	-	-	-	15,541,171
Interest charges to users	-	-	-	77,967
Other	-	11,868	-	239,037
Total Operating Revenues	5,479,779	7,118,869	2,304,192	87,474,480
Operating Expenses:				
Liability claims and loss adjustment	2,062,633	9,428,382	952,063	51,206,644
Salaries and benefits	-	-	-	4,353,579
Insurance	1,809,428	1,269,505	-	4,561,476
Services and supplies	1,707,063	1,933,533	8,185	23,504,565
Depreciation and amortization	-	-	-	4,761,441
Miscellaneous	1,087	-	-	185,419
Total Operating Expenses	5,580,211	12,631,420	960,248	88,573,124
Operating Income (Loss)	(100,432)	(5,512,551)	1,343,944	(1,098,644)
Non-Operating Revenues (Expenses):				
Gain (loss) on sale of equipment	-	-	-	102,100
Investment income (loss)	60,420	147,842	10,221	439,719
Interest expense	(64,986)	-	-	(257,948)
Insurance recovery	-	-	-	21,664
Total Non-Operating Revenues (Expenses)	(4,566)	147,842	10,221	305,535
Net Income (Loss) Before Transfers and Contributions	(104,998)	(5,364,709)	1,354,165	(793,109)
Transfers and Contributions				
Capital contributions/grants-non county	-	-	-	100,000
Transfers in	-	-	-	57,000
Total Transfers and Contributions	-	-	-	157,000
Change in Net Position	(104,998)	(5,364,709)	1,354,165	(636,109)
Net Position - Beginning of Year	9,098,122	21,157,167	2,523,705	104,066,848
Net Position - End of Year	\$ 8,993,124	\$ 15,792,458	\$ 3,877,870	\$ 103,430,739

**COUNTY OF SAN JOAQUIN
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	Fleet Services	Office Automation	Central Telephone	Radio Communi- cations
Cash Flows from Operating Activities:				
Cash received from user departments	\$ 7,690,637	\$ 1,435,418	\$ 5,356,486	\$ 2,808,485
Cash payments to suppliers for goods and services	(5,048,173)	(287,843)	(2,676,936)	(1,299,421)
Cash payments to employees for services	(2,784,715)	-	(1,613,371)	-
Cash paid to County departments for services	(638,870)	(199,965)	(142,836)	(226,185)
Other operating revenues	194,045	77,966	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Cash Provided (Used) by Operating Activities	<u>(587,076)</u>	<u>1,025,576</u>	<u>923,343</u>	<u>1,282,879</u>
Cash Flows from Noncapital Financing Activities:				
State and Federal grant receipts	100,000	-	-	-
Prior period adjustment	-	-	-	-
Capital contributions	-	-	-	-
Transfers in (out)	53,994	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>153,994</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition of capital assets	(3,506,511)	(5,872)	-	(403,884)
Debt interest payments	(35,029)	(88,142)	-	(69,249)
Debt principal payments	(370,646)	(1,085,630)	-	(592,574)
OPEB obligation	-	-	-	-
Proceeds from sale of capital assets	195,563	-	-	-
Receipts from insurance recovery	21,664	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(3,694,959)</u>	<u>(1,179,644)</u>	<u>-</u>	<u>(1,065,707)</u>
Cash Flows from Investing Activities:				
Interest on Investments - Pooled Cash	44,720	1,755	1,707	5,073
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Cash Provided by Investing Activities	<u>44,720</u>	<u>1,755</u>	<u>1,707</u>	<u>5,073</u>
Increase (Decrease) in Cash and Investments	(4,083,321)	(152,313)	925,050	222,245
Cash and Investments, Beginning of Year	17,442,422	869,141	744,325	1,637,960
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash and Investments, End of Year	<u>\$ 13,359,101</u>	<u>\$ 716,828</u>	<u>\$ 1,669,375</u>	<u>\$ 1,860,205</u>

**COUNTY OF SAN JOAQUIN
COMBINING STATEMENT OF CASH FLOWS (Continued)
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	Southern Water System	Purchasing ISF	Health Insurance	Dental Insurance	Medical Malpractice Insurance
Cash Flows from Operating Activities:					
Cash received from user departments	\$ -	\$ 6,367,855	\$ 42,197,985	\$ 5,716,273	\$ 1,940,000
Cash payments to suppliers for goods and services	-	(5,906,449)	(39,010,572)	(5,103,894)	(1,340,946)
Cash payments to employees for services	-	-	-	-	-
Cash paid to County departments for services	-	(155,612)	(565,448)	(72,710)	(165,856)
Other operating revenues	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u>-</u>	<u>305,794</u>	<u>2,621,965</u>	<u>539,669</u>	<u>433,198</u>
Cash Flows from Noncapital Financing Activities:					
State and Federal grant receipts	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Capital contributions	-	-	-	-	-
Transfers in (out)	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:					
Acquisition of capital assets	-	-	-	-	-
Debt interest payments	-	-	-	-	-
Debt principal payments	-	-	-	-	-
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>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Investing Activities:					
Interest on Investments - Pooled Cash	<u>132</u>	<u>3,743</u>	<u>119,582</u>	<u>10,267</u>	<u>29,503</u>
Net Cash Provided by Investing Activities	<u>132</u>	<u>3,743</u>	<u>119,582</u>	<u>10,267</u>	<u>29,503</u>
Increase (Decrease) in Cash and Investments	132	309,537	2,741,547	549,936	462,701
Cash and Investments, Beginning 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>
Cash and Investments, End of Year	<u>\$ 36,115</u>	<u>\$ 1,580,591</u>	<u>\$ 43,591,314</u>	<u>\$ 3,870,193</u>	<u>\$ 10,567,542</u>

