

COUNTY OF SAN JOAQUIN

AUDIT REPORT

JUNE 30, 2015

**COUNTY OF SAN JOAQUIN
AUDIT REPORT
JUNE 30, 2015**

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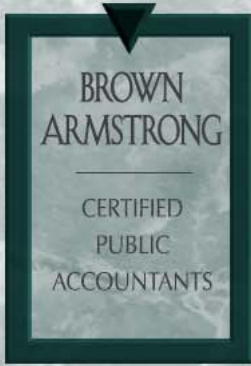
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BROWN ARMSTRONG

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, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

BAKERSFIELD OFFICE (MAIN OFFICE)

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

FRESNO OFFICE

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

PASADENA OFFICE

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

STOCKTON OFFICE

5250 CLAREMONT AVENUE
SUITE 237
STOCKTON, CA 95207
TEL 209.451.4833

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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements, during the year ended June 30, 2015, the County implemented GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, which modified the current financial reporting of those elements. Our opinion is not modified with respect to the matter.

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 84 through 85, budgetary comparison information on pages 86 through 90, schedule of the County's proportionate share of the net pension liability on page 84, and schedule of contributions on page 92 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2015, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
December 30, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

**COUNTY OF SAN JOAQUIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

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, 2015. 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 2014-15 fiscal year by \$140.8 million, which is referred to as net position. Of this amount, \$-651.0 million is considered unrestricted, which may be used to meet ongoing obligations to citizens and creditors, \$261.3 million is restricted and limited to specific purposes, and \$530.5 million is invested in capital assets, net of related debt.
- The County's total net position decreased by \$993.2 million during the year. Governmental activities decreased the County's net position by \$889.6 million, of which \$904.6 million was due to a prior period adjustment, and business-type activities decreased the County's net position by \$103.6 million, of which \$200.7 million was due to a prior period adjustment. Both prior period adjustments were the result of recognizing a net pension liability.
- As of June 30, 2015, the County governmental funds reported combined fund balances of \$512.6 million, which is an increase of \$61.9 million from last year's fund balance. Of the combined fund balances, \$296.9 million is nonspendable or restricted funds, while \$216.1 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, 2015, the unrestricted fund balance for the General Fund was \$143.8 million, or approximately 20.9% of the total General Fund operating expenditures.
- The County's total long-term liabilities that are due beyond one year at June 30, 2015, were \$1,550.2 million, \$1,216.1 million higher than the prior year, primarily due to an increase of \$8.4 million in the County's Other Post Employment Benefits (OPEB) liability and the recording of \$1,241.1 million in net pension liability, offset by a decrease of \$21.3 million in long-term claims liabilities and regularly scheduled debt payments.

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, 2015**

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, 2015**

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 30-83 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 eight 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 \$140.8 million at the close of fiscal year 2014-15.

**COUNTY OF SAN JOAQUIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

Condensed Statement of Net Position (in 000's)

	Governmental Activities		Business-Type Activities		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Assets:						
Current and other assets	\$ 789,174	\$ 756,807	\$ 287,948	\$ 183,933	\$ 1,077,122	\$ 940,740
Capital assets	581,360	582,625	110,710	105,744	692,070	688,369
Total assets	1,370,534	1,339,432	398,658	289,677	1,769,192	1,629,109
Deferred Outflows of Resources:						
Deferred gain on refunding	-	-	3,076	3,814	3,076	3,814
Deferred pensions	97,478	-	23,014	-	120,492	-
Total deferred outflows	97,478	-	26,090	3,814	123,568	3,814
Total Assets and Deferred Outflows of Resources	\$ 1,468,012	\$ 1,339,432	\$ 424,748	\$ 293,491	\$ 1,892,760	\$ 1,632,923
Liabilities:						
Current and other liabilities	\$ 101,876	\$ 96,456	\$ 92,667	\$ 66,389	\$ 194,543	\$ 162,845
Long-term liabilities	1,251,111	238,918	299,134	95,261	1,550,245	334,179
Total liabilities	1,352,987	335,374	391,801	161,650	1,744,788	497,024
Deferred Inflows of Resources:						
Deferred SCA	1,801	1,917	-	-	1,801	1,917
Deferred inflows from grantors	-	-	4,591	-	4,591	-
Deferred pensions	642	-	150	-	792	-
Total deferred inflows	2,443	1,917	4,741	-	7,184	1,917
Net Position:						
Net investment in capital assets	463,486	462,766	67,101	48,767	530,587	511,533
Restricted	257,514	376,465	3,758	2,684	261,272	379,149
Unrestricted	(608,418)	162,910	(42,653)	80,390	(651,071)	243,300
Total net position	112,582	1,002,141	28,206	131,841	140,788	1,133,982
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 1,468,012	\$ 1,339,432	\$ 424,748	\$ 293,491	\$ 1,892,760	\$ 1,632,923

The largest portion of the County's net position in the amount of \$530.6 million, approximately 376.9% 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, \$261.3 million or 185.6%, 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 \$-651.1 million, or -462.4%.

As shown below, the County's net position decreased by \$993.2 million during the current fiscal year. That decrease is comprised of a combination of a \$-1,105.3 million prior period adjustment to governmental and business-type activities, a \$136.9 million increase in revenues, and a \$92.2 million increase in expenditures from the prior year.

**COUNTY OF SAN JOAQUIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

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	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Revenues:						
Program Revenues:						
Charges for services	\$ 139,347	\$ 124,213	\$ 342,181	\$ 272,969	\$ 481,528	\$ 397,182
Operating grants and contributions	615,372	572,068	321	257	615,693	572,325
Capital grants and contributions	8,109	2,999	4,444	9	12,553	3,008
General Revenues:						
Property taxes	184,452	190,657	439	452	184,891	191,109
Property transfer taxes	2,878	2,642	-	-	2,878	2,642
Sales taxes	32,951	30,751	-	-	32,951	30,751
Motor vehicle and other in-lieu taxes	3,836	3,009	-	-	3,836	3,009
Transient occupancy tax	387	338	-	-	387	338
Franchise and others	2,924	2,683	-	-	2,924	2,683
Tobacco settlement proceeds	5,974	6,051	-	-	5,974	6,051
Investment earnings	3,618	3,446	450	238	4,068	3,684
Miscellaneous	3,135	1,137	-	-	3,135	1,137
Total Revenues	1,002,983	939,994	347,835	273,925	1,350,818	1,213,919
Expenses:						
General government	44,120	40,145	-	-	44,120	40,145
Public protection	312,319	288,441	-	-	312,319	288,441
Public ways and facilities	50,197	46,690	-	-	50,197	46,690
Health and sanitation	159,487	148,701	-	-	159,487	148,701
Public assistance	385,698	346,007	-	-	385,698	346,007
Education	6,320	5,797	-	-	6,320	5,797
Recreation and culture	7,207	7,353	-	-	7,207	7,353
Interest on long-term debt	6,332	8,103	-	-	6,332	8,103
Solid waste	-	-	17,431	19,960	17,431	19,960
Hospital	-	-	244,964	231,019	244,964	231,019
Airport	-	-	4,610	4,225	4,610	4,225
Total Expenses	971,680	891,237	267,005	255,204	1,238,685	1,146,441
Excess (deficiency) before transfers	31,303	48,757	80,830	18,721	112,133	67,478
Transfers	(16,246)	(15,422)	16,246	15,422	-	-
Change in net position	15,057	33,335	97,076	34,143	112,133	67,478
Net position, beginning of year, restated	97,525	968,806	(68,870)	97,698	28,655	1,066,504
Net position, end of the year	\$ 112,582	\$ 1,002,141	\$ 28,206	\$ 131,841	\$ 140,788	\$ 1,133,982

Governmental activities. Governmental activities decreased the County's net position by \$889.6 million, accounting for 89.6% of the total decrease in net position of the County.

**COUNTY OF SAN JOAQUIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

Revenues

Total revenues for the County's governmental activities increased by \$63.0 million, or 6.7%, over the previous year.

Expenses

Expenses for substantially all functional categories funded by the County's general revenues reflected increases over the prior year. Thus, total expenses for governmental activities increased by \$80.4 million, or 8.3%, over the previous year. Of the total increase, \$4.0 million comes from general government, \$23.9 million in public protection, \$3.5 million in public ways and facilities, \$10.8 million in health and sanitation, and \$39.7 million in public assistance.

Business-type activities. Business-type activities decreased the County's net position by \$103.6 million. Key factors that contributed to this decrease were a combined prior period adjustment of -\$200.7 million offset by the operating gains of \$89.5 million by the Hospital, \$4.4 million by Solid Waste, and \$3.2 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, 2015, the County's governmental funds reported total fund balances of \$512.6 million, an increase of \$61.9 million, or 13.7%, in comparison with the prior year. Approximately \$216.1 million, or 42.1%, 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, \$296.5 million or 57.9%, 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, \$9.1 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, \$287.5 million.

The General Fund is the main operational fund of the County. At June 30, 2015, it had an unrestricted fund balance of \$143.7 million while its total fund balance was \$199.6 million, an increase of \$27.8 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 20.9% of total fund expenditures, while total fund balance represents 29.1% of the same amount.

The Mental Health and Substance Abuse Fund, a major fund, was established to account for the mental health and substance abuse prevention and treatment services' activities. Therefore, the fund balance is restricted for these designated services. At June 30, 2015, of its \$84.8 million fund balance, \$0.3 million is nonspendable and the remaining balance of \$84.5 million is available for the next fiscal year's appropriation.

**COUNTY OF SAN JOAQUIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

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, 2015, its entire \$4.7 million fund balance 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, 2015, it had a fund balance of \$59.9 million.

Revenues for governmental functions totaled \$1,038.0 million in fiscal year 2014-15, which represents a \$94.3 million, or 10.0%, increase from fiscal year 2013-14. The largest increases in revenues were aid from other governmental agencies \$56.2 million, attributable to an increase in Federal and State grant monies; tax revenues \$22.5 million, which is attributable to an increase in sales tax revenue; and charges for services \$16.7 million, due to an increase in chargeable services provided.

Expenditures for government functions totaled \$958.4 million in fiscal year 2014-15, which represents an increase of \$65.1 million, or 7.3%, from the prior year. The largest increases occurred in health and sanitation \$10.8 million, public assistance \$36.6 million, and public safety \$19.3 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 \$-4.1 million in net position at June 30, 2015, the Airport Enterprise Fund had \$13.8 million, and the Hospital Enterprise Fund had \$18.4 million. The unrestricted net position amounted to \$-12 million, \$-3.1 million, and \$-27.7 million, respectively, of the total proprietary funds' net position.

The internal service funds had \$98.5 million in net position at June 30, 2015, with \$70.7 million as unrestricted. Of the unrestricted net position, \$54.1 million is designated for future claims under the County's self-insurance programs.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the 2014-15 fiscal year's original budget and the final amended budget for the general fund resulted in a \$35.9 million net increase to appropriations. The major increases in the final amended budget can be briefly summarized as follows:

- The public protection budget increased by \$4.6 million due to an increase in salaries and benefits and capital outlay projects during the current year.
- The reserve for contingency budget increased by \$5.7 million as a result of first quarter budget adjustments and excess prior year General Fund balance.
- The public assistance budget increased by \$1.0 million due to an increase in services and supplies expense and capital outlay projects during the current year.
- The transfers-out budget increased by \$24.4 million as a result of mid-year budget adjustments for prior year fund balances and to provide an increased subsidy to governmental departments.

**COUNTY OF SAN JOAQUIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

During the year, actual revenues were less than budgetary estimates by \$34.3 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 \$25.4 million in Aid from Other Governmental Agencies and \$32.4 million in transfers-in; while the major over-budget revenues were \$17.2 million in net property and sales tax and \$4.3 million in miscellaneous revenues.

Actual expenditures were less than final amended budgetary estimates by \$114.2 million. A majority of the difference is attributable to below budget expenditures in public protection (\$12.5 million), public assistance (\$39.5 million), and general government (\$17.2 million). The County also appropriated \$31.5 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 \$79.9 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, 2015, amounted to \$530.6 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 3.7%.

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

- Infrastructure increased by \$5.8 million due to completion of various bridge and road projects.
- Construction in progress increased by \$5.4 million due to projects under construction at the Hospital and Solid Waste facilities.
- 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>2014-15</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2013-14</u>
Infrastructure	\$ 250,108	\$ 244,317	\$ -	\$ -	\$ 250,108	\$ 244,317
Land and easements	14,551	14,551	4,663	4,663	19,214	19,214
Structure and improvements	270,761	277,748	72,217	71,600	342,978	349,348
Equipment	31,866	31,700	25,119	26,467	56,985	58,167
Construction in progress	5,803	5,730	7,279	1,949	13,082	7,679
Capital leases	8,271	8,580	1,432	1,065	9,703	9,645
Total	<u>\$ 581,360</u>	<u>\$ 582,626</u>	<u>\$ 110,710</u>	<u>\$ 105,744</u>	<u>\$ 692,070</u>	<u>\$ 688,370</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, 2015**

Long-term debt

At June 30, 2015, the County had total long-term outstanding debt of \$1,550.2 million, excluding the amount due within one year (\$81.3 million). This amount was comprised of \$165.0 million of certificates of participation, \$12.6 million in landfill closure/postclosure, \$8.5 million in capital lease obligations, \$1.8 million in notes payable, \$37.9 million in earned compensated absences, \$89.0 million for estimated self-insurance claims liability, \$75.6 million for the County's unfunded portion of OPEB, and \$1,241.1 million for the County's net pension liability.

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 2015 property tax roll has increased by 6.2% from prior year, countywide. This followed a strong recovery experienced in 2014 with a 9.2% growth, which was 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. Three years ago, nearly 100,000 of the County's 170,000 residential properties were assessed below the Proposition 13 FBYV. The turnaround of the real estate market has restored 70,000 of these properties to the Proposition 13 value.

The overall 2015-16 County budget increases by \$62.5 million, or 4.6%, from fiscal year 2014-15. 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; and 4) increase in patient volume and new services provided, including the Trauma Center, at San Joaquin General Hospital; costs of these programs are largely supported by federal/State funds and service charges. Partially offsetting the increases is the discontinuation of the federally-funded Head Start program which the County decided to not compete for the grant and ceased to serve as the Head Start grantee effective July 1, 2015.

- 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. Lack of a federal budget will also negatively impact federal grants for technology, health, and transportation projects.
- In June of 2015, the Governor signed the fiscal year 2015-16 State budget totaling \$115.4 billion. Key elements included in the State budget are: 1) paying down debt and reducing long-term liabilities, including reimbursements for mandated services provided by local governments prior to 2004; 2) setting aside additional funds as required by Proposition 2 in the State's Rainy Day Fund; 3) increasing funding for education; 4) expanding access and increasing child care slots by

**COUNTY OF SAN JOAQUIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

6,800 and preschool slots by 7,000; and 5) expanding Medi-Cal coverage to low-income undocumented children effective May 1, 2016. Most of these changes will have direct and/or indirect impacts on programs/services administered by the County on behalf of the State.