**COUNTY OF SAN JOAQUIN
COMBINING STATEMENT OF CASH FLOWS (Continued)
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	Casualty Insurance	Workers Comp Insurance	Unemployment Insurance	Total
Cash Flows from Operating Activities:				
Cash received from user departments	\$ 5,617,019	\$ 7,107,088	\$ 2,300,248	\$ 88,537,494
Cash payments to suppliers for goods and services	(3,881,836)	(9,262,247)	(1,030,766)	(74,849,083)
Cash payments to employees for services	-	-	-	(4,398,086)
Cash paid to County departments for services	(1,503,383)	(1,607,784)	(8,185)	(5,286,834)
Other operating revenues	-	-	-	272,011
Net Cash Provided (Used) by Operating Activities	231,800	(3,762,943)	1,261,297	4,275,502
Cash Flows from Noncapital Financing Activities:				
State and Federal grant receipts	-	-	-	100,000
Prior period adjustment	-	-	-	-
Capital contributions	-	-	-	-
Transfers in (out)	-	-	-	53,994
Net Cash Provided (Used) by Noncapital Financing Activities	-	-	-	153,994
Cash Flows from Capital and Related Financing Activities:				
Acquisition of capital assets	-	-	-	(3,916,267)
Debt interest payments	(67,532)	-	-	(259,952)
Debt principal payments	(64,583)	-	-	(2,113,433)
OPEB obligation	-	-	-	-
Proceeds from sale of capital assets	-	-	-	195,563
Receipts from insurance recovery	-	-	-	21,664
Net Cash Provided (Used) by Capital and Related Financing Activities	(132,115)	-	-	(6,072,425)
Cash Flows from Investing Activities:				
Interest on Investments - Pooled Cash	59,858	147,383	9,361	433,084
Net Cash Provided by Investing Activities	59,858	147,383	9,361	433,084
Increase (Decrease) in Cash and Investments	159,543	(3,615,560)	1,270,658	(1,209,845)
Cash and Investments, Beginning of Year	21,980,160	51,021,691	2,770,434	152,048,035
Cash and Investments, End of Year	\$ 22,139,703	\$ 47,406,131	\$ 4,041,092	\$ 150,838,190

**COUNTY OF SAN JOAQUIN
COMBINING STATEMENT OF CASH FLOWS (Continued)
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	<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)	\$ (2,673,807)	\$ (241,854)	\$ 568,784	\$ 219,628
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	1,840,731	1,345,730	378,135	1,183,416
(Increase) decrease in accounts receivable	39,838	(122,763)	(34,904)	(23,407)
(Increase) decrease in inventories	(47,798)	-	39,892	-
(Increase) decrease in prepaid expenses	-	-	-	(8,360)
Increase (decrease) in accounts payable	253,960	44,463	(28,564)	(88,398)
Increase (decrease) in claims liability	-	-	-	-
 Net Cash Provided (Used) by Operating Activities	 <u>\$ (587,076)</u>	 <u>\$ 1,025,576</u>	 <u>\$ 923,343</u>	 <u>\$ 1,282,879</u>

**COUNTY OF SAN JOAQUIN
COMBINING STATEMENT OF CASH FLOWS (Continued)
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	Southern Water System	Purchasing ISF	Health Insurance	Dental Insurance	Medical Malpractice Insurance
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 43,906	\$ (3,948)	\$ 2,538,916	\$ 472,135	\$ 2,246,635
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	13,429	-	-	-	-
(Increase) decrease in accounts receivable	(57,335)	16,805	22,348	(3,377)	-
(Increase) decrease in inventories	-	-	-	-	-
(Increase) decrease in prepaid expenses	-	-	-	-	-
Increase (decrease) in accounts payable	-	292,937	1,052,010	(29,407)	(34,437)
Increase (decrease) in claims liability	-	-	(991,309)	100,318	(1,779,000)
Net Cash Provided (Used) by Operating Activities	<u>\$ -</u>	<u>\$ 305,794</u>	<u>\$ 2,621,965</u>	<u>\$ 539,669</u>	<u>\$ 433,198</u>

**COUNTY OF SAN JOAQUIN
COMBINING STATEMENT OF CASH FLOWS (Continued)
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	<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)	\$ (100,432)	\$ (5,512,551)	\$ 1,343,944	\$ (1,098,644)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	-	-	-	4,761,441
(Increase) decrease in accounts receivable	137,240	(468)	(3,944)	(29,967)
(Increase) decrease in inventories	-	-	-	(7,906)
(Increase) decrease in prepaid expenses	-	-	-	(8,360)
Increase (decrease) in accounts payable	(61,008)	(35,968)	-	1,365,588
Increase (decrease) in claims liability	256,000	1,786,044	(78,703)	(706,650)
 Net Cash Provided (Used) by Operating Activities	 <u>\$ 231,800</u>	 <u>\$ (3,762,943)</u>	 <u>\$ 1,261,297</u>	 <u>\$ 4,275,502</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, 2014**