All of these factors were considered in preparing the County's budget for fiscal year 2015-16, approximately \$1.41 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, 2015**

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and investments:				
Pooled	\$ 666,399,669	\$ 205,236,990	\$ 871,636,659	\$ 343,358,977
Other banks	-	667,212	667,212	4,088,599
Imprest cash	320,840	10,530	331,370	-
Accounts receivable, net	11,538,988	70,001,379	81,540,367	75,002
Taxes receivable	35,102,496	-	35,102,496	-
Interest receivable	554,122	12,938	567,060	259,069
Internal balances	1,961,479	(1,961,479)	-	-
Receivable external party	-	-	-	-
Due from other agencies	60,510,343	263,167	60,773,510	86,659,279
Loans receivable	20,000	-	20,000	-
Prepaid expenses	296,722	1,084,238	1,380,960	-
Inventory	1,509,367	3,536,565	5,045,932	-
Other assets	25,500	-	25,500	3,240,631
SCA lease receivable	1,800,767	-	1,800,767	-
Restricted assets:				
Cash and investments	9,123,031	9,095,210	18,218,241	-
Interest receivable	10,068	-	10,068	-
Capital assets:				
Non-depreciable	20,354,374	11,942,734	32,297,108	1,271,735
Depreciable	1,013,124,678	302,199,917	1,315,324,595	35,726,386
Accumulated depreciation	(452,118,820)	(203,432,289)	(655,551,109)	(14,602,004)
Total Assets	<u>1,370,533,624</u>	<u>398,657,112</u>	<u>1,769,190,736</u>	<u>460,077,674</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred gain on refunding	-	3,075,728	3,075,728	-
Deferred pensions	97,478,612	23,014,532	120,493,144	2,086,859
Total Deferred Outflows of Resources	<u>97,478,612</u>	<u>26,090,260</u>	<u>123,568,872</u>	<u>2,086,859</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 1,468,012,236</u>	<u>\$ 424,747,372</u>	<u>\$ 1,892,759,608</u>	<u>\$ 462,164,533</u>
LIABILITIES				
Accounts payable	\$ 27,242,967	\$ 35,270,314	\$ 62,513,281	\$ 7,151,424
Accrued expenses	19,591,771	6,231,192	25,822,963	-
Unearned revenue	21,597,555	830,967	22,428,522	-
Other liabilities	592,079	533,732	1,125,811	37,013,654
Due to other agencies	-	-	-	182,714,643
Accrued interest	976,367	356,331	1,332,698	-
Long-term liabilities:				
Due within one year	31,876,091	49,443,827	81,319,918	-
Due beyond one year	129,871,407	49,499,996	179,371,403	-
Claims liability: due beyond one year	54,147,248	-	54,147,248	108,647,935
Other post employment benefits: due beyond one year	60,179,922	15,463,078	75,643,000	-
Net pension liability	1,006,911,932	234,171,310	1,241,083,242	5,265,016
Total Liabilities	<u>1,352,987,339</u>	<u>391,800,747</u>	<u>1,744,788,086</u>	<u>340,792,672</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred service concession arrangement receipts	1,800,767	-	1,800,767	-
Deferred inflows from grantors	-	4,591,328	4,591,328	-
Deferred pensions	642,287	149,373	791,660	2,096,143
Total Deferred Inflows of Resources	<u>2,443,054</u>	<u>4,740,701</u>	<u>7,183,755</u>	<u>2,096,143</u>
NET POSITION				
Net Investment in capital assets	463,486,189	67,100,975	530,587,164	22,396,117
Restricted for:				
Capital projects	197,519,663	-	197,519,663	-
Debt service	9,133,099	1,178,790	10,311,889	-
Children and families act program	2,834,770	-	2,834,770	-
Substance abuse and crime prevention	-	-	-	-
Public works and community infrastructure	47,934,887	-	47,934,887	-
Local law enforcement programs	91,483	-	91,483	-
Mental health and substance abuse programs	-	-	-	-
Other programs	-	2,579,261	2,579,261	-
Unrestricted	(608,418,248)	(42,653,102)	(651,071,350)	96,879,601
Total Net Position	<u>112,581,843</u>	<u>28,205,924</u>	<u>140,787,767</u>	<u>119,275,718</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 1,468,012,236</u>	<u>\$ 424,747,372</u>	<u>\$ 1,892,759,608</u>	<u>\$ 462,164,533</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, 2015**

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	\$ 56,890,962	\$ (12,771,708)	\$ 16,701,740	\$ 171,445	\$ 347,272
Public protection	305,522,980	6,796,299	42,655,237	120,039,667	-
Public ways and facilities	46,020,365	617,613	13,322,768	19,428,543	7,761,182
Community infrastructure program	3,551,862	6,863	1,861,840	-	-
Health and sanitation	148,112,497	1,328,843	60,648,994	101,473,402	-
Children and families act program	10,035,675	10,239	5,665	8,333,810	-
Public assistance	382,881,184	2,817,180	1,424,032	365,925,049	-
Education	6,097,752	222,305	288,385	-	-
Recreation and culture	6,234,904	972,366	2,438,641	-	-
Interest on long-term debt	6,332,101	-	-	-	-
Total Governmental Activities	971,680,282	-	139,347,302	615,371,916	8,108,454
Business-Type Activities:					
Hospital	244,964,002	-	318,448,623	-	-
Airport	4,609,485	-	2,208,655	2,825	4,443,668
Solid Waste	17,431,399	-	21,523,626	318,552	-
Total Business-Type Activities:	267,004,886	-	342,180,904	321,377	4,443,668
Total Primary Government	\$ 1,238,685,168	\$ -	\$ 481,528,206	\$ 615,693,293	\$ 12,552,122
Component Units:					
Head Start Child Development Council, Inc.	\$ 26,185,873	\$ -	\$ 1,542,339	\$ 25,658,670	\$ -
Health Plan of San Joaquin	653,545,267	-	3,786,344	728,993,970	-
San Joaquin Economic Development Association	1,053,877	-	1,510,009	45,557	-
Local Agency Formation Commission	453,780	-	-	655,434	-
Total Component Units	\$ 681,238,797	\$ -	\$ 6,838,692	\$ 755,353,631	\$ -
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		Total	Component Units	Functions/Programs
Governmental Activities	Business-Type Activities			
\$ (26,898,797)	\$ -	\$ (26,898,797)	\$ -	Primary Government:
(149,624,375)	-	(149,624,375)	-	Governmental Activities:
(6,125,485)	-	(6,125,485)	-	General government
(1,696,885)	-	(1,696,885)	-	Public protection
12,681,056	-	12,681,056	-	Public ways and facilities
(1,706,439)	-	(1,706,439)	-	Community infrastructure program
(18,349,283)	-	(18,349,283)	-	Health and sanitation
(6,031,672)	-	(6,031,672)	-	Children and families act program
(4,768,629)	-	(4,768,629)	-	Public assistance
(6,332,101)	-	(6,332,101)	-	Education
				Recreation and culture
				Interest on long-term debt
<u>(208,852,610)</u>	<u>-</u>	<u>(208,852,610)</u>	<u>-</u>	Total Governmental Activities
				Business-Type Activities:
-	73,484,621	73,484,621	-	Hospital
-	2,045,663	2,045,663	-	Airport
-	4,410,779	4,410,779	-	Solid Waste
<u>-</u>	<u>79,941,063</u>	<u>79,941,063</u>	<u>-</u>	Total Business-Type Activities:
<u>(208,852,610)</u>	<u>79,941,063</u>	<u>(128,911,547)</u>	<u>-</u>	Total Primary Government
				Component Units:
-	-	-	1,015,136	Head Start Child Development Council, Inc.
-	-	-	79,235,047	Health Plan of San Joaquin
-	-	-	501,689	San Joaquin Economic Development Association
-	-	-	201,654	Local Agency Formation Commission
<u>-</u>	<u>-</u>	<u>-</u>	<u>80,953,526</u>	Total Component Units
				General Revenues:
184,451,827	439,265	184,891,092	-	Taxes:
2,877,725	-	2,877,725	-	Property taxes
32,951,657	-	32,951,657	-	Property transfer taxes
387,337	-	387,337	-	Sales and use tax
2,924,108	-	2,924,108	-	Transient occupancy taxes
3,835,878	-	3,835,878	-	Franchise and other
3,617,995	449,516	4,067,511	620,854	Other in-lieu taxes
5,973,943	-	5,973,943	-	Unrestricted interest and investment earnings
3,134,692	-	3,134,692	-	Tobacco settlement proceeds
(16,245,774)	16,245,774	-	-	Miscellaneous
				Transfers
<u>223,909,388</u>	<u>17,134,555</u>	<u>241,043,943</u>	<u>620,854</u>	Total General Revenues and Transfers
15,056,778	97,075,618	112,132,396	81,574,380	Change in Net Position
1,002,141,211	131,841,388	1,133,982,599	42,746,211	Net Position - Beginning
<u>(904,616,146)</u>	<u>(200,711,082)</u>	<u>(1,105,327,228)</u>	<u>(5,044,873)</u>	Adjustments to Beginning Net Position
<u>\$ 112,581,843</u>	<u>\$ 28,205,924</u>	<u>\$ 140,787,767</u>	<u>\$ 119,275,718</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, 2015**

	General Fund	Mental Health and Substance Abuse Fund	First Five Program Fund
ASSETS			
Cash and investments:			
Pooled	\$ 212,668,908	\$ 76,582,595	\$ 5,475,828
Imprest cash	247,700	39,450	-
Accounts receivable	5,758,161	3,046,381	142,581
Taxes receivable	31,850,464	-	-
Interest receivable	190,106	56,218	4,565
Due from other agencies	38,211,241	14,985,505	1,181,051
Due from other funds	1,807,357	124,348	3,586
Advances to other funds	7,185,437	-	-
Loans receivable	20,000	-	-
Inventory	-	270,598	-
Other assets	25,500	-	-
Restricted assets:			
Restricted cash and investments	-	-	-
Other	-	-	-
	<u>\$ 297,964,874</u>	<u>\$ 95,105,095</u>	<u>\$ 6,807,611</u>
Total Assets			
LIABILITIES			
Accounts payable	\$ 4,902,120	\$ 7,221,129	\$ 1,677,250
Due to other funds	1,479,625	137,110	52,063
Accrued salaries	14,622,579	2,331,160	43,686
Unearned revenues	76,808,784	641,073	347,634
Advances from other funds	-	-	-
Other liabilities	592,079	-	-
	<u>98,405,187</u>	<u>10,330,472</u>	<u>2,120,633</u>
Total Liabilities			
FUND BALANCES			
Nonspendable	7,255,580	270,598	-
Restricted	48,549,323	84,504,025	4,686,978
Committed	10,003,085	-	-
Assigned	31,884,447	-	-
Unassigned	101,867,252	-	-
	<u>199,559,687</u>	<u>84,774,623</u>	<u>4,686,978</u>
Total Fund Balances			
Total Liabilities and Fund Balances	<u>\$ 297,964,874</u>	<u>\$ 95,105,095</u>	<u>\$ 6,807,611</u>

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

County Capital Outlay Fund	Other Governmental Funds	Total	
\$ 59,227,885	\$ 160,289,957	\$ 514,245,173	ASSETS
-	33,650	320,800	Cash and investments:
27,043	2,129,990	11,104,156	Pooled
-	3,252,032	35,102,496	Imprest cash
57,475	123,154	431,518	Accounts receivable
-	4,310,793	58,688,590	Taxes receivable
649,415	104,040	2,688,746	Interest receivable
106,518	770,529	8,062,484	Due from other agencies
-	-	20,000	Due from other funds
-	611,645	882,243	Advances to other funds
-	-	25,500	Loans receivable
-	-	-	Inventory
-	9,123,031	9,123,031	Other assets
-	10,068	10,068	Restricted assets:
-	-	-	Restricted cash and investments
-	-	-	Other
<u>\$ 60,068,336</u>	<u>\$ 180,758,889</u>	<u>\$ 640,704,805</u>	Total Assets
\$ 194,895	\$ 5,504,155	\$ 19,499,549	LIABILITIES
11,242	1,466,991	3,147,031	Accounts payable
-	2,424,533	19,421,958	Due to other funds
-	1,125,212	78,922,703	Accrued salaries
-	6,480,716	6,480,716	Unearned revenues
-	-	592,079	Advances from other funds
-	-	-	Other liabilities
<u>206,137</u>	<u>17,001,607</u>	<u>128,064,036</u>	Total Liabilities
106,518	1,382,174	9,014,870	FUND BALANCES
-	149,801,640	287,541,966	Nonspendable
-	-	10,003,085	Restricted
59,755,681	17,131,304	108,771,432	Committed
-	(4,557,836)	97,309,416	Assigned
<u>59,862,199</u>	<u>163,757,282</u>	<u>512,640,769</u>	Unassigned
<u>\$ 60,068,336</u>	<u>\$ 180,758,889</u>	<u>\$ 640,704,805</u>	Total Fund Balances
			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, 2015**

Fund Balance - Total Governmental Funds	\$ 512,640,769
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.	560,386,324
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.	98,450,943
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	57,325,148
Net deferred outflows (inflows) of resources for pensions.	96,099,501
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	(121,655,492)
Capital leases	(304,479)
Notes payable	(328,800)
Other post employment benefits liability	(59,564,130)
Compensated absences	(30,424,046)
Net pension liability	(999,146,475)
Accrued interest payable	(897,420)
Net Position of Governmental Activities	<u>\$ 112,581,843</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, 2015**

	General Fund	Mental Health and Substance Abuse Fund	First Five Program Fund
Revenues:			
Taxes	\$ 223,322,843	\$ -	\$ -
Licenses and permits	7,386,070	-	-
Fines, forfeitures, and penalties	10,501,456	51,186	-
Use of money and property	2,174,601	192,518	16,688
Aid from other governmental agencies	448,915,632	70,268,065	9,429,237
Charges for services	39,105,137	50,398,458	-
Other revenues	9,077,256	1,407,534	5,665
Total Revenues	<u>740,482,995</u>	<u>122,317,761</u>	<u>9,451,590</u>
Expenditures:			
Current			
General government	46,043,864	-	-
Public protection	252,895,184	-	-
Public ways and facilities	25,108	-	-
Health and sanitation	40,821,518	105,255,757	10,015,445
Public assistance	339,922,832	-	-
Education	308,965	-	-
Parks and recreation	5,066,580	-	-
Capital outlay	1,813,127	898,503	-
Debt service			
Principal retirement	13,713	-	-
Interest and debt issuance costs	1,951	-	1,600
Total Expenditures	<u>686,912,842</u>	<u>106,154,260</u>	<u>10,017,045</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>53,570,153</u>	<u>16,163,501</u>	<u>(565,455)</u>
Other Financing Sources (Uses)			
Transfers in	15,767,562	3,308,523	-
Transfers out	<u>(41,544,420)</u>	<u>(820,961)</u>	<u>(10,239)</u>
Total Other Financing Sources (Uses)	<u>(25,776,858)</u>	<u>2,487,562</u>	<u>(10,239)</u>
Net Change in Fund Balances	27,793,295	18,651,063	(575,694)
Fund Balances - Beginning	<u>171,766,392</u>	<u>66,123,560</u>	<u>5,262,672</u>
Fund Balances - Ending	<u>\$ 199,559,687</u>	<u>\$ 84,774,623</u>	<u>\$ 4,686,978</u>

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

County Capital Outlay Fund	Other Governmental Funds	Total	
\$ -	\$ 24,259,800	\$ 247,582,643	Revenues:
-	204,056	7,590,126	Taxes
-	1,275,778	11,828,420	Licenses and permits
500,356	476,007	3,360,170	Fines, forfeitures, and penalties
378,533	113,729,504	642,720,971	Use of money and property
-	24,272,474	113,776,069	Aid from other governmental agencies
40,333	598,539	11,129,327	Charges for services
			Other revenues
<u>919,222</u>	<u>164,816,158</u>	<u>1,037,987,726</u>	Total Revenues
			Expenditures:
189,724	487	46,234,075	Current
33,398	41,448,223	294,376,805	General government
16,198	33,900,706	33,942,012	Public protection
4,470	1,576,163	157,673,353	Public ways and facilities
1,040	38,978,750	378,902,622	Health and sanitation
-	5,742,505	6,051,470	Public assistance
77,940	197,877	5,342,397	Education
2,559,123	21,435,441	26,706,194	Parks and recreation
			Capital outlay
-	3,091,284	3,104,997	Debt service
-	6,081,554	6,085,105	Principal retirement
			Interest and debt issuance costs
<u>2,881,893</u>	<u>152,452,990</u>	<u>958,419,030</u>	Total Expenditures
<u>(1,962,671)</u>	<u>12,363,168</u>	<u>79,568,696</u>	Excess (Deficiency) of Revenues Over (Under) Expenditures
14,578,450	8,084,446	41,738,981	Other Financing Sources (Uses)
-	(17,036,443)	(59,412,063)	Transfers in
			Transfers out
<u>14,578,450</u>	<u>(8,951,997)</u>	<u>(17,673,082)</u>	Total Other Financing Sources (Uses)
12,615,779	3,411,171	61,895,614	Net Change in Fund Balances
<u>47,246,420</u>	<u>160,346,111</u>	<u>450,745,155</u>	Fund Balances - Beginning
<u>\$ 59,862,199</u>	<u>\$ 163,757,282</u>	<u>\$ 512,640,769</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, 2015**

Net Change in Fund Balances - Total Governmental Funds \$ 61,895,614

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	\$ 26,706,194	
Less current year depreciation	(28,463,149)	(1,756,955)

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	(31,141,003)	
Decrease in accrued grant revenues	(7,325,380)	(38,466,383)

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	2,949,643	
Notes payable	6,700	
Capital leases	173,297	
Less amortization of discount on certificates of participation	94,268	3,223,908

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		7,628
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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	(323)	
Change in other post employment benefits liability	(6,347,999)	
Change in pension expense	(5,407,900)	(11,756,222)

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.

(87,552)

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.