	Sammie Hay	Industrial Revolving Loan Fund	Home Investment Trust Local Account	Rehabilitation Loan Program	Disaster Recovery Initiative Program	Total
Assets						
Cash and investments	\$ 455,857	\$ -	\$ 782,575	\$ 5,008,026	\$ 155,666	\$ 6,402,124
Loan program investment	-	3,073,591	-	-	-	3,073,591
Investment income receivables	299	2,492	414	3,163	98	6,466
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	11,879	10,262	-	22,141
Loans receivable	-	3,946,670	21,226,429	11,973,286	601,332	37,747,717
Total Assets	\$ 456,156	\$ 7,022,753	\$ 22,021,297	\$ 16,994,737	\$ 757,096	\$ 47,252,039
Liabilities						
Accounts payable	\$ -	\$ 390	\$ -	\$ -	\$ -	\$ 390
Total Liabilities	-	390	-	-	-	390
Net Position						
Held in trust for:						
Revolving loans	-	6,987,369	22,020,982	16,992,719	757,033	46,758,103
Unrealized market value appreciation	184	34,994	315	2,018	63	37,574
Other purposes	455,972	-	-	-	-	455,972
Total Net Position	456,156	7,022,363	22,021,297	16,994,737	757,096	47,251,649
Total Liabilities and Net Position	\$ 456,156	\$ 7,022,753	\$ 22,021,297	\$ 16,994,737	\$ 757,096	\$ 47,252,039

**COUNTY OF SAN JOAQUIN
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	Sammie Hay	Industrial Revolving Loan Fund	Home Investment Trust Local Account	Rehabilitation Loan Program	Disaster Recovery Initiative Program	Total
Additions:						
Contributions from other governments	\$ -	\$ -	\$ 220,750	\$ 311,645	\$ -	\$ 532,395
Investment income	1,389	61,519	2,635	13,534	427	79,504
Loan income	-	190,820	77,039	87,468	-	355,327
Miscellaneous income	6,025	12,581	845	1,536	92	21,079
Total Additions	7,414	264,920	301,269	414,183	519	988,305
Deductions:						
Benefit payments	100,537	-	-	-	-	100,537
Program expenses	-	19,445	(379,054)	(133,584)	104,874	(388,319)
Allowance for loan adjustments	-	284,023	-	-	-	284,023
Loan servicing fees	-	10,289	1,667	-	-	11,956
Administrative expenses	-	283,390	137,101	87,307	-	507,798
Total Deductions	100,537	597,147	(240,286)	(46,277)	104,874	515,995
Change in Net Position	(93,123)	(332,227)	541,555	460,460	(104,355)	472,310
Net Position, Beginning	549,279	7,354,590	21,479,742	16,534,277	861,451	46,779,339
Net Position, Ending	\$ 456,156	\$ 7,022,363	\$ 22,021,297	\$ 16,994,737	\$ 757,096	\$ 47,251,649

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, 2014**

	<u>June 30, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2014</u>
<u>Assets</u>				
Cash and investments - pooled	\$ 39,152,813	\$ 598,223,085	\$ 598,619,612	\$ 38,756,286
Cash and investments held by others	2,843,818	28,557,378	28,234,702	3,166,494
Receivables	31,350,329	34,089,801	31,350,329	34,089,801
Loans receivable	12,000,000	-	-	12,000,000
Other assets	3,338	-	-	3,338
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 85,350,298</u>	<u>\$ 660,870,264</u>	<u>\$ 658,204,643</u>	<u>\$ 88,015,919</u>
<u>Liabilities</u>				
Accounts payable	\$ 34,161,693	\$ 32,665,973	\$ 34,161,693	\$ 32,665,973
Due to other agencies	51,168,605	667,672,432	663,511,091	55,329,946
Loan payable	20,000	-	-	20,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 85,350,298</u>	<u>\$ 700,338,405</u>	<u>\$ 697,672,784</u>	<u>\$ 88,015,919</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 projects fund. Both the special revenue funds and the capital projects 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, 2014**

	<u>Governmental Activities</u>
ASSETS	
Pooled cash and investments	\$ 325,095
Accounts receivable	18,562
Interest receivable	316
Due from other funds	7
Restricted assets:	
Cash and investments	611,881
Receivable	851
Capital assets:	
Depreciable, net	<u>5,927,619</u>
Total Assets	<u><u>\$ 6,884,331</u></u>
LIABILITIES	
Accounts payable	\$ 1,696
Interest payable	216,883
Advances from other County funds	1,179,378
Long-term liabilities:	
Certificates of participation	7,765,000
Discounts on certificates of participation	<u>(94,500)</u>
Total Liabilities	<u>9,068,457</u>
NET POSITION	
Net investments in capital assets	(1,130,152)
Restricted for:	
Debt service	162,759
Unrestricted	<u>(1,216,733)</u>
Total Net Position	<u>(2,184,126)</u>
Total Liabilities and Net Position	<u><u>\$ 6,884,331</u></u>