1,996,740

Change in Net Position of Governmental Activities **\$ 15,056,778**

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

**COUNTY OF SAN JOAQUIN
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015**

	Business-Type Activities - Enterprise Funds				Governmental
	General Hospital	Stockton Metropolitan Airport	Solid Waste	Total	Activities Internal Service Funds
<u>Assets</u>					
Current Assets:					
Cash and investments	\$ 194,260,697	\$ -	\$ 11,643,546	\$ 205,904,243	\$ 152,175,637
Imprest cash	2,580	209	7,700	10,489	40
Prepaid expenses	1,084,238	-	-	1,084,238	296,723
Accounts receivable, net	68,250,499	110,898	1,639,980	70,001,377	430,835
Interest receivable	-	-	12,938	12,938	122,602
Due from other funds	111,789	-	152	111,941	1,696,982
Due from other agencies	-	263,167	-	263,167	1,821,753
Inventories	3,489,738	-	46,827	3,536,565	627,122
Total Current Assets	<u>267,199,541</u>	<u>374,274</u>	<u>13,351,143</u>	<u>280,924,958</u>	<u>157,171,694</u>
Noncurrent Assets:					
Restricted assets:					
Cash and investments	2,578,445	-	6,516,765	9,095,210	-
Total Restricted Assets	<u>2,578,445</u>	<u>-</u>	<u>6,516,765</u>	<u>9,095,210</u>	<u>-</u>
Capital Assets:					
Non-depreciable	3,868,041	1,352,204	6,722,489	11,942,734	17,481
Depreciable, net	71,301,855	17,703,229	9,762,544	98,767,628	20,956,427
Total Capital Assets	<u>75,169,896</u>	<u>19,055,433</u>	<u>16,485,033</u>	<u>110,710,362</u>	<u>20,973,908</u>
Total Noncurrent Assets	<u>77,748,341</u>	<u>19,055,433</u>	<u>23,001,798</u>	<u>119,805,572</u>	<u>20,973,908</u>
Deferred outflows of resources:					
Deferred gain on refunding	3,075,728	-	-	3,075,728	-
Deferred pensions	21,652,088	225,328	1,137,116	23,014,532	741,777
Total Deferred Outflows of Resources	<u>24,727,816</u>	<u>225,328</u>	<u>1,137,116</u>	<u>26,090,260</u>	<u>741,777</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 369,675,698</u>	<u>\$ 19,655,035</u>	<u>\$ 37,490,057</u>	<u>\$ 426,820,790</u>	<u>\$ 178,887,379</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, 2015

	Business-Type Activities - Enterprise Funds				Governmental
	General Hospital	Stockton Metropolitan Airport	Solid Waste	Total	Internal Service Funds
Liabilities and Net Position					
Current Liabilities:					
Accounts payable	\$ 30,217,719	\$ 96,358	\$ 2,372,935	\$ 32,687,012	\$ 7,739,419
Cash included in accounts payable	2,410,564	172,740	-	2,583,304	21,140
Accrued payroll	5,931,383	42,401	257,408	6,231,192	169,812
Due to other funds	145,036	389,035	64,096	598,167	752,471
Other current liabilities	-	77,501	456,231	533,732	-
Interest payable	250,351	196	105,784	356,331	78,945
Current portion:					
Certificates of participation (COP)	6,250,000	-	1,485,000	7,735,000	-
Notes payable	-	9,786	-	9,786	70,257
Claims liability	34,930,515	-	-	34,930,515	-
Capital leases	-	27,332	241,460	268,792	2,272,654
Compensated absences	5,916,413	78,504	504,817	6,499,734	229,929
Total Current Liabilities	86,051,981	893,853	5,487,731	92,433,565	11,334,627
Long-Term Liabilities:					
Unearned revenue	-	830,967	-	830,967	-
Advances from other funds	-	1,475,250	-	1,475,250	106,518
Certificates of participation, net	25,439,990	-	10,185,570	35,625,560	-
Notes payable	-	26,565	-	26,565	1,368,313
Capital leases	-	119,633	452,455	572,088	5,093,528
Compensated absences	640,488	-	85,032	725,520	-
Claims liability	-	-	-	-	54,147,248
Liability for closure/ postclosure costs	-	-	12,550,263	12,550,263	-
Net pension liability	220,101,149	2,348,130	11,722,031	234,171,310	7,765,457
Other post employment benefits liability	14,270,081	128,834	1,064,162	15,463,077	615,792
Total Long-Term Liabilities	260,451,708	4,929,379	36,059,513	301,440,600	69,096,856
Total Liabilities	346,503,689	5,823,232	41,547,244	393,874,165	80,431,483
Deferred Inflows of Resources:					
Deferred inflows from grantors	4,591,328	-	-	4,591,328	-
Deferred pensions	140,398	1,498	7,477	149,373	4,953
Total Deferred Inflows of Resources	4,731,726	1,498	7,477	4,740,701	4,953
Net Position:					
Net investment in capital assets	43,479,906	16,905,114	6,715,955	67,100,975	13,605,452
Restricted for:					
Debt service	-	-	1,178,790	1,178,790	-
Landfill site closure and postclosure	-	-	-	-	-
Other	2,579,261	-	-	2,579,261	14,167,559
Unrestricted, net	(27,618,884)	(3,074,809)	(11,959,409)	(42,653,102)	70,677,932
Total Net Position	18,440,283	13,830,305	(4,064,664)	28,205,924	98,450,943
Total Liabilities and Net Position and Deferred Inflows of Resources	\$ 369,675,698	\$ 19,655,035	\$ 37,490,057	\$ 426,820,790	\$ 178,887,379

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, 2015**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	General Hospital	Stockton Metropolitan Airport	Solid Waste	Total	Internal Service Funds
Operating Revenues:					
Charges for services	\$ 292,564,428	\$ 391,039	\$ 9,117,936	\$ 302,073,403	\$ 90,926,005
Concessions and rentals	-	1,775,391	11,126,238	12,901,629	-
Miscellaneous	22,287,678	42,225	1,279,452	23,609,355	255,459
Property tax	-	439,265	-	439,265	-
Aid from other agencies	-	2,825	-	2,825	-
Total Operating Revenues	314,852,106	2,650,745	21,523,626	339,026,477	91,181,464
Operating Expenses:					
Salaries and benefits	161,750,496	1,258,676	6,898,845	169,908,017	4,442,614
Services and supplies	73,871,530	1,386,825	7,646,406	82,904,761	23,066,379
Liability claims and loss adjustments	-	-	-	-	52,330,883
Insurance	-	276,193	327,535	603,728	7,111,646
Landfill closure and postclosure expense	-	-	(158,077)	(158,077)	-
Depreciation and amortization	7,422,291	1,564,849	2,319,207	11,306,347	5,032,245
Miscellaneous	-	992	3,992	4,984	121,339
Total Operating Expenses	243,044,317	4,487,535	17,037,908	264,569,760	92,105,106
Operating Income (Loss)	71,807,789	(1,836,790)	4,485,718	74,456,717	(923,642)
Non-Operating Revenues (Expenses):					
Gain (loss) on sale of asset	-	-	(53,610)	(53,610)	81,074
Interest income	406,459	-	43,057	449,516	422,225
Aid from other governmental agencies	-	4,443,668	318,552	4,762,220	-
Other	3,596,517	-	-	3,596,517	23,197
Interest expense	(1,919,685)	(121,950)	(393,491)	(2,435,126)	(265,141)
Total Non-Operating Revenues (Expenses)	2,083,291	4,321,718	(85,492)	6,319,517	261,355
Net Income (Loss) Before Transfers	73,891,080	2,484,928	4,400,226	80,776,234	(662,287)
Transfers:					
Transfers in	15,568,618	849,416	-	16,418,034	1,373,698
Transfers out	-	(118,650)	-	(118,650)	-
Capital Grants	-	-	-	-	88,587
Capital Contributions	-	-	-	-	1,196,742
Total Transfers and Capital Contributions	15,568,618	730,766	-	16,299,384	2,659,027
Change in Net Position	89,459,698	3,215,694	4,400,226	97,075,618	1,996,740
Net Position - Beginning of Year	117,050,952	12,724,184	2,066,252	131,841,388	103,430,736
Prior Period Adjustment	(188,070,367)	(2,109,573)	(10,531,142)	(200,711,082)	(6,976,533)
Net Position - End of Year	\$ 18,440,283	\$ 13,830,305	\$ (4,064,664)	\$ 28,205,924	\$ 98,450,943

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, 2015**

	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	\$ 293,229,363	\$ 2,557,015	\$ 21,406,881	\$ 317,193,259	\$ 94,266,624
Cash payments to suppliers for goods and services	(49,163,599)	(1,314,471)	(6,222,200)	(56,700,270)	(78,637,319)
Cash payments to other departments for goods and services	10,367,786	(357,199)	(574,635)	9,435,952	(6,087,575)
Cash payments to employees for services	(174,005,780)	(1,218,729)	(6,692,738)	(181,917,247)	(4,315,428)
Net Cash Provided (Used) by Operating Activities	<u>80,427,770</u>	<u>(333,384)</u>	<u>7,917,308</u>	<u>88,011,694</u>	<u>5,226,302</u>
Cash Flows from Noncapital Financing Activities:					
Transfers in (out)	15,568,618	730,766	(53,611)	16,245,773	-
State and Federal grant receipts (aid from other governments)	-	-	328,791	328,791	88,587
Prior period adjustment	-	-	-	-	-
Loan repayment or borrowing	-	(238,858)	-	(238,858)	-
Other non-operating receipts (payments)	3,596,517	-	-	3,596,517	1,214,637
Net Cash Provided (Used) by Noncapital Financing Activities	<u>19,165,135</u>	<u>491,908</u>	<u>275,180</u>	<u>19,932,223</u>	<u>1,303,224</u>
Cash Flows from Capital and Related Financing Activities:					
Capital contribution grants	-	4,196,184	-	4,196,184	-
Acquisition and construction of capital assets	(10,186,117)	(4,926,397)	(3,233,009)	(18,345,523)	(3,035,500)
Insurance recovery	-	-	-	-	23,195
Proceeds from sale of property and equipment	2,660,887	-	-	2,660,887	81,074
Issuance cost refund	-	-	-	-	-
Other post employment benefits obligation	-	-	-	-	-
Principal payment on debts	(6,100,000)	(8,685)	(2,587,524)	(8,696,209)	(2,412,468)
Interest payments on debts	(775,042)	(120,919)	(460,812)	(1,356,773)	(270,717)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(14,400,272)</u>	<u>(859,817)</u>	<u>(6,281,345)</u>	<u>(21,541,434)</u>	<u>(5,614,416)</u>
Cash Flows from Investing Activities:					
Interest on investment and note receivable	(89,286)	(452)	38,507	(51,231)	401,237
Net Cash Provided (Used) by Investing Activities	<u>(89,286)</u>	<u>(452)</u>	<u>38,507</u>	<u>(51,231)</u>	<u>401,237</u>
Increase (Decrease) in Cash and Investments	85,103,347	(701,745)	1,949,650	86,351,252	1,316,347
Cash and Investments, Beginning of Year	109,327,811	529,214	16,218,361	126,075,386	150,838,190
Cash and Investments, End of Year	<u>\$ 194,431,158</u>	<u>\$ (172,531)</u>	<u>\$ 18,168,011</u>	<u>\$ 212,426,638</u>	<u>\$ 152,154,537</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, 2015**

	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)	\$ 71,807,789	\$ (1,836,790)	\$ 4,485,718	\$ 74,456,717	\$ (923,642)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	7,422,291	1,564,849	2,319,207	11,306,347	5,032,245
Other postemployment benefits	2,490,051	-	-	2,490,051	-
Provision for bad debts	23,532,106	-	-	23,532,106	-
(Increase) decrease in receivables	(38,429,244)	(63,708)	(116,745)	(38,609,697)	(501,621)
(Increase) decrease in prepaid expenses	(107,829)	-	-	(107,829)	21,804
(Increase) decrease in inventories	(406,813)	-	(14,467)	(421,280)	(8,330)
(Increase) decrease in deferred pensions	(10,123,532)	(102,336)	(523,135)	(10,749,003)	(335,035)
Increase (decrease) in payables	1,897,115	(12,462)	1,340,422	3,225,075	(912,650)
Increase (decrease) in net pension liability	10,972,824	117,063	584,385	11,674,272	387,135
Increase (decrease) in closure/postclosure liability	-	-	(158,077)	(158,077)	-
Increase (decrease) in claim liabilities	11,373,012	-	-	11,373,012	2,466,396
Net Cash Provided (Used) by Operating Activities	<u>\$ 80,427,770</u>	<u>\$ (333,384)</u>	<u>\$ 7,917,308</u>	<u>\$ 88,011,694</u>	<u>\$ 5,226,302</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, 2015**

	June 30, 2015				December 31, 2014
	Investment Trust Fund	Agency Funds	Private Purpose Trust Funds	Total	Pension Trust Fund
Assets					
Cash and investments - pooled	\$ 1,023,798,566	\$ 40,256,089	\$ 7,129,474	\$ 1,071,184,129	\$ 1,367,272
Cash and investments held by others	4,393,908	3,190,649	-	7,584,557	-
Imprest cash	5,300	-	-	5,300	25
Pension trust investments	-	-	-	-	2,620,515,149
Investments sold, funds not received	-	-	-	-	420,303
Investment income receivables	815,067	-	10,192	825,259	2,665,623
Loan program investment	-	-	3,162,263	3,162,263	-
Loans receivable	5,445,866	12,000,000	33,879,747	51,325,613	-
Other receivables	-	30,015,623	-	30,015,623	34,606
Pension fund contribution receivable	-	-	-	-	8,960,303
Due from other agencies	-	-	48,925	48,925	-
Other assets	446,573	3,338	-	449,911	86,318
Capital assets, net of depreciation	-	-	-	-	314,644
Contribution to investment pool receivable	2,527,100	-	-	2,527,100	-
Imprest cash	-	-	-	-	-
Post employment healthcare fund investments	-	-	-	-	-
Other	426,179	-	-	426,179	-
Total Assets	\$ 1,037,858,559	\$ 85,465,699	\$ 44,230,601	\$ 1,167,554,859	\$ 2,634,364,243
Liabilities					
Accounts payable	\$ 10,391,685	\$ 28,917,896	\$ 2,797	\$ 39,312,378	\$ -
Accrued liabilities	130,721	-	-	130,721	2,148,071
Securities lending - cash collateral	-	-	-	-	164,195,415
Securities purchased but not paid	-	-	-	-	1,671,228
Due to other funds	-	-	-	-	-
Unearned revenue	644,546	-	-	644,546	-
Loan payable	24,656,245	20,000	-	24,676,245	-
Due to other agencies	-	56,527,803	-	56,527,803	-
Total Liabilities	35,823,197	85,465,699	2,797	121,291,693	168,014,714
Net Position					
Held in trust for:					
Employee pension benefits	-	-	-	-	2,466,349,529
Revolving loans	-	-	43,860,316	43,860,316	-
External investment pool participants	1,002,035,362	-	-	1,002,035,362	-
Other purposes	-	-	365,805	365,805	-
Unrealized pool investments market appreciation	-	-	1,683	1,683	-
Total Net Position	1,002,035,362	-	44,227,804	1,046,263,166	2,466,349,529
Total Liabilities and Net Position	\$ 1,037,858,559	\$ 85,465,699	\$ 44,230,601	\$ 1,167,554,859	\$ 2,634,364,243

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, 2015**

	June 30, 2015			December 31, 2014
	Investment Trust Fund	Private Purpose Trust Funds	Total	Pension Trust Fund
Additions				
Employer's contributions	\$ -	\$ -	\$ -	\$ 136,686,133
Employees' contributions	-	-	-	27,367,908
Contributions from investment pool participants	4,092,199,719	-	4,092,199,719	-
Capital contributions from other governments	-	349,307	349,307	-
Interest and investment income	2,975,045	381,519	3,356,564	110,651,111
Miscellaneous income	-	14,250	14,250	20,045,971
Total Additions	4,095,174,764	745,076	4,095,919,840	294,751,123
Deductions				
Benefit payments	-	91,359	91,359	164,335,273
Contribution refund	-	-	-	1,535,698
Withdrawals from pooled investments	3,954,678,020	-	3,954,678,020	-
Program expenditures	-	(25,957)	(25,957)	-
Allowance for loan adjustments	-	3,067,402	3,067,402	-
Administration and program expenses	-	334,304	334,304	4,042,986
Total Deductions	3,954,678,020	3,467,108	3,958,145,128	169,913,957
Change in Net Position	140,496,744	(2,722,032)	137,774,712	124,837,166
Net Position - Beginning	849,621,618	47,251,649	896,873,267	2,341,512,363
Prior Period Adjustment	11,917,000	(301,813)	11,615,187	-
Net Position - Ending	\$ 1,002,035,362	\$ 44,227,804	\$ 1,046,263,166	\$ 2,466,349,529

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, 2015**

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 (1) 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 are available through 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 \$546,589 as of June 30, 2015, 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 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 services 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 2014-15. 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, 2014. 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 Solid Waste System Project and the San Joaquin General Hospital Expansion Project, debt service, outstanding debts and the related capital projects are reported in the government-wide financial statements. The bonds issued for 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. The County has chosen to cease participation in the Head Start program as of June 30, 2015. The San Joaquin County Office of Education (a separate legal entity from the County) was funded in July 2015 by the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Head Start to provide Head Start and Early Head Start services in San Joaquin County going forward. Consequently, Head Start Child Development Council, Inc. will cease to be included as a discretely presented component unit in the County's financial statements.
- 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

- 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.

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 Colleagueville 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, 2015, the County implemented the following standards:

GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. The provisions of GASB Statement No. 68 are effective for financial statements beginning after June 15, 2014. The implementation of this statement has significant impact over the County's financial statements.

GASB Statement No. 69 – *Government Combinations and Disposals of Government Operations*. The provisions of GASB Statement No. 69 are effective for financial statements beginning after December 15, 2013. There was no effect on the County's accounting or financial reporting as a result of implementing this standard.

GASB Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. The provisions of this statement will be applied simultaneously with the provisions of GASB Statement No. 68. The implementation of this statement has significant impact over the County's financial statements.