**COUNTY OF SAN JOAQUIN
STATEMENT OF ACTIVITIES
COUNTY SERVICE AREA NO. 31 – FLAG CITY
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Governmental Activities</u>
Program Expenses:	
Public Ways and Facilities:	
Professional services	\$ 177,117
Utilities	218,080
Communication	182
Office expenses	711
Special expenses	2,047
Maintenance	4,794
Insurance	22,631
Miscellaneous	3,355
Depreciation	311,679
Interest	<u>588,630</u>
Total Program Expenses	1,329,226
Program Revenues:	
Use of Money and Property	2,537
Miscellaneous	-
Charges for Services	<u>1,206,567</u>
Total Program Revenues	1,209,104
Net Program Revenues (Expenses)	(120,122)
Other Financing Sources (Uses)	
Transfers In	620,246
Transfers Out	<u>(620,246)</u>
Total Other Financing Sources (Uses)	-
Change in Net Position	(120,122)
Net Position, Beginning of Year	<u>(2,064,004)</u>
Net Position, End of Year	<u><u>\$ (2,184,126)</u></u>

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET
COUNTY SERVICE AREA NO. 31 – FLAG CITY
ALL GOVERNMENTAL FUNDS
JUNE 30, 2014**

	Special Revenue Funds				Totals
	Operating Fund	Sewer Service Fund	All Special Revenue Funds	Debt Service	
ASSETS					
Cash and investments	\$ 567,333	\$ (242,238)	\$ 325,095	\$ -	\$ 325,095
Interest receivable	341	(25)	316	-	316
Due from other funds	7	-	7	-	7
Accounts receivable	18,562	-	18,562	-	18,562
Restricted assets:					
Cash and investments	-	-	-	611,881	611,881
Interest receivable	-	-	-	851	851
Total Assets	\$ 586,243	\$ (242,263)	\$ 343,980	\$ 612,732	\$ 956,712
LIABILITIES					
Accounts payable	\$ 1,696	\$ -	\$ 1,696	\$ -	\$ 1,696
Advances from other funds	-	1,179,378	1,179,378	-	1,179,378
Total Liabilities	1,696	1,179,378	1,181,074	-	1,181,074
FUND BALANCES					
Restricted	-	-	-	612,732	612,732
Assigned	229	-	229	-	229
Unassigned	584,318	(1,421,641)	(837,323)	-	(837,323)
Total Fund Balances	584,547	(1,421,641)	(837,094)	612,732	(224,362)
Total Liabilities and Fund Balances	\$ 586,243	\$ (242,263)	\$ 343,980	\$ 612,732	\$ 956,712

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

Fund Balances from above	\$ (224,362)
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	5,927,619
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	(7,670,500)
Accrued interest payable	(216,883)
Net position of governmental activities	\$ (2,184,126)

**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, 2014**

	Special Revenue Funds				Totals
	Operating Fund	Sewer Service Fund	All Special Revenue Funds	Debt Service	
Revenues:					
Use of money and property	\$ 1,402	\$ (763)	\$ 639	\$ 1,898	\$ 2,537
Miscellaneous	-	-	-	-	-
Charges for services	331,827	874,740	1,206,567	-	1,206,567
Total Revenues	333,229	873,977	1,207,206	1,898	1,209,104
Expenditures:					
Current:					
Public ways and facilities:					
Professional services	146,338	30,779	177,117	-	177,117
Utilities	17,531	200,549	218,080	-	218,080
Communication	-	182	182	-	182
Office expenses	389	322	711	-	711
Special expenses	2,503	(456)	2,047	-	2,047
Maintenance	3,255	1,539	4,794	-	4,794
Insurance	6,464	16,167	22,631	-	22,631
Miscellaneous	47	3,308	3,355	-	3,355
Capital outlay	-	-	-	-	-
Interest	-	132,190	132,190	605,440	737,630
Total Expenditures	176,527	384,580	561,107	605,440	1,166,547
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	156,702	489,397	646,099	(603,542)	42,557
Other Financing Sources (Uses):					
Transfers in	-	14,806	14,806	605,440	620,246
Transfers out	-	(605,440)	(605,440)	(14,806)	(620,246)
Total Other Financing Sources (Uses)	-	(590,634)	(590,634)	590,634	-
Net change in Fund Balances	156,702	(101,237)	55,465	(12,908)	42,557
Fund Balances, Beginning of Year	427,845	(1,320,404)	(892,559)	625,640	(266,919)
Fund Balances, End of Year	<u>\$ 584,547</u>	<u>\$ (1,421,641)</u>	<u>\$ (837,094)</u>	<u>\$ 612,732</u>	<u>\$ (224,362)</u>

**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, 2014**

Net change in fund balances - total governmental funds \$ 42,557

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. 146,063

Change in accrued interest payable		<u>2,937</u>
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Change in net position of governmental activities		<u><u>\$ (120,122)</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, 2014**