Recently released standards by GASB affecting future fiscal years are as follows:

GASB Statement No. 72 – *Fair Value Measurement and Application*. The provisions of this statement are effective for financial statements for reporting periods beginning after June 15, 2015. The County has not fully judged the effect of the implementation of GASB Statement No. 72 as of the date of the basic financial statements.

GASB Statement No. 73 – *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*. The provisions of this statement are effective for fiscal years beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement No. 68, which are effective for fiscal years beginning after June 15, 2016. The County has not fully judged the effect of the implementation of GASB Statement No. 73 as of the date of the basic financial statements.

GASB Statement No. 74 – *Financial Reporting for Postemployment Benefits Other than Pension Plans*. The provisions of this statement are effective for fiscal years beginning after June 15, 2016. The County has not fully judged the effect of the implementation of GASB Statement No. 74 as of the date of the basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Financial Presentation (Continued)

GASB Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other than Pension Plans*. The provisions of this statement are effective for fiscal years beginning after June 15, 2017. The County has not fully judged the effect of the implementation of GASB Statement No. 75 as of the date of the basic financial statements.

GASB Statement No. 76 – *Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The provisions of this statement are effective for fiscal years beginning after June 15, 2015. The County has not fully judged the effect of the implementation of GASB Statement No. 76 as of the date of the basic financial statements.

GASB Statement No. 77 – *Tax Abatement Disclosures*. The requirements of this statement are effective for reporting periods beginning after December 15, 2015. The County has not fully judged the effect of the implementation of GASB Statement No. 77 as of the date of the basic financial statements.

GASB Statement No. 78 – *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The requirements of this statement are effective for fiscal years beginning after December 15, 2015. The County has not fully judged the effect of the implementation of GASB Statement No. 78 as of the date of the basic financial statements.

Government-Wide Financial Statements

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

The statement of activities presents a comparison between direct and indirect expenses and program revenues for each segment of the business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or a function and, therefore, are clearly identifiable to a particular function. Indirect expenses are those that are allocated to a program or a function from the County's centralized general service function based on the cost allocation principles established by the U.S. Office of Management and Budget (OMB). Program revenues include 1) charges paid by the recipients of goods or services offered by the programs, 2) fines and penalties ordered by the courts, 3) licenses and permits charged by the programs, and 4) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

When both restricted and unrestricted net position are available, it is County policy to use restricted net position first, and then use the unrestricted resources as it is needed.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. The County is required to report the General Fund, the Mental Health and Substance Abuse Fund, the General Hospital Fund, and the Solid Waste Fund as major funds. Although not required to be reported as major funds, the County has also chosen to report the First Five Program Fund, the County Capital Outlay Fund, and the Stockton Metropolitan Airport Fund as major funds for consistency reasons. All remaining governmental funds are separately aggregated and reported as nonmajor funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Financial Presentation (Continued)

Fund Financial Statements (Continued)

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Financial Presentation (Continued)

Fund Financial Statements (Continued)

The County reports the following additional fund types:

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

C. Basis of Accounting

The government-wide, proprietary, pension, and investment trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements, and donations. On the accrual basis of accounting, property tax revenues are recognized in the fiscal year for which the taxes are levied. Sales taxes are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, expenditures are recorded when the related liability is incurred except that the unmatured interest on long-term debt and expenses related to compensated absences and claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources. Revenues are recorded when they are both measurable and available to finance expenditures during the fiscal period. Property and sales taxes, interest, State and Federal grants, and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be both measurable and available. Revenues earned but not received within sixty days after the end of the accounting period, on the other hand, are recorded as receivables and 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.

D. Interfund Transactions

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Investments

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

F. Inventory and Prepaid Expenses

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

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

G. Capital Assets

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

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 50 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 10 years for equipment, furniture, and fixtures. Infrastructure (i.e., roads, bridges, water/sewer, drainage system, flood control, etc.) is depreciated using a composite method to depreciate the infrastructure acquired after June 30, 1980, over an estimated weighted average life of 25 years.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Lease Obligations

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

I. Property Taxes

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

Property is assessed at 100% of full cash or market value (with some exceptions) pursuant to Article XIII of the California State Constitution and statutory provisions. The total 2014-15 net assessed valuation of the County real property was \$60.4 billion.

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

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

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

The County's property taxes are accounted for in the property tax collection funds until apportionments are made and funds are disbursed to taxing jurisdictions. The funds carried a net cash balance of approximately \$48.9 million as of June 30, 2015.

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 any borrowing as a 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 \$20.0 million at June 30, 2015. 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, 2015, are recorded as taxes receivable (approximately \$55.1 million) and are offset by an unearned revenue liability of \$43.0 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 \$35.1 million, net of the estimated uncollectible amount of \$20.0 million.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. **Compensated Absences**

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

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

K. **Fund Balance**

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 Statements 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 2014-15 were \$4.2 million.

At December 31, 2014, the total number of the eligible members for the sick leave bank benefit was comprised of approximately 1,900 active members and 1,000 retired members.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Pensions

In the County's financial statements, retirement plans (pensions) are required to be recognized and disclosed using the accrual basis of accounting. In general, the County recognizes a net pension liability, which represents the County's proportionate share of the excess of total pension liability over the fiduciary net position of the pension reflected in the actuarial report provided by SJCERA. The net pension liability is measured as of the County's prior fiscal year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflow of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

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

Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed basis five-year period of recognition.

Q. 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 fiscal year 2014-15 was \$969.0 million, and estimated adjustments for contractual allowances and bad debts were \$754.1 million, resulting in net patient revenue of \$214.9 million.

- Medicare – Inpatient and outpatient acute care services and defined capital and indirect graduate medical education costs for services rendered to Medicare beneficiaries are paid at prospectively determined rates. These rates vary according to an inpatient and outpatient classification systems that are based on clinical, diagnostic, and other factors. Direct graduate medical education cost and bad debts are paid based on estimated periodic interim payments and are finalized after the audit of the annual cost report.
- Medi-Cal – Services rendered to Medi-Cal program beneficiaries are reimbursed 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Hospital and Other Program Revenues (Continued)

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 2015, the Hospital received \$14.5 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, 2015, the County’s cash, deposits and investments were as follows (in \$000’s):

	Investment Pool	Special Funds and Investments	Pension Trust Fund	Other	Totals
Cash on hand	\$ 127	\$ -	\$ -	\$ -	\$ 127
Deposits with financial institutions	29,227	4,292	84,916	9,936	128,371
Outstanding warrants	(53,532)	-	-	-	(53,532)
Investments	2,319,612	9,360	2,535,578	-	4,864,550
	<u>\$ 2,295,434</u>	<u>\$ 13,652</u>	<u>\$ 2,620,494</u>	<u>\$ 9,936</u>	<u>\$ 4,939,516</u>

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

	Unrestricted	Restricted	Total
Primary Government	\$ 870,031	\$ 18,218	\$ 888,249
Investment Trust Fund	1,028,198	-	1,028,198
Private Purpose Trust Funds	10,292	-	10,292
Agency Fund	43,447	-	43,447
Pension Trust Fund	2,621,882	-	2,621,882
Discretely Presented Component Units	347,448	-	347,448
	<u>\$ 4,921,298</u>	<u>\$ 18,218</u>	<u>\$ 4,939,516</u>

NOTE 2 – CASH AND INVESTMENTS (Continued)

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 Treasury 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 \$29.2 million. Of the total deposits, \$27.6 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.

Investments

As of June 30, 2015, 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	\$ 97,171	41	4.2%	A-1+/P-1
Money Market Account - Bank of the West	75,000	-	3.2%	Not rated
Sweep Account - Bank of the West	68,569	-	3.0%	A3/A
Federal Farm Credit Bank	184,884	810	7.9%	Aaa/AA+
Federal Home Loan Bank	1,059,348	254	45.7%	Aaa/AA+
Federal Home Loan Mortgage Corporation	424,504	767	18.3%	Aaa/AA+
Federal National Mortgage Association	264,733	160	11.4%	Aaa/AA+
Medium-Term Note - General Electric Company	40,230	520	1.7%	A1/AA+
Medium-Term Note - GE Capital Corporation	40,113	101	1.7%	A1/AA+
General Obligation Bonds - California	15,060	216	0.7%	Aa3/AA-
State Local Agency Investment Fund (LAIF)	50,000	-	2.2%	Not rated
Total	<u>\$ 2,319,612</u>	<u>352</u>	<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, 2015, the weighted average maturity of the pool investments was 352 days.

NOTE 2 – CASH AND INVESTMENTS (Continued)

Investments (Continued)

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 LAIF, and repurchase agreements. Credit ratings as of June 30, 2015, 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, 2015, 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, 2015 (in \$000’s):

<u>Issuer</u>	<u>Amount</u>	<u>Percent of Investments</u>
Federal Home Loan Bank	\$ 1,059,348	45.7%
Federal Home Loan Mortgage Corporation	424,504	18.3%
Federal National Mortgage Association	264,733	11.4%
Federal Farm Credit Bank	184,884	7.9%

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, 2015, 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 the Pooled Money Investment Account (PMIA) on June 30, 2015, was \$69.6 billion. Of that amount, 0.97% was invested in structured notes and asset-backed securities with the remaining 99.03% invested in other non-derivative financial products.

The LAIF financial statements are available at the State Treasurer’s Office website at www.treasurer.ca.gov.

NOTE 2 – CASH AND INVESTMENTS (Continued)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, 2015. 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**	\$ 1,271,635	\$ 1,023,799	\$ 2,295,434
Investment income receivable	1,598	-	1,598
Pool participants fund deposit receivable	193,675	2,527	196,202
Other assets	47,144	11,533	58,677
	<u>1,514,052</u>	<u>1,037,859</u>	<u>2,551,911</u>
Liabilities	<u>195,513</u>	<u>35,823</u>	<u>231,336</u>
Net Position	<u>\$ 1,318,539</u>	<u>\$ 1,002,036</u>	<u>\$ 2,320,575</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.

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

	Internal Investment Pool	External Investment Pool	Total
Additions:			
Contributions	\$ 3,274,118	\$ 4,092,200	\$ 7,366,318
Investment income	3,080	2,975	6,055
Total Additions	<u>3,277,198</u>	<u>4,095,175</u>	<u>7,372,373</u>
Deductions:			
Distributions	<u>2,843,242</u>	<u>3,954,678</u>	<u>6,797,920</u>
Net Change	433,956	140,497	574,453
Net Position - Beginning	884,583	849,622	1,734,205
Prior Period Adjustment	-	11,917	11,917
Net Position - Ending	<u>\$ 1,318,539</u>	<u>\$ 1,002,036</u>	<u>\$ 2,320,575</u>

NOTE 2 – CASH AND INVESTMENTS (Continued)

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 (\$10.5 million) and to restrict cash for patient gift funds (\$2.6 million). Presented below are those deposits and investments managed by the trustee banks at June 30, 2015 (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	\$ 231	\$ 4,061	\$ 4,292	Not applicable	Not applicable
Fixed income time deposits and mutual funds	2,931	-	2,931	Not applicable	Not applicable
Federal Home Loan Bank	-	156	156	0.5	Aaa/AA+
Federal Home Loan Mortgage Corporation	-	3,293	3,293	1.5	Aaa/AA+
Federal National Mortgage Association	-	2,980	2,980	1.0	Aaa/AA+
	<u>\$ 3,162</u>	<u>\$ 10,490</u>	<u>\$ 13,652</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 2014-15, 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 real assets, 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	\$ 474,869
Domestic debt securities	527,387
International equities	474,645
Real estate	253,710
Alternative investments	<u>640,772</u>
Subtotal	<u>2,371,383</u>
Investments Held by Broker-Dealers Under Securities Loans:	
Domestic equities	108,256
Domestic debt securities	<u>55,939</u>
Total Investments Held by Broker-Dealers Under Securities Loans	<u>164,195</u>
Total	<u>\$ 2,535,578</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, 2014, the Plan had \$250.5 million, \$86.3 million, and \$164.2 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 \$475,801 and \$416,750, in 2014 and 2013, respectively. The table below details the County’s out-on-loan securities, excluding the commingled funds owned by the SJCERA, as of December 31, 2014 (in \$000’s):

	<u>Fair Value</u>	<u>Cash Collateral Value</u>	<u>Non-Cash Collateral Value</u>
Domestic equities	\$ 105,572	\$ 108,256	\$ 266
Domestic debt securities	54,843	55,939	149
International equities	<u>18,458</u>	<u>-</u>	<u>19,890</u>
Total	<u>\$ 178,873</u>	<u>\$ 164,195</u>	<u>\$ 20,305</u>

NOTE 2 – CASH AND INVESTMENTS (Continued)

Pension Trust Fund Investments (Continued)

Credit Risk – The Plan’s investments at December 31, 2014, 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	\$ 10,765
AA	7,431
A	26,063
BBB	39,659
BB	22,872
B	14,589
CCC	8,288
CC	1,615
C	
D	16,219
Not rated	231,673
U.S. government and agencies (implicit guarantee, includes FNMA, FHLB, FHLMC, and others)	<u>148,213</u>
Total investments in fixed domestic income securities	<u>\$ 527,387</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, 2014, 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, 2014, 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)	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Asset backed securities	\$ 17,640	12.8
Bank loans	20,803	5.1
Commercial mortgage-backed	4,645	19.4
U.S. government bonds	16,639	1.5
U.S. government mortgages	89,983	23.3
U.S. government-issued commercial mortgage-backed	277	2.9
U.S. government agencies	469	3.7
Index linked government bonds	60,000	8.9
Corporate and other credit	81,758	10.9
Non-government backed CMO's	51,573	21.9
Municipal/revenue bonds	3,949	12.6
Short-term bills and notes	9,339	0.2
Real estate financing	<u>170,312</u>	
Total	<u>\$ 527,387</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, 2014, the Plan's derivative financial instruments had a fair value of \$11.9 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, 2014, is as follows (in \$000's):

<u>Currency Type</u>	<u>Fair Value</u>
Australian Dollar	\$ 433
Brazilian Real	2,123
British Pound Sterling	16,406
Canadian Dollar	875
Euro Currency	15,774
Israel Shekel	398
Norwegian Krone	1,608
Singapore Dollar	1,757
South Africa Rand	361
Swiss Franc	<u>1,869</u>
Total	<u>\$ 41,604</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	\$ 51,836	\$ -	\$ -	\$ -	\$ 3,252	\$ -	\$ 55,088
Accounts	5,758	3,046	143	27	2,130	431	11,538
Interest	190	56	5	57	123	123	554
Loan receivable	20	-	-	-	-	-	20
Due from other governments	38,211	14,986	1,181	-	4,311	1,822	60,511
Gross receivables	96,015	18,088	1,329	84	9,816	2,376	127,711
Less: allowance for uncollectible	(19,986)	-	-	-	-	-	(19,986)
	<u>\$ 76,029</u>	<u>\$ 18,088</u>	<u>\$ 1,329</u>	<u>\$ 84</u>	<u>\$ 9,816</u>	<u>\$ 2,376</u>	<u>\$ 107,725</u>

Receivables - Business-Type Activities	General Hospital	Stockton Metropolitan Airport	Solid Waste	Total Business-Type Activities
Accounts	\$ 68,251	\$ 138	\$ 1,640	\$ 70,029
Interest	-	-	13	13
Due from other agencies	-	263	-	263
Gross receivables	68,251	401	1,653	70,305
Less: allowance for uncollectible	-	(27)	-	(27)
	<u>\$ 68,251</u>	<u>\$ 374</u>	<u>\$ 1,653</u>	<u>\$ 70,278</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, 2015, the various components of unearned revenue reported were as follows (in \$000’s):

Governmental Activities:	Unavailable	Unearned	Total
General Fund:			
Property taxes receivable – secured	\$ 38,437	\$ -	\$ 38,437
Property taxes receivable – unsecured	4,584	-	4,584
Due from other governmental agencies	12,509	-	12,509
Grants received prior to meeting all eligible requirements	-	20,934	20,934
Others	-	345	345
Mental Health and Substance Abuse Fund:			
Due from other governmental agencies	641	-	641
First Five Program Fund:			
Due from other governmental agencies	29	-	29
Grants received prior to meeting all eligible requirements	-	319	319
Other Governmental Funds and Internal Service Funds:			
Due from other governmental agencies	352	-	352
Others	225	-	225
Property taxes receivable - unsecured	548	-	548
	<u>\$ 57,325</u>	<u>\$ 21,598</u>	<u>\$ 78,923</u>

NOTE 3 – RECEIVABLES (Continued)

Business-Type Activities:	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Airport	\$ -	\$ 831	\$ 831
	<u>\$ -</u>	<u>\$ 831</u>	<u>\$ 831</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, 2015, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	General Hospital Fund	\$ 56,621
	Stockton Metropolitan Airport Fund	381,098
	Solid Waste Fund	25,014
	Internal Service Funds	42,089
	General Fund	207,600
	Mental Health and Substance Abuse Fund	26,830
	First Five Program Fund	51,330
	County Capital Outlay Fund	1,481
	Other Governmental Funds	<u>1,015,294</u>
		<u>1,807,357</u>
Mental Health and Substance Abuse Fund	Internal Service Funds	28,646
	General Hospital Fund	10,323
	General Fund	<u>85,379</u>
		<u>124,348</u>
First Five Program Fund	General Fund	<u>3,586</u>
County Capital Outlay Fund	Internal Service Funds	<u>649,415</u>
Other Governmental Funds	County Capital Outlay Fund	9,761
	General Fund	46,720
	Other Governmental Funds	21,293
	Internal Service Funds	1,197
	Solid Waste Fund	<u>25,069</u>
		<u>104,040</u>
	Governmental Funds	<u>\$ 2,688,746</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	\$ 78,092	
	Stockton Metropolitan Airport Fund	7,800	
	Solid Waste Fund	14,013	
	Internal Service Funds	31,124	
	General Fund	1,089,927	
	Mental Health and Substance Abuse Fund	100,080	
	First Five Program Fund	688	
	Other Governmental Funds	<u>375,258</u>	
		Internal Service Funds	<u>1,696,982</u>
	General Hospital Fund	General Fund	46,398
Other Governmental Funds		55,146	
First Five Program Fund		45	
Mental Health and Substance Abuse Fund		<u>10,200</u>	
		<u>111,789</u>	
Solid Waste Fund	General Fund	15	
	Stockton Metropolitan Airport Fund	<u>137</u>	
		<u>152</u>	
	Enterprise Funds	<u>111,941</u>	
Total		<u><u>\$ 4,497,669</u></u>	

Advances to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 5,710,187
	Stockton Metropolitan Airport Fund	<u>1,475,250</u>
		7,185,437
County Capital Outlay Fund	Internal Service Funds	106,518
Other Governmental Funds	Other Governmental Funds	<u>770,529</u>
		<u>770,529</u>
Total		<u><u>\$ 8,062,484</u></u>

NOTE 4 – INTERFUND TRANSACTIONS AND BALANCES (Continued)

Fund Transfers

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

Transfer from	Transfer to	Amount
General Fund	General Hospital Fund	\$ 15,569
	Stockton Metropolitan Airport Fund	849
	Mental Health and Substance Abuse Fund	3,308
	County Capital Outlay Fund	14,460
	Other Governmental Funds	7,358
		<u>41,544</u>
Mental Health and Substance Abuse Fund	General Fund	<u>821</u>
First Five Program Fund	General Fund	<u>10</u>
Other Governmental Funds	General Fund	14,936
	Internal Service Funds	1,374
	Other Governmental Funds	727
		<u>17,037</u>
Stockton Metropolitan Airport Fund	County Capital Outlay Fund	<u>119</u>
Total		<u><u>\$ 59,531</u></u>

Transfers are used to (1) move revenues from the fund required by statute or budget to collect them to the fund required by statute or budget to expend them, (2) move receipts identified for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015, was as follows (in \$000's):

	Balance June 30, 2014	Additions	Retirement	Transfers and Adjustments	Balance June 30, 2015
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 14,551	\$ -	\$ -	\$ -	\$ 14,551
Construction in progress	5,730	73	-	-	5,803
Total capital assets, not being depreciated	<u>20,281</u>	<u>73</u>	<u>-</u>	<u>-</u>	<u>20,354</u>
Capital assets, being depreciated:					
Structure and improvements	436,656	2,291	(14)	111	439,044
Furniture and equipment	103,882	6,783	(4,908)	(57)	105,700
Capitalized leases	18,287	2,367	(776)	-	19,878
Other capitalized assets	8,742	-	-	-	8,742
Infrastructure	419,069	20,692	-	-	439,761
Total capital assets, being depreciated	<u>986,636</u>	<u>32,133</u>	<u>(5,698)</u>	<u>54</u>	<u>1,013,125</u>
Less accumulated depreciation for:					
Structure and improvements	158,909	9,388	(14)	-	168,283
Furniture and equipment	72,180	6,532	(4,878)	-	73,834
Capitalized leases	9,707	2,676	(776)	-	11,607
Other capitalized assets	8,742	-	-	-	8,742
Infrastructure	174,753	14,900	-	-	189,653
Total accumulated depreciation	<u>424,291</u>	<u>33,496</u>	<u>(5,668)</u>	<u>-</u>	<u>452,119</u>
Total capital assets, being depreciated, net	<u>562,345</u>	<u>(1,363)</u>	<u>(30)</u>	<u>54</u>	<u>561,006</u>
Governmental activities capital assets, net	<u>\$ 582,626</u>	<u>\$ (1,290)</u>	<u>\$ (30)</u>	<u>\$ 54</u>	<u>\$ 581,360</u>
Business-Type Activities					
Capital assets, not being depreciated:					
Land	\$ 4,663	\$ -	\$ -	\$ -	\$ 4,663
Construction in progress	1,949	8,083	(2,699)	(54)	7,279
Total capital assets, not being depreciated	<u>6,612</u>	<u>8,083</u>	<u>(2,699)</u>	<u>(54)</u>	<u>11,942</u>
Capital assets, being depreciated:					
Structure and improvements	196,999	6,091	-	-	203,090
Furniture and equipment	92,758	4,209	(201)	-	96,766
Capital leases	1,702	642	-	-	2,344
Total capital assets, being depreciated	<u>291,459</u>	<u>10,942</u>	<u>(201)</u>	<u>-</u>	<u>302,200</u>
Less accumulated depreciation for:					
Structure and improvements	125,399	5,474	-	-	130,873
Furniture and equipment	66,291	5,557	(201)	-	71,647
Capital leases	637	275	-	-	912
Total accumulated depreciation	<u>192,327</u>	<u>11,306</u>	<u>(201)</u>	<u>-</u>	<u>203,432</u>
Total capital assets, being depreciated, net	<u>99,132</u>	<u>(364)</u>	<u>-</u>	<u>-</u>	<u>98,768</u>
Business-type activities capital assets, net	<u>\$ 105,744</u>	<u>\$ 7,719</u>	<u>\$ (2,699)</u>	<u>\$ (54)</u>	<u>\$ 110,710</u>

NOTE 5 – CAPITAL ASSETS (Continued)

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

	<u>Amount</u>
General government	\$ 4,313
Public protection	5,272
Public ways and facilities	15,410
Health and sanitation	1,062
Public assistance	1,545
Education	39
Recreation and culture	823
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>5,032</u>
Total depreciation expense - governmental activities	<u><u>\$ 33,496</u></u>

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

	<u>Amount</u>
Airport enterprise	\$ 1,565
Solid Waste enterprise	2,319
General Hospital enterprise	<u>7,422</u>
Total depreciation expense – business-type functions	<u><u>\$ 11,306</u></u>

NOTE 6 – LONG-TERM DEBT

The following is a schedule of long-term liabilities as of June 30, 2015 (in \$000's):

Governmental Activities:

	<u>Amount</u>				
	Balance			Balance	Amounts
	June 30, 2014	Additions	Deductions	June 30, 2015	Due Within One Year
Certificates of participation	\$ 122,400	\$ -	\$ 2,925	\$ 119,475	\$ 3,070
Discount/Premium (net)	2,257	-	77	2,180	-
Notes payable	1,843	-	76	1,767	76
Capital leases	7,796	2,367	2,490	7,673	2,368
Other post employment benefits	53,586	6,594	-	60,180	-
Compensated absences	30,825	30,652	30,825	30,652	26,363
Estimated claims	51,681	2,466	-	54,147	-
	<u>\$ 270,388</u>	<u>\$ 42,079</u>	<u>\$ 36,393</u>	<u>\$ 276,074</u>	<u>\$ 31,877</u>

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

NOTE 6 – LONG-TERM DEBT (Continued)

Business-Type Activities:

	Amount				Amounts Due Within One Year
	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015	
Certificates of participation	\$ 51,555	\$ 12,655	\$ 21,485	\$ 42,725	\$ 7,735
Deferred gain on refunding	167	321	(148)	636	-
Notes payable	45	-	9	36	10
Capital lease	579	642	380	841	269
Other post employment benefits	13,699	1,764	-	15,463	-
Landfill closure and postclosure	12,708	-	158	12,550	-
Compensated absences	6,756	7,225	6,756	7,225	6,500
Estimated claims	23,791	11,140	-	34,931	34,931
	<u>\$ 109,300</u>	<u>\$ 33,747</u>	<u>\$ 28,640</u>	<u>\$ 114,407</u>	<u>\$ 49,445</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	\$ 19,878,411	\$ 2,343,596
Less: accumulated depreciation	<u>11,607,489</u>	<u>912,064</u>
Net Value	<u>\$ 8,270,922</u>	<u>\$ 1,431,532</u>

The related amortization on the capital leases is as follows:

Year Ended June 30	Governmental Activities	Business-Type Activities
2016	\$ 2,540,520	\$ 286,326
2017	2,186,034	189,137
2018	1,475,821	162,931
2019	1,000,827	136,725
2020	467,361	110,673
2021-22	<u>426,557</u>	<u>-</u>
Total Requirements	8,097,120	885,792
Less Interest	<u>424,186</u>	<u>44,343</u>
Present Value of Remaining Payments	<u>\$ 7,672,934</u>	<u>\$ 841,449</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, 2015:

<u>Project Name</u>	<u>Issuance Date</u>	<u>Face Value of the COP</u>	<u>Year-End Balance</u>
Solid Waste System Facilities Project (including refunding)	August 6, 2014	\$ 12,655,000	\$ 11,035,000
2012 San Joaquin General Hospital Refunding	November 16, 2012	43,755,000	31,690,000
2007 County Administration Building	May 23, 2007	114,635,000	111,870,000
2007 County Service Area No. 31	December 1, 2007	<u>8,450,000</u>	<u>7,605,000</u>
Total		<u>\$ 179,495,000</u>	<u>\$ 162,200,000</u>

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

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

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

The 2007 County Service Area No. 31 Project 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 County Administration Building Project 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 2014 Solid Waste System Facilities Projects COPs are recorded in the Solid Waste enterprise fund. These Refunding Revenue COPs (\$8,855,000 Tax-Exempt and \$3,800,000 Taxable) were issued on August 6, 2014, with an average interest rate of 5.0% to prepay all of the outstanding COPs that 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 Refunding Revenue 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 \$695,000 to \$1,705,000.

As a result of the current refunding, the County has an economic gain of \$1,184,525.

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 loans 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, 2015, the outstanding balances on the loans totaled \$335,100.

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 total) of the Casualty Insurance Fund, an internal service fund, at the present value of the minimum payments. As of June 30, 2015, the outstanding note was approximately \$1.432 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 \$36,351 as of June 30, 2015, and will be paid in full in fiscal year 2018-19.

NOTE 6 – LONG-TERM DEBT (Continued)

B. Certificates of Participation and Notes Payable (Continued)

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 \$46.2 million as of June 30, 2015. 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, 2015.

The County utilized the delinquent tax penalty collections in 2014-15, 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.

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 2014-15, 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, 2015, the County set aside 2.5%, instead of 1.0%. The reserve fund balance was \$20.0 million.

NOTE 6 – LONG-TERM DEBT (Continued)

B. Certificates of Participation and Notes Payable (Continued)

Schedule of Future Payments

The following is a schedule of the future long-term debt payments as of June 30, 2015 (in \$000's):

Governmental Activities:

Year Ended June 30	Certificates of Participation		Notes Payable	
	Principal	Interest	Principal	Interest
2016	\$ 3,070	\$ 5,827	\$ 77	\$ 79
2017	3,260	5,669	80	75
2018	3,475	5,500	83	72
2019	3,690	5,320	88	68
2020	3,750	5,134	91	64
2021-2025	21,760	22,568	519	258
2026-2030	27,810	16,395	642	134
2031-2035	35,390	8,647	75	41
2036-2040	17,270	904	96	20
2041-2045	-	-	16	1
	119,475	75,964	1,767	812
Add discount/premium (net)	2,180	-	-	-
Total Debt	\$ 121,655	\$ 75,964	\$ 1,767	\$ 812

Business-Type Activities:

Year Ended June 30	Certificates of Participation		Notes Payable	
	Principal	Interest	Principal	Interest
2016	\$ 7,735	\$ 1,088	\$ 10	\$ 4
2017	7,910	919	11	3
2018	8,080	728	12	-
2019	8,300	510	3	-
2020	7,375	298	-	-
2021-2025	3,325	251	-	-
	42,725	3,794	36	7
Add gain on advance refunding	636	-	-	-
Total Debt	\$ 43,361	\$ 3,794	\$ 36	\$ 7

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 2014-15	<u>\$ 60,375,379,114</u>
Legal Debt Limit – 1 1/4% of total assessed value	<u>\$ 754,692,239</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, 2015, 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, 2015, such special assessment debt outstanding totaled approximately \$546,589.

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, 2015, the landfill closure and postclosure care liability (\$12.6 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 \$105.8 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 2015. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

NOTE 8 – LANDFILL CLOSURE AND POSTCLOSURE LIABILITY (Continued)

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 2014-15. The funds available for landfill closure and postclosure remain at \$5.1 million, which leaves approximately \$7.5 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 in prior years which increased the height and capacity of the landfill, thereby extending its operation until 2081. Foothill is at 6.3% capacity. North County will be operative until 2048 and is at 13.5% capacity.

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

NOTE 9 – RISK MANAGEMENT PROGRAMS

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and employees' health. To effectively manage those risks and control costs, the County established self-insurance programs for casualty (December 1974), workers compensation (June 2003), unemployment compensation (January 1978), medical insurance (June 1982), and dental insurance (June 1982). Under these programs, the County provides coverage for up to \$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.

Based on the most recent actuarial studies (February of 2015), the full value of the County's unpaid casualty (general liability and malpractice liability) liabilities and the workers compensation program liabilities at June 30, 2015, were estimated at a discounted value of \$15.3 million and \$32.8 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, 2015.

NOTE 9 – RISK MANAGEMENT PROGRAMS (Continued)

The insurance funds had the following net position at June 30, 2015 (in \$000's):

	<u>Net Position</u>
Casualty Insurance	\$ 7,456
Workers Compensation Insurance	13,989
Health Insurance	35,014
Medical Malpractice Insurance	7,106
Dental Insurance	3,629
Unemployment Insurance	<u>5,201</u>
Total	<u>\$ 72,395</u>

Changes in the insurance funds' claim liabilities for fiscal years 2013-14 and 2014-15 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, 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	10,898	31,614	3,486	5,073	356	254	51,681
Claims and changes in estimates for fiscal year 2014-15	2,063	9,480	1,253	32,987	5,474	1,074	52,331
Less: claim payments	<u>(2,093)</u>	<u>(8,291)</u>	<u>(313)</u>	<u>(32,649)</u>	<u>(5,451)</u>	<u>(1,068)</u>	<u>(49,865)</u>
Balance at June 30, 2015	<u>\$ 10,868</u>	<u>\$ 32,803</u>	<u>\$ 4,426</u>	<u>\$ 5,411</u>	<u>\$ 379</u>	<u>\$ 260</u>	<u>\$ 54,147</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, 2015, are (in \$000's):

<u>Year Ended June 30</u>	<u>Primary Government</u>
2016	\$ 3,633
2017	2,217
2018	1,543
2019	919
2020	503
Thereafter	<u>3,061</u>
	<u>\$ 11,876</u>

Total rent expense under operating lease agreements during the year ended June 30, 2015, was approximately \$3.7 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 2014-15 total rent paid on this lease was \$870,869.

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, 2015 (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>
2016	\$ 789
2017	583
2018	576
2019	483
2020	434
Thereafter	<u>10,594</u>
	<u>\$ 13,459</u>

Total rental income under operating lease agreements during the year ended June 30, 2015, was \$861,848.

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.