	2013-14	2012-13	2011-12
Expenses:			
Governmental activities:			
General government	\$ 40,145,573	\$ 38,900,374	\$ 30,511,256
Public protection	288,441,086	284,684,621	282,264,243
Public ways and facilities	46,689,698	46,045,758	45,940,486
Health and sanitation	148,701,302	131,895,213	124,500,788
Public assistance	346,006,741	328,782,573	331,193,491
Education	5,796,673	5,466,702	6,026,990
Recreation and culture	7,353,381	6,068,176	7,145,530
Interest on long-term debt	8,103,411	7,262,275	7,076,149
Total governmental activities expenses	<u>891,237,865</u>	<u>849,105,692</u>	<u>834,658,933</u>
Business-type activities:			
Solid Waste	19,959,897	19,261,618	20,149,471
Hospital	231,019,266	218,810,095	220,561,110
Airport	4,225,330	3,958,205	3,827,559
Total business-type activities expenses	<u>255,204,493</u>	<u>242,029,918</u>	<u>244,538,140</u>
Total primary governmental expenses	<u>1,146,442,358</u>	<u>1,091,135,610</u>	<u>1,079,197,073</u>
Program Revenues:			
Governmental activities:			
Charges for services:			
General government	16,110,539	18,713,432	14,987,471
Public protection	42,130,757	36,530,250	33,921,623
Public ways and facilities	12,920,671	12,355,712	12,070,414
Community infrastructure program	2,437,929	2,327,150	2,880,231
Health and sanitation	46,529,972	44,996,442	40,191,296
Children and families act program	2,958	-	1,220
Public assistance	1,574,045	1,556,354	1,756,149
Education	149,422	125,154	165,905
Recreation and culture	2,357,105	2,232,119	2,459,005
Operating grants and contributions	572,068,307	553,220,285	504,564,328
Capital grants and contributions (3)	2,998,899	5,917,695	6,029,847
Total governmental activities revenues	<u>699,280,604</u>	<u>677,974,593</u>	<u>619,027,489</u>
Business-type activities:			
Charges for services:			
Solid Waste	20,028,217	18,938,096	18,211,174
Hospital	251,158,643	211,715,269	199,321,051
Airport	1,782,589	1,659,160	1,717,973
Operating grants and contributions	257,212	278,645	1,454,441
Capital grants and contributions (3)	8,603	276,796	-
Total business-type activities revenues	<u>273,235,264</u>	<u>232,867,966</u>	<u>220,704,639</u>
Total primary government revenues	<u>972,515,868</u>	<u>910,842,559</u>	<u>839,732,128</u>
Net (Expense)/Revenue			
Governmental activities	(191,957,261)	(171,131,099)	(215,631,444)
Business-type activities	18,030,771	(9,161,952)	(23,833,501)
Total primary government net expense	<u>\$ (173,926,490)</u>	<u>\$ (180,293,051)</u>	<u>\$ (239,464,945)</u>

2010-11	2009-10	2008-09	2007-08	2006-07
\$ 27,299,881	\$ 26,098,049	\$ 38,743,985	\$ 31,655,441	\$ 20,374,318
279,598,113	297,597,268	303,010,545	277,183,027	248,844,996
43,102,885	46,579,136	41,407,882	49,711,444	37,531,443
120,331,660	127,103,901	135,808,377	133,879,694	124,328,143
351,331,147	355,777,105	344,216,452	332,367,831	324,549,286
6,055,394	5,921,627	6,724,552	7,010,323	6,266,998
9,054,852	9,956,704	9,069,181	7,377,767	6,108,149
7,506,293	7,311,782	8,424,991	11,684,229	5,188,180
<u>844,280,225</u>	<u>876,345,572</u>	<u>887,405,965</u>	<u>850,869,756</u>	<u>773,191,513</u>
16,373,498	19,748,649	20,980,240	19,682,725	21,022,270
206,416,196	204,730,696	203,675,658	204,207,568	194,540,564
4,304,072	4,024,516	3,813,218	3,915,507	4,592,686
<u>227,093,766</u>	<u>228,503,861</u>	<u>228,469,116</u>	<u>227,805,800</u>	<u>220,155,520</u>
<u>1,071,373,991</u>	<u>1,104,849,433</u>	<u>1,115,875,081</u>	<u>1,078,675,556</u>	<u>993,347,033</u>
17,166,522	16,002,101	20,891,343	20,878,702	25,644,079
42,841,343	44,575,946	46,309,079	46,128,760	43,895,054
11,088,079	10,876,151	10,333,240	10,970,609	10,750,679
1,194,635	933,701	1,344,892	3,564,809	5,424,835
36,338,946	38,321,000	34,934,714	33,600,035	32,909,784
975	750	574	1,000	3,507
1,152,025	2,775,286	2,166,674	1,329,035	1,004,460
250,865	297,122	274,717	157,664	137,306
2,219,648	2,293,085	1,885,727	1,588,227	1,504,986
531,236,543	524,926,700	481,756,701	517,574,981	506,957,550
11,548,756	17,920,366	21,311,899	15,098,553	6,167,215
<u>655,038,337</u>	<u>658,922,208</u>	<u>621,209,560</u>	<u>650,892,375</u>	<u>634,399,455</u>
18,459,508	17,316,220	16,274,245	17,678,924	19,171,854
219,637,752	171,131,971	169,748,603	166,670,823	151,052,423
1,853,720	1,715,024	1,576,065	1,664,750	1,364,367
5,475,622	791,175	974,955	1,715,573	1,357,945
-	-	-	-	-
<u>245,426,602</u>	<u>190,954,390</u>	<u>188,573,868</u>	<u>187,730,070</u>	<u>172,946,589</u>
<u>900,464,939</u>	<u>849,876,598</u>	<u>809,783,428</u>	<u>838,622,445</u>	<u>807,346,044</u>
(189,241,888)	(217,423,364)	(266,196,405)	(199,977,381)	(138,792,058)
18,332,836	(37,549,471)	(39,895,248)	(40,075,730)	(47,208,931)
<u>\$ (170,909,052)</u>	<u>\$ (254,972,835)</u>	<u>\$ (306,091,653)</u>	<u>\$ (240,053,111)</u>	<u>\$ (186,000,989)</u>

**COUNTY OF SAN JOAQUIN
CHANGES IN NET POSITION (Continued)
LAST EIGHT FISCAL YEARS
FOR THE YEAR ENDED JUNE 30, 2014**

	2013-14	2012-13	2011-12
General Revenues and Other Changes in Net Position			
Governmental activities:			
Property taxes	\$ 190,657,357	\$ 194,307,507	\$ 181,691,758
Sales taxes	30,750,927	25,582,091	25,234,396
Motor vehicle and other in-lieu taxes	3,009,443	3,315,816	3,085,571
Tobacco settlement proceeds	6,051,379	9,179,197	6,090,538
Other	5,662,160	5,461,138	4,921,777
Investment earnings	3,446,408	3,330,203	3,404,414
Miscellaneous	1,136,688	2,748,878	179,010
Transfers	(15,422,000)	(16,484,352)	(21,219,699)
Extraordinary item	-	-	-
Prior period adjustment (1)	(120,400)	26,165,848	-
Total governmental activities	<u>225,171,962</u>	<u>253,606,326</u>	<u>203,387,765</u>
Business-type activities:			
Property taxes	452,344	404,271	440,546
Investment earnings	238,142	208,241	543,366
Other	-	-	-
Transfers	15,422,000	16,484,352	21,219,699
Prior period adjustment (2)	1,954,370	-	-
Total business-type activities	<u>18,066,856</u>	<u>17,096,864</u>	<u>22,203,611</u>
Total primary government	<u>\$ 243,238,818</u>	<u>\$ 270,703,190</u>	<u>\$ 225,591,376</u>
Changes in Net Position			
Governmental activities	\$ 33,214,701	\$ 82,475,227	\$ (12,243,679)
Business-type activities	36,097,627	7,935,512	(1,629,890)
Total primary government	<u>\$ 69,312,328</u>	<u>\$ 90,410,739</u>	<u>\$ (13,873,569)</u>

(1) & (2) = 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.

(1) & (2) = 2008-09 - Reflect the removal of Mountain House Services District as an independent district from the County.

(1) = 2012-13 - Reflect correction in reporting of prior year revenues.

2010-11	2009-10	2008-09	2007-08	2006-07
\$ 197,588,751	\$ 194,019,051	\$ 228,875,556	\$ 234,895,057	\$ 219,157,813
22,201,894	21,314,504	22,034,677	26,759,854	28,596,414
4,209,020	2,742,578	4,383,463	4,804,452	4,952,713
5,972,551	5,708,772	6,849,537	6,230,445	5,936,350
2,477,535	4,950,211	5,440,246	6,258,720	6,948,456
3,240,049	4,632,198	15,167,101	27,198,618	27,259,242
854,293	78,437	(116,862)	83,414	-
(18,439,088)	(31,215,630)	(26,006,773)	(47,806,151)	(21,743,326)
-	-	-	-	-
-	3,615,017	(78,007,878)	-	25,881,120
<u>218,105,005</u>	<u>205,845,138</u>	<u>178,619,067</u>	<u>258,424,409</u>	<u>296,988,782</u>
412,356	495,249	624,866	486,589	497,427
576,172	590,015	1,407,937	1,701,493	1,922,346
-	-	-	2,444,975	3,214,888
18,439,088	31,215,630	26,006,773	47,806,151	21,743,326
-	(575,937)	23,575,078	-	(57,749,160)
<u>19,427,616</u>	<u>31,724,957</u>	<u>51,614,654</u>	<u>52,439,208</u>	<u>(30,371,173)</u>
<u>\$ 237,532,621</u>	<u>\$ 237,570,095</u>	<u>\$ 230,233,721</u>	<u>\$ 310,863,617</u>	<u>\$ 266,617,609</u>
\$ 28,863,117	\$ (15,193,243)	\$ (87,577,338)	\$ 58,447,028	\$ 158,196,724
37,760,452	(5,248,577)	11,719,406	12,363,478	(77,580,104)
<u>\$ 66,623,569</u>	<u>\$ (20,441,820)</u>	<u>\$ (75,857,932)</u>	<u>\$ 70,810,506</u>	<u>\$ 80,616,620</u>