- 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, 2015, is as follows:

NOTE 12 – NET POSITION/FUND BALANCES (Continued)

	General Fund	Major Special Revenue Funds		Major Capital Projects Fund	Other Funds	Total
		Mental Health and Substance Abuse Fund	First Five Program Fund	County Capital Projects Fund		
Fund balances:						
Nonspendable:						
Inventory	\$ -	\$ 270,598	\$ -	\$ -	\$ 611,645	\$ 882,243
Advances	7,210,080	-	-	106,518	770,529	8,087,127
Loans receivable	45,500	-	-	-	-	45,500
Total Nonspendable	7,255,580	270,598	-	106,518	1,382,174	9,014,870
Restricted for:						
General government services	309,612	-	-	-	-	309,612
Public protection services	24,655,907	-	-	-	19,668,824	44,324,731
Emergency medical services	1,902,805	-	-	-	-	1,902,805
Agricultural services	974,423	-	-	-	-	974,423
Community services	12,914,109	-	-	-	575,723	13,489,832
Health and sanitation services	6,606,601	84,504,025	4,686,978	-	-	95,797,604
Parks and recreation services	1,185,866	-	-	-	-	1,185,866
Road projects and maintenance	-	-	-	-	54,451,418	54,451,418
Fish and game programs	-	-	-	-	235,670	235,670
County facilities	-	-	-	-	18,911,274	18,911,274
Job Training Partnership Act	-	-	-	-	590,890	590,890
Rabies treatment	-	-	-	-	1,936	1,936
County Headstart	-	-	-	-	89,047	89,047
Library programs	-	-	-	-	1,963,463	1,963,463
Narcotics enforcement	-	-	-	-	91,473	91,473
Recorder's equipment automation	-	-	-	-	4,176,420	4,176,420
Child support	-	-	-	-	-	-
Community infrastructure	-	-	-	-	20,567,951	20,567,951
Lighting district maintenance	-	-	-	-	1,053,595	1,053,595
Service areas maintenance	-	-	-	-	5,698,245	5,698,245
Maintenance district services	-	-	-	-	10,976,262	10,976,262
Flood control districts	-	-	-	-	3,895,478	3,895,478
Water district services	-	-	-	-	93,117	93,117
Improvement district services	-	-	-	-	1,004,619	1,004,619
In-home support services	-	-	-	-	718,148	718,148
Courthouse construction	-	-	-	-	875,624	875,624
Criminal justice construction	-	-	-	-	4,162,463	4,162,463
Total Restricted	48,549,323	84,504,025	4,686,978	-	149,801,640	287,541,966
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	31,884,447	-	-	-	-	31,884,447
Capital projects	-	-	-	59,755,681	75,877	59,831,558
Debt service	-	-	-	-	8,524,091	8,524,091
Airport projects	-	-	-	-	7,213,220	7,213,220
Health and sanitation projects	-	-	-	-	1,318,116	1,318,116
Total Assigned	31,884,447	-	-	59,755,681	17,131,304	108,771,432
Unassigned:	101,867,252	-	-	-	(4,557,836)	97,309,416
Total Fund Balances	\$ 199,559,687	\$ 84,774,623	\$ 4,686,978	\$ 59,862,199	\$ 163,757,282	\$ 512,640,769

NOTE 13 – DEFICIT FUND BALANCE/NET POSITION

The following funds had deficit fund balances at June 30, 2015:

Substance Abuse and Crime Prevention (Nonmajor Special Revenue Fund) The deficit resulted from a reduction in Proposition 36 funding.	\$ (11)
Child Support (Nonmajor Special Revenue Fund) The deficit resulted from prior year's excess expenditures over revenues.	(722,300)
Northeastern San Joaquin Groundwater Banking Authority (Nonmajor Special Revenue Fund) The deficit resulted from prior year's excess expenditures over revenues.	(141,313)
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.	(2,206,429)
County Maintenance Districts (Nonmajor Capital Projects Fund) The deficit resulted from an increase in maintenance infrastructure expenditures for various districts	(27,404)
County Service Areas (Nonmajor Capital Projects Fund) The deficit resulted from an increase in wastewater infrastructure expenditures for CSA #44, zones E and G.	(1,485,022)
Central Telephone ISF (Internal Service Fund) The deficit resulted from the implementation of GASB 68-Pensions	(586,794)
Solid Waste (Enterprise Fund) The deficit resulted from the implementation of GASB 68-Pensions	(4,064,664)
	<hr/> <u>\$ (9,233,937)</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 also contracted with Mass Mutual (formerly Hartford) to administer a qualified retirement plan 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.

NOTE 14 – EMPLOYEE RETIREMENT SYSTEM (Continued)

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

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

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

Plan Description

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

The SJCERA issues a stand alone financial report and was audited by Brown Armstrong Accountancy Corporation. The report is available by writing to San Joaquin County Employees' Retirement Association, 6 South El Dorado Street, Suite 400, Stockton, California 95202 or by calling (209) 468-2163. The data presented within this footnote is obtained from the financial statements that were audited by, and reported on by, the said Certified Public Accountants on June 30, 2015.

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 \$2.5 billion at December 31, 2014. 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, 2014.

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 2014, the employees' contributions were about \$27.4 million, an average of 7.0% of the annual covered payroll.

NOTE 14 – EMPLOYEE RETIREMENT SYSTEM (Continued)

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

Funding Policy (Continued)

The adopted employers' 2014 basic tier I contribution rates, based on the actuarial determined requirements applicable to covered payroll were 62.33% for safety members and 33.90% for general members. Tier II rates for 2014, were 46.81% for safety members and 25.74% 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, 2014, 2013, and 2012, were \$136.70 million, \$119.5 million, and \$108.1 million, respectively, equal to the required contributions for each year.

Post Employment Health Benefit Plan – Sick Leave Bank

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

In fiscal year 2011-12, SJCERA filed a request for a determination letter regarding the sick leave bank benefits in accordance with the IRS' voluntary compliance program. As a result of this filing, the SJCERA Board of Retirement decided to "freeze" prefunding of this program pending a response from the IRS. The County, as a participating employer, is now funding its sick leave bank benefits on a pay-as-you-go basis. SJCERA will continue its role as a third-party administrator of these benefits. Any further changes will depend upon the IRS' response to the determination letter. The pay-as-you-go costs for fiscal year 2014-15 were \$4.2 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 Mass Mutual (formerly 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 2014-15, the County contributed \$29,255 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 2014-15, the Health Plan of San Joaquin contributed \$930,929 to the pension plan.

NOTE 14 – EMPLOYEE RETIREMENT SYSTEM (Continued)

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

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, 2015, was \$1,330,956.

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, 2015, the Council contributed \$183,257 to the plan.

The Local Agency Formation Commission participates in the County's pension plan, however, it was not required to contribute to the plan for the period ended June 30, 2015.

A. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2015, the County reported net pension liability for its proportionate share (94.20%) of the net pension liability of \$1,241,083,242.

The County's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability of each of the pension plans is measured as of June 30, 2014, and the total pension liability for each pension plan used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013, rolled forward to December 31, 2014, using standard update procedures. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The County's proportionate share of the net pension liability was based on contributions to the pension plan during the fiscal year ended June 30, 2014. At June 30, 2014, the County's proportion was 94.25%.

For the year ended June 30, 2015, the County recognized a pension expense of \$141,803,718. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions, or method and plan benefits.

At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows or Resources</u>	<u>Deferred Inflows of Resources</u>
Pension Contributions Subsequent to Measurement Date	\$ 71,204,100	\$ -
Change in Employer's Proportion and Differences between Employer's Contributions and the Employer's Proportionate Share of Contributions	-	791,660
Net Differences between Projected and Actual Earnings on Plan Investments	<u>49,289,044</u>	<u>-</u>
Total	<u>\$ 120,493,144</u>	<u>\$ 791,660</u>

NOTE 14 – EMPLOYEE RETIREMENT SYSTEM (Continued)

A. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner. The County contributions of \$12,627,762 made subsequent to the measurement date are reported as deferred outflows of resources for fiscal year ending June 30, 2015, and will be recognized as a reduction of net pension liability in the fiscal year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2016	\$ 12,564,089
2017	12,564,089
2018	12,564,089
2019	<u>10,805,117</u>
Total	<u>\$ 48,497,384</u>

Actuarial Assumptions – The total pension liabilities in the December 31, 2014 actuarial valuations were determined using the following actuarial assumptions:

	<u>General Members</u>
Valuation Date	December 31, 2014
Measurement Date	December 31, 2014
Actuarial Cost Method	
Actuarial Assumptions:	
Amortization growth rate	3.25%
Inflation	3.00%
COLA increases	2.60%
Projected Salary Increase	3.25%
Investment Rate of Return	7.50%
Mortality	Sex distinct RP-2000 Combined Mortality, projected with generational improvements using Scale BB.

Discount Rate – The discount rate used to measure the total pension liability was 7.50% as of December 31, 2014. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's plan net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 15 – POST EMPLOYMENT HEALTH BENEFITS – IMPLICIT SUBSIDY

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 6.50%	Discount Rate 7.50%	1% Increase 8.50%
County's proportionate share of the net pension liability	\$ 1,721,054,806	\$1,241,083,242	\$ 846,013,120

Pension Plan Fiduciary Net Position – Detailed information about each pension plan’s fiduciary net position is available in the separately issued SJCERA financial reports.

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 2014-15, the County’s actual contribution amounted to \$5.0 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	\$ 15,035
Interest on net OPEB-Implicit Subsidy obligation	2,691
Adjustment to annual required contribution	<u>(4,355)</u>
Annual OPEB-Implicit Subsidy cost	13,371
Contribution made	<u>5,013</u>
Increase in obligation	8,358
Net OPEB-Implicit Subsidy obligation - beginning of year	<u>67,285</u>
Net OPEB-Implicit Subsidy obligation - end of year	<u><u>\$ 75,643</u></u>

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

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2014-15 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
2014	\$ 13,371	\$ 5,013	37.49%	\$ 75,643

Funded Status and Funding Progress. As of December 31, 2014, the most recent actuarial valuation date, the plan was not funded, as the County chose to fund the program on the pay-as-you-go basis. The actuarial accrued liability and the unfunded actuarial accrued liability (UAAL) for benefits was \$131.6 million. The covered payroll was \$391.3 million, and the ratio of the UAAL to the covered payroll was 33.6%.

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, 2014 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 ultimate rate of medical inflation of 4.50%. This valuation also includes a 3.25% payroll growth rate 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, 2014, was 23 years.

NOTE 16 – RETIREE HEALTH REIMBURSEMENT PLAN AND TRUSTPurpose

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.

NOTE 16 – RETIREE HEALTH REIMBURSEMENT PLAN AND TRUST (Continued)

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 2014-15 was \$217,600.

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	\$ -	\$ -	\$ 615,369	\$ 342,743,608	\$ 343,358,977
Cash and investments – other	1,042,938	3,132,459	-	(86,798)	4,088,599
Due from other governments	1,074,480	-	-	85,584,799	86,659,279
Interest receivable	-	-	501	258,568	259,069
Accounts receivable	75,002	-	-	-	75,002
Depreciable assets, net	725,442	2,778	-	21,667,897	22,396,117
Other assets	260,662	-	-	2,979,969	3,240,631
Total Assets	3,178,524	3,135,237	615,870	453,148,043	460,077,674
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources – pensions	-	-	-	2,086,859	2,086,859
LIABILITIES AND NET POSITION					
LIABILITIES					
Accounts payable and accrued expenses	1,750,734	66,330	10,413	5,323,947	7,151,424
Accrued claims payable	-	-	-	85,272,996	85,272,996
Due to other agencies	-	-	-	182,714,643	182,714,643
Provider risk sharing payable	-	-	-	23,374,939	23,374,939
Unpaid compensated absences	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Other liabilities	-	-	-	37,013,654	37,013,654
Net pension liability	-	-	-	5,265,016	5,265,016
Total Liabilities	1,750,734	66,330	10,413	338,965,195	340,792,672
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources – pensions	-	-	-	2,096,143	2,096,143
NET POSITION					
Net investment in capital assets	725,442	2,778	-	21,667,897	22,396,117
Unrestricted net position	702,348	3,066,129	605,457	92,505,667	96,879,601
Total Net Position	\$ 1,427,790	\$ 3,068,907	\$ 605,457	\$ 114,173,564	\$ 119,275,718

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

	Head Start Child Development Council, Inc.	San Joaquin Economic Development Association	Local Agency Formation Commission	Health Plan of San Joaquin	Total
Program revenues:					
Operating grants and contributions	\$ 25,658,670	\$ 45,557	\$ 655,434	\$ 728,993,970	\$ 755,353,631
Charges for services	1,542,339	-	-	3,786,344	5,328,683
Interest income	-	196	1,974	618,684	620,854
Miscellaneous	-	1,510,009	-	-	1,510,009
Total program revenues	<u>27,201,009</u>	<u>1,555,762</u>	<u>657,408</u>	<u>733,398,998</u>	<u>762,813,177</u>
Program expenses:					
General government	-	-	453,780	-	453,780
Public assistance	26,185,873	1,053,877	-	-	27,239,750
Health	-	-	-	653,545,267	653,545,267
Total program expenses	<u>26,185,873</u>	<u>1,053,877</u>	<u>453,780</u>	<u>653,545,267</u>	<u>681,238,797</u>
Change in net position	1,015,136	501,885	203,628	79,853,731	81,574,380
Net position, beginning	412,654	2,567,022	401,829	39,364,706	42,746,211
Prior period adjustment	-	-	-	(5,044,873)	(5,044,873)
Net position, ending	<u>\$ 1,427,790</u>	<u>\$ 3,068,907</u>	<u>\$ 605,457</u>	<u>\$ 114,173,564</u>	<u>\$ 119,275,718</u>

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	\$ 27,043,434	\$ 1,510,009	\$ -	\$ 1,104,132	\$ 29,657,575
Operating grants and contributions	467,859	45,557	655,446	883,778,851	884,947,713
Other revenues	-	-	-	16,656,262	16,656,262
Cash paid to:					
Healthcare providers	-	-	-	(605,861,210)	(605,861,210)
Program expenditures	(26,755,497)	(1,068,331)	(201,787)	(17,556,553)	(45,582,168)
Employees	-	(103,159)	(261,882)	(8,068,633)	(8,433,674)
Net cash provided (used) in operating activities	755,796	384,076	191,777	270,052,849	271,384,498
Cash flows from capital financing and related activities:					
Gain (loss) on sale of assets	3,600	-	-	-	3,600
Purchase of capital assets	(157,481)	(1,508)	-	(2,557,511)	(2,716,500)
Net cash provided (used) by capital financing and related activities	(153,881)	(1,508)	-	(2,557,511)	(2,712,900)
Cash flows from investing activities:					
Investment income	-	19,258	1,762	400,980	422,000
Net cash provided (used) for investing activities	-	19,258	1,762	400,980	422,000
Net increase (decrease) in cash and cash equivalents	601,915	401,826	193,539	267,896,318	269,093,598
Cash and cash equivalents, beginning of year	441,023	2,730,633	421,830	74,760,492	78,353,978
Cash and cash equivalents, end of year	\$ 1,042,938	\$ 3,132,459	\$ 615,369	\$ 342,656,810	\$ 347,447,576
Reconciliation of net increase (decrease) in net assets to net cash provided by operating activities:					
Operating income (loss)	\$ 1,015,136	\$ 501,885	\$ 203,628	\$ 79,853,731	\$ 81,574,380
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	199,466	1,414	-	2,452,561	2,653,441
Loss on disposal of assets	(60,495)	-	-	286,217	225,722
(Increase) decrease in receivables	87,437	-	12	(17,788,335)	(17,700,886)
(Increase) decrease in other assets	83,876	-	-	1,356,841	1,440,717
Increase (decrease) in payables	(654,059)	(119,223)	(11,863)	190,801,957	190,016,812
Increase (decrease) in other liabilities	84,435	-	-	13,089,877	13,174,312
Net cash provided (used) by operating activities	\$ 755,796	\$ 384,076	\$ 191,777	\$ 270,052,849	\$ 271,384,498

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 2014, the County's actuarially determined ultimate loss liability of these lawsuits under the casualty and medical malpractice insurance and workers compensation programs were approximately \$15.3 million and \$32.8 million, respectively. The assets of these insurance funds totaling \$79.6 million were sufficient to cover these actuarially determined losses as of June 30, 2015 (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 services provided to program patients. The Medi-Cal program provides for reimbursement based on an adjusted 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. The Medicare revised cost report for June 30, 2010, has been audited but final settlement has not been made. The Hospital recognized a decrease of \$0 million and a decrease of \$1.5 million in net patient service revenue in 2015 and 2014, respectively, for changes in estimated cost report settlements for cost reports finalized during the years ended June 30, 2015 and 2014.

NOTE 19 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 30, 2015, which is the date the basic financial statements were available to be issued.

On November 3, 2015, the County's Board of Supervisors approved a \$37.3 million contract with Cerner Corporation of Kansas City (Cerner) for a new health information system at the Hospital. This contract with Cerner will expire on November 2, 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.

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, 2015, 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.

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

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

Micke Grove Golf Course

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

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

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

The deferred inflows of resources activity for this SCA for the year ended June 30, 2015, was as follows (\$000's):

	<u>Balance June 30, 2014</u>	<u>Additions/ Restatements</u>	<u>Deletions/ Amortization¹</u>	<u>Balance June 30, 2015</u>
Present Value of Installment Payments²:				
SCA - Micke Grove Golf Course	<u>\$ 1,917</u>	<u>\$ -</u>	<u>\$ (116)</u>	<u>\$ 1,801</u>
Total deferred inflows of resources	<u>\$ 1,917</u>	<u>\$ -</u>	<u>\$ (116)</u>	<u>\$ 1,801</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, July 1, 2014, as previously reported	\$ 1,002,141,211	\$ 131,841,388
Restatements:		
Correct reporting of prior year revenues and expenses	(540)	9,669,800
Implementation of GASB 68 "Accounting and Financial Reporting for Pensions"	<u>(904,615,606)</u>	<u>(210,380,882)</u>
Fund Balance, July 1, 2014, as restated	<u>\$ 97,525,065</u>	<u>\$ (68,869,694)</u>

REQUIRED SUPPLEMENTARY INFORMATION

**COUNTY OF SAN JOAQUIN
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE COUNTY'S PROPORTIONATE
 SHARE OF THE NET PENSION LIABILITY
 AS OF JUNE 30, 2015**

	2015*
Proportion of the Net Pension Liability	94.20%
Proportionate Share of the Net Position Liability	\$ 1,241,083,241
Covered-Employee Payroll	\$ 353,838,310
Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	350.75%
Plan's Fiduciary Net Position	\$ 2,466,349,529
Plan's Total Pension Liability	\$ 3,783,844,864
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.18%

* Amounts presented above were determined as of June 30. Additional years will be presented as they become available.