**COUNTY OF SAN JOAQUIN
FUND BALANCES – GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS
AS OF JUNE 30, 2014**

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

	2014-13	2012-13	2011-12	2010-11 (1)
General Fund:				
Nonspendable	\$ 7,484,489	\$ 7,698,730	\$ 7,898,238	\$ 8,094,729
Restricted	43,080,110	37,762,674	35,416,191	35,245,339
Committed	10,003,085	10,004,635	10,003,085	10,006,276
Assigned	25,806,721	18,841,794	14,497,524	29,889,700
Unassigned	85,391,987	85,118,632	38,438,402	44,315,708
Total General Fund	171,766,392	159,426,465	106,253,440	\$ 127,551,752
All Other Governmental Funds				
Nonspendable	1,669,154	1,575,224	1,498,955	1,491,076
Restricted	216,181,366	201,337,911	185,975,884	177,632,988
Committed	-	-	-	-
Assigned	65,338,370	57,691,719	58,718,682	69,136,987
Unassigned	(4,210,127)	(4,053,482)	(4,193,090)	(3,092,040)
Total all other governmental funds	278,978,763	256,551,372	242,000,431	245,169,011
Total - all governmental funds	\$ 450,745,155	\$ 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>
\$ 17,422,015	\$ 21,134,010	\$ 21,001,803	\$ 14,546,165
<u>71,115,787</u>	<u>71,447,235</u>	<u>47,908,310</u>	<u>83,156,996</u>
<u>88,537,802</u>	<u>92,581,245</u>	<u>68,910,113</u>	<u>97,703,161</u>
93,677,487	121,178,489	207,438,037	251,338,071
136,683,212	103,502,191	106,034,209	107,507,012
<u>23,212,463</u>	<u>12,060,452</u>	<u>14,278,900</u>	<u>18,843,149</u>
<u>253,573,162</u>	<u>236,741,132</u>	<u>327,751,146</u>	<u>377,688,232</u>
<u>\$ 342,110,964</u>	<u>\$ 329,322,377</u>	<u>\$ 396,661,259</u>	<u>\$ 475,391,393</u>

**COUNTY OF SAN JOAQUIN
LEGAL DEBT MARGIN INFORMATION
LAST EIGHT FISCAL YEARS
AS OF JUNE 30, 2014**

	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
Debt limit	\$ 692,834,021	\$ 659,393,352	\$ 659,802,311
Total net debt applicable to limit	-	-	-
Legal debt margin	692,834,021	659,393,352	659,802,311
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>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>
\$ 685,383,938	\$ 647,943,721	\$ 730,992,679	\$ 746,277,606	\$ 681,583,871
-	-	-	-	-
685,383,938	647,943,721	730,992,679	746,277,606	681,583,871
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, 2014**

Fiscal Year	Governmental Activities			
	Certificates of Participation	Capital Leases	Loans	Unpaid Compensated Absence
2014	\$ 124,657,479	\$ 7,795,586	\$ 107,109,377	\$ 30,837,497
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

**COUNTY OF SAN JOAQUIN
RATIOS OF OUTSTANDING DEBT BY TYPE (Continued)
LAST EIGHT FISCAL YEARS
AS OF JUNE 30, 2014**

Fiscal Year	Business-Type Activities				
	Certificates of Participation	Capital Leases	Loans	Unpaid Compensated Absence	Landfill Closure and Postclosure
2014	\$ 51,721,834	\$ 579,356	\$ 13,743,989	\$ 6,755,451	\$ 12,708,339
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

**COUNTY OF SAN JOAQUIN
RATIOS OF OUTSTANDING DEBT BY TYPE (Continued)
LAST EIGHT FISCAL YEARS
AS OF JUNE 30, 2014**

Fiscal Year	Total Primary Government	Per Capita	Population
2014	\$ 355,639,451	\$ 500	710,731
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

**COUNTY OF SAN JOAQUIN
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
LAST EIGHT YEARS
AS OF JUNE 30, 2014**

	2013-14	2012-13	2011-12	2010-11
REVENUES				
Taxes	\$ 225,089,738	\$ 212,056,460	\$ 203,474,641	\$ 219,624,042
Licenses and permits	7,163,302	7,065,578	5,709,247	5,283,279
Fines, forfeitures, and penalties	13,570,298	14,086,309	11,425,041	10,588,072
Use of money and property	3,164,958	3,285,935	3,150,330	2,809,953
Aid from other governmental agencies	586,561,084	566,196,112	517,253,471	548,416,708
Charges for services	97,077,976	95,469,119	87,814,747	94,099,700
Miscellaneous	11,062,901	14,648,722	12,373,135	15,880,988
Total Revenues	<u>943,690,257</u>	<u>912,808,235</u>	<u>841,200,612</u>	<u>896,702,742</u>
EXPENDITURES				
Current:				
General government	45,914,929	50,085,753	51,825,030	41,693,019
Public safety	275,078,622	268,176,699	264,428,919	262,332,207
Public ways and facilities	30,863,647	31,141,322	31,345,220	29,815,450
Health and sanitation	146,876,714	128,532,481	119,911,230	115,529,363
Public assistance	342,306,189	324,020,734	326,366,640	345,721,093
Education	5,564,668	5,266,189	5,641,949	5,663,467
Recreation and culture	5,466,274	5,404,618	6,018,841	5,917,793
Capital outlay	31,613,607	32,288,100	29,264,625	30,061,521
Debt service:				
Principal	3,341,418	2,883,548	2,658,191	3,150,239
Interest	6,297,634	6,711,246	6,543,010	6,933,924
Refunding escrow	-	-	-	-
Total expenditures	<u>893,323,702</u>	<u>854,510,690</u>	<u>844,003,655</u>	<u>846,818,076</u>
Excess (deficiency) of revenues over (under) expenditures	<u>50,366,555</u>	<u>58,297,545</u>	<u>(2,803,043)</u>	<u>49,884,666</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	40,160,144	61,359,996	51,814,780	38,890,956
Transfers out	(55,639,145)	(78,304,473)	(73,528,418)	(58,345,849)
Interfund interest	-	-	-	-
Loan proceeds	-	-	49,789	180,026
Capital grants	-	-	-	-
Extraordinary and special item - Fed Govt Penalty	-	-	-	-
Prior period adjustments	(120,236)	-	-	-
Total Other Financing Sources (Uses)	<u>(15,599,237)</u>	<u>(16,944,477)</u>	<u>(21,663,849)</u>	<u>(19,274,867)</u>
Net change in fund balances	<u>\$ 34,767,318</u>	<u>\$ 41,353,068</u>	<u>\$ (24,466,892)</u>	<u>\$ 30,609,799</u>