**COUNTY OF SAN JOAQUIN
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015**

Required Supplementary Information
For the Year Ended June 30, 2015
Post Employment Healthcare – Implicit Subsidy
Schedule of Funding Progress
(amounts in thousands)

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded/ (Overfunded) AAL	Funded Ratio	Covered Payroll	Unfunded (Overfunded) AAL Percentage of Covered Payroll
12/31/2007	\$ -	\$ 157,337	\$ 157,337	0.0%	\$367,062	43%
12/31/2008	-	163,596	163,596	0.0%	377,213	43%
12/31/2009	-	123,763	123,763	0.0%	385,394	32%
12/31/2010	-	108,631	108,631	0.0%	367,671	30%
12/31/2011	-	88,887	88,887	0.0%	356,736	25%
12/31/2012	-	97,834	97,834	0.0%	365,892	27%
12/31/2013	-	76,194	76,194	0.0%	340,024	22%
12/31/2014	-	131,585	131,585	0.0%	391,328	34%

(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
2007	\$ 3,139	\$ 16,768	18.7%	\$ 13,629
2008	3,582	17,650	20.3%	27,697
2009	3,174	13,707	23.2%	38,230
2010	2,022	12,554	16.1%	48,762
2011	1,819	11,176	16.3%	58,119
2012	4,235	9,644	43.9%	63,528
2013	3,106	6,863	45.3%	67,285
2014	5,013	13,371	37.5%	75,643

(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, 2015
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

	Budgeted Amounts		Actual Amount Budgetary Basis	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 111,364,568	\$ 111,364,568	\$ 111,364,568	\$ -
Resources (inflows):				
Taxes	206,132,401	206,132,401	223,322,843	17,190,442
Licenses and permits	6,004,680	6,072,276	7,080,238	1,007,962
Fines, forfeitures, and penalties	8,092,213	8,092,213	7,411,193	(681,020)
Use of money and property	841,202	841,202	1,362,338	521,136
Aid from other governmental agencies	432,985,154	437,234,440	411,872,997	(25,361,443)
Charges for services	35,247,613	35,282,961	36,481,117	1,198,156
Miscellaneous	3,228,484	3,228,484	7,497,030	4,268,546
Other financing sources	39,464,563	53,422,248	20,992,644	(32,429,604)
Total resources	<u>731,996,310</u>	<u>750,306,225</u>	<u>716,020,400</u>	<u>(34,285,825)</u>
Charges to appropriations (outflows):				
Current:				
General government	63,374,214	63,394,171	46,147,781	17,246,390
Public protection	256,059,307	260,700,056	248,218,268	12,481,788
Public ways and facilities	10,000	10,000	77,332	(67,332)
Health and sanitation	38,585,057	38,776,030	40,587,815	(1,811,785)
Public assistance	350,519,605	351,468,310	311,958,472	39,509,838
Education	348,922	348,922	308,965	39,957
Recreation and culture	5,258,684	5,258,684	5,041,450	217,234
Reserve for contingency	25,839,892	31,497,013	-	31,497,013
Debt service:				
Principal	-	-	13,713	(13,713)
Interest	-	89,325	1,951	87,374
Other financing uses - transfers out	32,257,441	56,624,531	41,640,834	14,983,697
Total charges to appropriations	<u>772,253,122</u>	<u>808,167,042</u>	<u>693,996,581</u>	<u>114,170,461</u>
Fund balance, end of year	<u>\$ 71,107,756</u>	<u>\$ 53,503,751</u>	<u>\$ 133,388,387</u>	<u>\$ 79,884,636</u>

**COUNTY OF SAN JOAQUIN
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015
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	\$ 716,020,400
--	----------------

Differences - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(20,992,644)
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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>45,455,239</u>
--	-------------------

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 740,482,995</u></u>
--	------------------------------

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 693,996,581
---	----------------

Differences - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(41,640,834)
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Disbursements from General Fund special accounts were not budgeted but were reported as expenditures for financial reporting purposes.	34,763,268
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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>(206,173)</u>
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Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 686,912,842</u></u>
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**COUNTY OF SAN JOAQUIN
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015
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	\$ 66,123,559	\$ 66,123,559	\$ 66,123,559	\$ -
Resources (inflows):				
Fines, forfeitures, and penalties	325,000	325,000	51,186	(273,814)
Use of money and property	18,481	18,481	192,518	174,037
Aid from other governmental agencies	70,797,992	71,520,980	70,268,065	(1,252,915)
Charges for services	47,885,094	51,615,314	50,398,458	(1,216,856)
Other revenues	1,344,127	1,344,127	1,407,534	63,407
Other financing sources	3,882,617	3,882,617	3,308,523	(574,094)
Total resources	<u>124,253,311</u>	<u>128,706,519</u>	<u>125,626,284</u>	<u>(3,080,235)</u>
Charges to appropriations (outflows):				
Current:				
Health and sanitation	126,814,769	131,242,977	104,268,802	26,974,175
Capital outlay	3,556,276	3,581,276	898,503	-
Other financing uses	-	-	820,961	820,961
Total charges to appropriations (outflows)	<u>130,371,045</u>	<u>134,824,253</u>	<u>105,988,266</u>	<u>28,835,987</u>
Fund balance, end of year	<u>\$ 60,005,825</u>	<u>\$ 60,005,825</u>	<u>\$ 85,761,577</u>	<u>\$ 25,755,752</u>

**COUNTY OF SAN JOAQUIN
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015
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	\$ 125,626,284
--	----------------

Differences - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financing reporting purposes.	<u>(3,308,523)</u>
--	--------------------

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 122,317,761</u>
--	-----------------------

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule, not including fund balance	\$ 105,988,266
---	----------------

Differences - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(820,961)
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Changes in outstanding encumbrances - encumbrances for equipment and supplies ordered but not received - are reported in the year the orders are placed for budgetary purposes, but are reported in the year the equipment and supplies are received for GAAP purposes.	<u>986,955</u>
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Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 106,154,260</u>
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**COUNTY OF SAN JOAQUIN
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015
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	\$ 5,262,671	\$ 5,262,671	\$ 5,262,671	\$ -
Resources (inflows):				
Use of money and property	16,343	16,343	16,688	345
Aid from other governmental agencies	9,304,112	8,997,781	9,429,237	431,456
Other revenues	-	-	5,665	5,665
Total resources	<u>9,320,455</u>	<u>9,014,124</u>	<u>9,451,590</u>	<u>437,466</u>
Charges to appropriations (outflows):				
Current:				
Health and sanitation	13,288,387	13,170,906	8,584,995	4,585,911
Other financing uses	-	-	10,239	(10,239)
Total charges to appropriations	<u>13,288,387</u>	<u>13,170,906</u>	<u>8,595,234</u>	<u>4,575,672</u>
Fund balance, end of year	<u>\$ 1,294,739</u>	<u>\$ 1,105,889</u>	<u>\$ 6,119,027</u>	<u>\$ 5,013,138</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	<u>\$ 9,451,590</u>
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 8,595,234
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(10,239)
Changes in outstanding encumbrances - encumbrances for equipment and supplies ordered but not received - are reported in the year the orders are placed for budgetary purposes, but are reported in the year the equipment and supplies are received for GAAP purposes.	<u>1,432,050</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 10,017,045</u>

**COUNTY OF SAN JOAQUIN
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015**

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).

**COUNTY OF SAN JOAQUIN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
AS OF JUNE 30, 2015**

	2015*
Contractually Required Contribution (Actuarially Determined)	\$ 128,758,612
Contributions in Relation to the Actuarially Determined Contributions	128,428,697
Contribution Deficiency (Excess)	\$ 329,915
Covered-Employee Payroll	\$ 353,838,310
Contributions as a Percentage of Covered- Employee Payroll	36.30%

* Amounts presented above were determined as of June 30. Additional years will be presented as they become available.

Notes to Schedule:

Valuation date: 1/1/2013
Timing: Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year.

Key methods and assumptions used to determine contribution rates for the year ending December 31, 2014:

Actuarial cost method	Entry age Normal
Asset valuation method	Actuarial value: Excess earnings smoothed over five years, 80% / 120% corridor around market value
Amortization method	Level percentage of payroll (20 years as of 1/1/2013) with separate periods for Extraordinary Actuarial Gains or Losses (26 years for 2008 losses as of 1/1/2013). Cost impact of assumption changes adopted as of 1/1/2013 to be phased-in over three year period
Discount rate	7.50%
Salary increases	3.25%
Amortization growth rate	3.25%
Price inflation	3.00%
Salary increases	3.25% plus merit component based on employee classification and years of service
Mortality	Healthy: RP 2000 Combined Healthy Table, with Generational Projection using Projection Scale BB Disabled: RP 2000 Combined Healthy Table. with Generational Projection using Scale BB, Set-Forward 8 Years for males and females

A complete description of the methods and assumptions used to determine contribution rates for the year ending December 31, 2014, can be found in the January 1, 2013 Actuarial Valuation Report.

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, 2015**

	General Accounts	Contingency	General Reserve	Total
ASSETS				
Cash and investments:				
Pooled	\$ 171,159,015	\$ 31,504,447	\$ 10,005,446	\$ 212,668,908
Imprest cash	247,700	-	-	247,700
Interest receivable	190,106	-	-	190,106
Accounts receivable	5,758,161	-	-	5,758,161
Taxes receivable	31,850,464	-	-	31,850,464
Due from other agencies	38,211,241	-	-	38,211,241
Due from other funds	1,427,357	380,000	-	1,807,357
Advances to other funds	3,438,898	3,746,539	-	7,185,437
Loans receivable	-	20,000	-	20,000
Other assets	25,500	-	-	25,500
	<u>\$ 252,308,442</u>	<u>\$ 35,650,986</u>	<u>\$ 10,005,446</u>	<u>\$ 297,964,874</u>
LIABILITIES				
Accounts payable	\$ 4,902,120	\$ -	\$ -	\$ 4,902,120
Accrued payroll	14,622,579	-	-	14,622,579
Due to other funds	1,479,625	-	-	1,479,625
Unearned revenues	76,808,784	-	-	76,808,784
Other liabilities	592,079	-	-	592,079
	<u>98,405,187</u>	<u>-</u>	<u>-</u>	<u>98,405,187</u>
FUND BALANCES				
Nonspendable	3,464,398	3,791,182	-	7,255,580
Restricted	48,549,323	-	-	48,549,323
Committed	-	-	10,003,085	10,003,085
Assigned	-	31,884,447	-	31,884,447
Unassigned	101,889,534	(24,643)	2,361	101,867,252
	<u>153,903,255</u>	<u>35,650,986</u>	<u>10,005,446</u>	<u>199,559,687</u>
Total Fund Balances	<u>\$ 153,903,255</u>	<u>\$ 35,650,986</u>	<u>\$ 10,005,446</u>	<u>\$ 199,559,687</u>
Total Liabilities and Fund Balances	<u>\$ 252,308,442</u>	<u>\$ 35,650,986</u>	<u>\$ 10,005,446</u>	<u>\$ 297,964,874</u>

**COUNTY OF SAN JOAQUIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL GENERAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	General Accounts	Contingency	General Reserve	Total
Revenues:				
Taxes	\$ 223,322,843	\$ -	\$ -	\$ 223,322,843
Licenses, permits, and franchises	7,386,070	-	-	7,386,070
Fines, forfeitures, and penalties	10,501,456	-	-	10,501,456
Revenue from use of money and property	1,995,123	181,149	(1,671)	2,174,601
Aid from other governmental agencies	448,915,632	-	-	448,915,632
Charges for services	39,105,137	-	-	39,105,137
Other revenue	9,077,256	-	-	9,077,256
Total Revenues	740,303,517	181,149	(1,671)	740,482,995
Expenditures:				
Current:				
General government	46,043,864	-	-	46,043,864
Public protection	252,895,184	-	-	252,895,184
Public ways and facilities	25,108	-	-	25,108
Health and sanitation	40,821,518	-	-	40,821,518
Public assistance	339,922,832	-	-	339,922,832
Education	308,965	-	-	308,965
Recreation and culture	5,066,580	-	-	5,066,580
Capital outlay	1,813,127	-	-	1,813,127
Debt service:				
Principal	13,713	-	-	13,713
Interest	1,951	-	-	1,951
Total Expenditures	686,912,842	-	-	686,912,842
Excess (Deficiency) of Revenues Over (Under) Expenditures	53,390,675	181,149	(1,671)	53,570,153
Other Financing Sources (Uses):				
Operating transfers between General Fund accounts	(5,633,075)	5,633,075	-	-
Transfers other (A-87)	2,089,860	-	-	2,089,860
Transfers in	13,677,702	-	-	13,677,702
Transfers out	(41,544,420)	-	-	(41,544,420)
Total Other Financing Sources (Uses)	(31,409,933)	5,633,075	-	(25,776,858)
Net Change in Fund Balances	21,980,742	5,814,224	(1,671)	27,793,295
Fund Balances, Beginning of Year	131,922,513	29,836,762	10,007,117	171,766,392
Fund Balances, End of Year	\$ 153,903,255	\$ 35,650,986	\$ 10,005,446	\$ 199,559,687

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET
ALL GENERAL FUND SPECIAL ACCOUNTS
JUNE 30, 2015**

	General Accounts	Sheriff's Special Accounts	Prisoner Welfare Accounts	Sheriff Commissary Jail Industries
ASSETS				
Cash and investments:				
Pooled	\$ 90,820,342	\$ 3,172,457	\$ 1,560,034	\$ 200,047
Imprest cash	95,100	-	-	-
Accounts receivable	4,091,057	82,384	201,848	90,960
Taxes receivable	31,850,464	-	-	-
Interest receivable	141,425	2,649	841	-
Due from other agencies	33,948,995	154,983	-	-
Due from other funds	735,473	-	42,265	-
Loans and advances receivable	3,438,898	-	-	-
Other assets	25,500	-	-	-
	<u>\$ 165,147,254</u>	<u>\$ 3,412,473</u>	<u>\$ 1,804,988</u>	<u>\$ 291,007</u>
LIABILITIES				
Accounts payable	\$ 4,725,158	\$ 41,059	\$ 13,545	\$ -
Due to other funds	1,447,856	12,220	6,107	-
Accrued payroll	14,617,811	-	-	-
Unearned revenues	55,762,730	15,308	53,865	-
Other liabilities	592,079	-	-	-
	<u>77,145,634</u>	<u>68,587</u>	<u>73,517</u>	<u>-</u>
FUND BALANCES				
Nonspendable	3,464,398	-	-	-
Restricted	-	3,343,886	1,731,471	244,698
Unassigned	84,537,222	-	-	46,309
	<u>88,001,620</u>	<u>3,343,886</u>	<u>1,731,471</u>	<u>291,007</u>
Total Liabilities and Fund Balances	<u>\$ 165,147,254</u>	<u>\$ 3,412,473</u>	<u>\$ 1,804,988</u>	<u>\$ 291,007</u>

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET (Continued)
ALL GENERAL FUND SPECIAL ACCOUNTS
JUNE 30, 2015**

	<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	\$ 2,750,547	\$ 1,883,775	\$ 851,191	\$ 6,403,180
Imprest cash	-	-	-	-
Accounts receivable	168,850	35,724	217,653	71,639
Taxes receivable	-	-	-	-
Interest receivable	2,326	1,425	230	2,384
Due from other agencies	-	-	-	-
Due from other funds	-	-	665	-
Loans and advances receivable	-	-	-	-
Other assets	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 2,921,723</u>	<u>\$ 1,920,924</u>	<u>\$ 1,069,739</u>	<u>\$ 6,477,203</u>
LIABILITIES				
Accounts payable	\$ -	\$ 18,119	\$ 33,344	\$ 15,678
Due to other funds	-	-	3,383	-
Accrued payroll	-	-	-	-
Unearned revenues	-	-	58,589	-
Other liabilities	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>-</u>	<u>18,119</u>	<u>95,316</u>	<u>15,678</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	2,921,723	1,902,805	974,423	6,461,525
Unassigned	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>2,921,723</u>	<u>1,902,805</u>	<u>974,423</u>	<u>6,461,525</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 2,921,723</u>	<u>\$ 1,920,924</u>	<u>\$ 1,069,739</u>	<u>\$ 6,477,203</u>

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET (Continued)
ALL GENERAL FUND SPECIAL ACCOUNTS
JUNE 30, 2015**