2009-10	2008-09	2007-08	2006-07
\$ 233,592,658	\$ 262,120,999	\$ 227,076,417	\$ 218,146,216
4,521,601	4,909,610	6,659,886	8,486,276
14,505,266	17,169,243	17,348,913	13,722,623
4,078,513	12,190,863	22,631,106	22,192,339
548,283,284	511,206,416	540,440,978	523,657,229
91,896,037	91,461,555	101,260,527	108,213,886
14,084,177	13,211,719	14,508,125	12,019,797
<u>910,961,536</u>	<u>912,270,405</u>	<u>929,925,952</u>	<u>906,438,366</u>
41,684,459	48,006,592	51,768,284	44,561,751
273,972,542	276,607,702	263,415,264	237,999,875
32,346,727	28,236,546	35,818,333	36,445,617
122,569,723	130,599,944	131,038,122	121,594,955
349,552,643	337,562,155	328,313,700	320,973,887
5,848,898	6,646,636	6,927,513	6,182,337
6,222,469	6,369,288	5,468,614	4,706,578
27,521,442	99,541,241	122,920,479	43,451,406
2,593,667	6,397,785	13,690,137	12,879,337
7,152,094	7,936,181	10,593,228	4,304,826
-	-	-	18,398,858
<u>869,464,664</u>	<u>947,904,070</u>	<u>969,953,674</u>	<u>851,499,427</u>
41,496,872	(35,633,665)	(40,027,722)	54,938,939
27,517,174	57,611,137	61,170,226	224,284,684
(59,329,240)	(84,143,865)	(109,397,997)	(247,086,701)
-	-	-	-
317,604	790,682	9,525,359	119,431,952
-	-	-	-
-	-	-	-
-	-	-	-
<u>(31,494,462)</u>	<u>(25,742,046)</u>	<u>(38,702,412)</u>	<u>96,629,935</u>
<u>\$ 10,002,410</u>	<u>\$ (61,375,711)</u>	<u>\$ (78,730,134)</u>	<u>\$ 151,568,874</u>

**COUNTY OF SAN JOAQUIN
NET POSITION BY COMPONENT
LAST EIGHT FISCAL YEARS
AS OF JUNE 30, 2014**

	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>
Governmental activities				
Net investments in capital assets	\$ 462,765,546	\$ 451,195,289	\$ 450,740,695	\$ 447,107,088
Restricted net position	376,464,492	360,682,027	348,192,228	354,890,877
Unrestricted net position	162,911,173	157,049,194	87,518,360	96,696,997
Total governmental activities net position	<u>1,002,141,211</u>	<u>968,926,510</u>	<u>886,451,283</u>	<u>898,694,962</u>
Business-type activities				
Net investments in capital assets	48,767,460	51,507,576	39,837,451	36,708,379
Restricted net position	2,684,231	2,254,966	1,915,283	1,914,093
Unrestricted net position	80,389,697	41,981,219	46,055,515	50,815,667
Total business-type activities net position	<u>131,841,388</u>	<u>95,743,761</u>	<u>87,808,249</u>	<u>89,438,139</u>
Primary government				
Net investments in capital assets	511,533,006	502,702,865	490,578,146	483,815,467
Restricted net position	379,148,723	362,936,993	350,107,511	356,804,970
Unrestricted net position	243,300,870	199,030,413	133,573,875	147,512,664
Total primary government net position	<u>\$ 1,133,982,599</u>	<u>\$ 1,064,670,271</u>	<u>\$ 974,259,532</u>	<u>\$ 988,133,101</u>

2009-10	2008-09	2007-08	2006-07
\$ 442,095,234	\$ 441,546,314	\$ 485,015,056	\$ 430,608,245
366,388,735	357,928,522	373,275,682	392,180,625
61,347,876	81,935,235	118,084,147	102,397,924
<u>869,831,845</u>	<u>881,410,071</u>	<u>976,374,885</u>	<u>925,186,794</u>
40,321,738	40,581,470	18,627,614	33,306,890
1,785,070	2,133,763	11,528,014	6,420,931
9,570,879	14,786,968	18,372,385	13,385,486
<u>51,677,687</u>	<u>57,502,201</u>	<u>48,528,013</u>	<u>53,113,307</u>
482,416,972	482,127,784	503,642,670	463,915,135
368,173,805	360,062,285	384,803,696	398,601,556
70,918,755	96,722,203	136,456,532	115,783,410
<u>\$ 921,509,532</u>	<u>\$ 938,912,272</u>	<u>\$ 1,024,902,898</u>	<u>\$ 978,300,101</u>