	Community Service Special Accounts	Parks' Special Accounts	Recorder's Accounts	Assessor Special Accounts	Probation Juvenile Welfare
ASSETS					
Cash and investments:					
Pooled	\$ 12,042,501	\$ 1,184,243	\$ 309,401	\$ 475,320	\$ 4,780,443
Imprest cash	2,600	-	-	-	-
Accounts receivable	4,327	-	211	2,201	761,636
Taxes receivable	-	-	-	-	-
Interest receivable	18,786	1,623	-	381	1,305
Due from other agencies	3,926,012	-	-	-	-
Due from other funds	-	-	-	-	648,954
Loans and advances receivable	-	-	-	-	-
Other assets	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 15,994,226</u>	<u>\$ 1,185,866</u>	<u>\$ 309,612</u>	<u>\$ 477,902</u>	<u>\$ 6,192,338</u>
LIABILITIES					
Accounts payable	\$ 55,167	\$ -	\$ -	\$ -	\$ -
Due to other funds	9,168	-	-	-	891
Accrued payroll	4,768	-	-	-	-
Unearned revenues	6,591,012	-	-	-	-
Other liabilities	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>6,660,115</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>891</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	9,334,111	1,185,866	309,612	-	6,191,447
Unassigned	-	-	-	477,902	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>9,334,111</u>	<u>1,185,866</u>	<u>309,612</u>	<u>477,902</u>	<u>6,191,447</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 15,994,226</u>	<u>\$ 1,185,866</u>	<u>\$ 309,612</u>	<u>\$ 477,902</u>	<u>\$ 6,192,338</u>

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET (Continued)
ALL GENERAL FUND SPECIAL ACCOUNTS
JUNE 30, 2015**

	Community Development Accounts	District Attorney Accounts	HSA Grant Accounts	Other Accounts	Total
ASSETS					
Cash and investments:					
Pooled	\$ 3,577,242	\$ 10,002,746	\$ 14,322,356	\$ 16,823,190	\$ 171,159,015
Imprest cash	-	-	150,000	-	247,700
Accounts receivable	-	29,621	-	50	5,758,161
Taxes receivable	-	-	-	-	31,850,464
Interest receivable	2,756	9,064	-	4,911	190,106
Due from other agencies	-	181,251	-	-	38,211,241
Due from other funds	-	-	-	-	1,427,357
Loans and advances receivable	-	-	-	-	3,438,898
Other assets	-	-	-	-	25,500
Total Assets	<u>\$ 3,579,998</u>	<u>\$ 10,222,682</u>	<u>\$ 14,472,356</u>	<u>\$ 16,828,151</u>	<u>\$ 252,308,442</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 50	\$ 4,902,120
Due to other funds	-	-	-	-	1,479,625
Accrued payroll	-	-	-	-	14,622,579
Unearned revenues	-	-	14,327,280	-	76,808,784
Other liabilities	-	-	-	-	592,079
Total Liabilities	<u>-</u>	<u>-</u>	<u>14,327,280</u>	<u>50</u>	<u>98,405,187</u>
FUND BALANCES					
Nonspendable	-	-	-	-	3,464,398
Restricted	3,579,998	10,222,682	145,076	-	48,549,323
Unassigned	-	-	-	16,828,101	101,889,534
Total Fund Balances	<u>3,579,998</u>	<u>10,222,682</u>	<u>145,076</u>	<u>16,828,101</u>	<u>153,903,255</u>
Total Liabilities and Fund Balances	<u>\$ 3,579,998</u>	<u>\$ 10,222,682</u>	<u>\$ 14,472,356</u>	<u>\$ 16,828,151</u>	<u>\$ 252,308,442</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, 2015**

	General Accounts	Sheriff's Special Accounts	Prisoner Welfare Accounts	Sheriff Commissary Jail Industries
Revenues:				
Taxes	\$ 223,322,843	\$ -	\$ -	\$ -
Licenses, permits, and franchises	7,080,239	-	-	-
Fines, forfeitures, and penalties	7,411,193	160,450	-	-
Revenue from use of money and property	1,182,860	8,667	3,087	611,601
Aid from other governmental agencies	412,128,893	667,145	-	-
Charges for services	36,481,116	(27,268)	530	-
Other revenue	7,241,137	99,502	1,351,217	-
Total Revenues	694,848,281	908,496	1,354,834	611,601
Expenditures:				
Current:				
General government	45,779,698	-	-	-
Public protection	246,498,926	371,870	405,215	2,272
Public ways and facilities	25,108	-	-	-
Health and sanitation	40,143,540	-	-	-
Public assistance	312,497,970	-	-	-
Education	308,965	-	-	-
Recreation and culture	5,066,580	-	-	-
Capital outlay	1,813,127	-	-	-
Debt service:				
Principal	13,713	-	-	-
Interest	1,951	-	-	-
Total Expenditures	652,149,578	371,870	405,215	2,272
Excess (Deficiency) of Revenues Over (Under) Expenditures	42,698,703	536,626	949,619	609,329
Other Financing Sources (Uses):				
Transfers between General Fund accounts	2,165,384	(515,554)	(500,527)	(563,020)
Transfers in	13,087,659	-	-	-
Transfers out	(41,470,817)	-	-	-
Total Other Financing Sources (Uses)	(26,217,774)	(515,554)	(500,527)	(563,020)
Net Change in Fund Balances	16,480,929	21,072	449,092	46,309
Fund Balances, Beginning of Year	71,520,691	3,322,814	1,282,379	244,698
Fund Balances, End of Year	\$ 88,001,620	\$ 3,343,886	\$ 1,731,471	\$ 291,007

**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, 2015**

	Court Fees and Assessments	Emergency Medical Services	Agriculture Special Accounts	Public Health Special Accounts
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and franchises	-	-	-	-
Fines, forfeitures, and penalties	187,677	370,249	-	438,803
Revenue from use of money and property	7,891	4,819	29,352	7,021
Aid from other governmental agencies	584,757	172,528	-	555,501
Charges for services	-	-	673,776	(204,643)
Other revenue	-	66,285	146,211	(271,604)
	<u>780,325</u>	<u>613,881</u>	<u>849,339</u>	<u>525,078</u>
Total Revenues				
Expenditures:				
Current:				
General government	-	-	-	-
Public protection	-	-	132,581	-
Public ways and facilities	-	-	-	-
Health and sanitation	-	433,169	-	244,809
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
	<u>-</u>	<u>433,169</u>	<u>132,581</u>	<u>244,809</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>780,325</u>	<u>180,712</u>	<u>716,758</u>	<u>280,269</u>
Other Financing Sources (Uses):				
Transfers between General Fund accounts	(692,764)	-	(748,805)	(757,698)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<u>(692,764)</u>	<u>-</u>	<u>(748,805)</u>	<u>(757,698)</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	87,561	180,712	(32,047)	(477,429)
Fund Balances, Beginning of Year	<u>2,834,162</u>	<u>1,722,093</u>	<u>1,006,470</u>	<u>6,938,954</u>
Fund Balances, End of Year	<u>\$ 2,921,723</u>	<u>\$ 1,902,805</u>	<u>\$ 974,423</u>	<u>\$ 6,461,525</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, 2015**

	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	44,829	-	-	-	-
Revenue from use of money and property	40,504	4,732	(75)	14,538	25,054
Aid from other governmental agencies	30,444,767	-	-	-	4,250,668
Charges for services	198,019	280,279	68,528	200,837	-
Other revenue	34,601	338,247	-	-	-
	<u>30,762,720</u>	<u>623,258</u>	<u>68,453</u>	<u>215,375</u>	<u>4,275,722</u>
Total Revenues					
Expenditures:					
Current:					
General government	-	-	-	-	-
Public protection	-	-	-	-	5,484,320
Public ways and facilities	-	-	-	-	-
Health and sanitation	-	-	-	-	-
Public assistance	27,424,862	-	-	-	-
Education	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:	-	-	-	-	-
Principal	-	-	-	-	-
Interest	-	-	-	-	-
	<u>27,424,862</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,484,320</u>
Total Expenditures					
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,337,858</u>	<u>623,258</u>	<u>68,453</u>	<u>215,375</u>	<u>(1,208,598)</u>
Other Financing Sources (Uses):					
Transfers between General Fund accounts	(405,305)	(1,332,668)	(125,406)	(294,900)	-
Transfers in	-	-	-	-	2,679,903
Transfers out	-	-	-	(73,603)	-
	<u>(405,305)</u>	<u>(1,332,668)</u>	<u>(125,406)</u>	<u>(368,503)</u>	<u>2,679,903</u>
Total Other Financing Sources (Uses)					
Net Change in Fund Balances	2,932,553	(709,410)	(56,953)	(153,128)	1,471,305
Fund Balances, Beginning of Year	<u>6,401,558</u>	<u>1,895,276</u>	<u>366,565</u>	<u>631,030</u>	<u>4,720,142</u>
Fund Balances, End of Year	<u>\$ 9,334,111</u>	<u>\$ 1,185,866</u>	<u>\$ 309,612</u>	<u>\$ 477,902</u>	<u>\$ 6,191,447</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, 2015**

	Community Development Accounts	District Attorney Accounts	HSA Grant Accounts	Other Accounts	Total
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 223,322,843
Licenses, permits, and franchises	305,831	-	-	-	7,386,070
Fines, forfeitures, and penalties	-	1,888,255	-	-	10,501,456
Revenue from use of money and property	9,231	28,036	2,748	15,057	1,995,123
Aid from other governmental agencies	-	111,373	-	-	448,915,632
Charges for services	16,366	1,402,729	-	14,868	39,105,137
Other revenue	-	-	-	71,660	9,077,256
	<u>331,428</u>	<u>3,430,393</u>	<u>2,748</u>	<u>101,585</u>	<u>740,303,517</u>
Expenditures:					
Current:					
General government	-	-	-	264,166	46,043,864
Public protection	-	-	-	-	252,895,184
Public ways and facilities	-	-	-	-	25,108
Health and sanitation	-	-	-	-	40,821,518
Public assistance	-	-	-	-	339,922,832
Education	-	-	-	-	308,965
Recreation and culture	-	-	-	-	5,066,580
Capital outlay	-	-	-	-	1,813,127
Debt service:					
Principal	-	-	-	-	13,713
Interest	-	-	-	-	1,951
	<u>-</u>	<u>-</u>	<u>-</u>	<u>264,166</u>	<u>686,912,842</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>331,428</u>	<u>3,430,393</u>	<u>2,748</u>	<u>(162,581)</u>	<u>53,390,675</u>
Other Financing Sources (Uses):					
Transfers between General Fund accounts	-	(2,161,812)	-	300,000	(5,633,075)
Transfers in	-	-	-	-	15,767,562
Transfers out	-	-	-	-	(41,544,420)
	<u>-</u>	<u>(2,161,812)</u>	<u>-</u>	<u>300,000</u>	<u>(31,409,933)</u>
Net Change in Fund Balances	331,428	1,268,581	2,748	137,419	21,980,742
Fund Balances, Beginning of Year	<u>3,248,570</u>	<u>8,954,101</u>	<u>142,328</u>	<u>16,690,682</u>	<u>131,922,513</u>
Fund Balances, End of Year	<u>\$ 3,579,998</u>	<u>\$ 10,222,682</u>	<u>\$ 145,076</u>	<u>\$ 16,828,101</u>	<u>\$ 153,903,255</u>

NONMAJOR GOVERNMENTAL FUNDS

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

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments:				
Pooled	\$ 145,422,412	\$ 47,341	\$ 14,820,204	\$ 160,289,957
Imprest cash	33,650	-	-	33,650
Interest receivable	117,319	39	5,796	123,154
Accounts receivable	2,030,407	-	99,583	2,129,990
Taxes receivable	3,252,032	-	-	3,252,032
Due from other agencies	4,310,793	-	-	4,310,793
Due from other funds	103,696	-	344	104,040
Inventory	611,645	-	-	611,645
Advances to other funds	770,529	-	-	770,529
Restricted assets:				
Restricted cash and investments	-	9,123,031	-	9,123,031
Others	-	10,068	-	10,068
 Total Assets	 <u>\$ 156,652,483</u>	 <u>\$ 9,180,479</u>	 <u>\$ 14,925,927</u>	 <u>\$ 180,758,889</u>
 LIABILITIES				
Accounts payable	\$ 5,495,952	\$ -	\$ 8,203	\$ 5,504,155
Accrued payroll	2,424,533	-	-	2,424,533
Due to other funds	1,466,991	-	-	1,466,991
Advances from other funds	4,692,217	-	1,788,499	6,480,716
Unearned revenues	1,125,212	-	-	1,125,212
 Total Liabilities	 <u>15,204,905</u>	 <u>-</u>	 <u>1,796,702</u>	 <u>17,001,607</u>
 FUND BALANCES				
Nonspendable	1,382,174	-	-	1,382,174
Restricted	143,110,814	656,388	6,034,438	149,801,640
Assigned	-	8,524,091	8,607,213	17,131,304
Unassigned	(3,045,410)	-	(1,512,426)	(4,557,836)
 Total Fund Balances	 <u>141,447,578</u>	 <u>9,180,479</u>	 <u>13,129,225</u>	 <u>163,757,282</u>
 Total Liabilities and Fund Balances	 <u>\$ 156,652,483</u>	 <u>\$ 9,180,479</u>	 <u>\$ 14,925,927</u>	 <u>\$ 180,758,889</u>

**COUNTY OF SAN JOAQUIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 24,259,800	\$ -	\$ -	\$ 24,259,800
Licenses, permits, and franchises	204,056	-	-	204,056
Fines, forfeitures, and penalties	8,725	-	1,267,053	1,275,778
Revenue from use of money and property	395,506	62,576	17,925	476,007
Aid from other governmental agencies	113,729,504	-	-	113,729,504
Charges for services	24,218,391	23,658	30,425	24,272,474
Other revenue	571,139	-	27,400	598,539
Total Revenues	163,387,121	86,234	1,342,803	164,816,158
Expenditures:				
Current:				
General government	-	487	-	487
Public protection	41,448,223	-	-	41,448,223
Public ways and facilities	33,727,980	-	172,726	33,900,706
Health and sanitation	1,576,163	-	-	1,576,163
Public assistance	38,978,750	-	-	38,978,750
Education	5,742,505	-	-	5,742,505
Recreation and culture	197,877	-	-	197,877
Capital outlay	21,381,516	-	53,925	21,435,441
Debt service:				
Principal	159,584	2,931,700	-	3,091,284
Interest and debt issuance costs	87,974	5,993,580	-	6,081,554
Total Expenditures	143,300,572	8,925,767	226,651	152,452,990
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,086,549	(8,839,533)	1,116,152	12,363,168
Other Financing Sources (Uses):				
Transfers in	368,148	7,716,202	96	8,084,446
Transfers out	(16,736,995)	(4,736)	(294,712)	(17,036,443)
Total Other Financing Sources (Uses)	(16,368,847)	7,711,466	(294,616)	(8,951,997)
Net Change in Fund Balances	3,717,702	(1,128,067)	821,536	3,411,171
Fund Balances, Beginning of the Year	137,729,876	10,308,546	12,307,689	160,346,111
Fund Balances, End of Year	\$ 141,447,578	\$ 9,180,479	\$ 13,129,225	\$ 163,757,282

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, 2015**

	Road	Fish and Game	County Facilities Fee Program	Special Districts Settlement Fund
ASSETS				
Cash and investments	\$ 40,867,073	\$ 226,253	\$ 18,062,831	\$ 575,271
Imprest cash	500	-	-	-
Interest receivable	28,446	95	14,685	452
Accounts receivable	257,816	11,531	833,758	-
Taxes receivable	2,882,454	-	-	-
Due from other agencies	970,387	-	-	-
Due from other funds	76,467	-	-	-
Inventories	611,645	-	-	-
Advances to other funds	-	-	-	770,529
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 45,694,788</u>	<u>\$ 237,879</u>	<u>\$ 18,911,274</u>	<u>\$ 1,346,252</u>
LIABILITIES				
Accounts payable	\$ 2,134,383	\$ -	\$ -	\$ -
Accrued payroll	672,654	-	-	-
Due to other funds	319,842	2,209	-	-
Advances from other funds	-	-	-	-
Unearned revenues	225,223	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>3,352,102</u>	<u>2,209</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	611,645	-	-	770,529
Restricted	41,731,041	235,670	18,911,274	575,723
Unassigned	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>42,342,686</u>	<u>235,670</u>	<u>18,911,274</u>	<u>1,346,252</u>
Total Liabilities and Fund Balances	<u>\$ 45,694,788</u>	<u>\$ 237,879</u>	<u>\$ 18,911,274</u>	<u>\$ 1,346,252</u>

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015**

	Work Incentive Act	Rabies Treatment	County Head Start	Road District #1
ASSETS				
Cash and investments	\$ 920,646	\$ -	\$ 64,238	\$ 1,436,057
Imprest cash	250	-	-	-
Interest receivable	-	-	126	1,268
Accounts receivable	127,487	1,936	-	-
Taxes receivable	-	-	-	15,473
Due from other agencies	634,758	-	37,197	-
Due from other funds	-	-	-	-
Inventories	-	-	-	-
Advances to other funds	-	-	-	-
Total Assets	<u>\$ 1,683,141</u>	<u>\$ 1,936</u>	<u>\$ 101,561</u>	<u>\$ 1,452,798</u>
LIABILITIES				
Accounts payable	\$ 383,434	\$ -	\$ 3,776	\$ 167,919
Accrued payroll	695,891	-	8,725	-
Due to other funds	12,926	-	13	-
Advances from other funds	-	-	-	-
Unearned revenues	-	-	-	23,108
Total Liabilities	<u>1,092,251</u>	<u>-</u>	<u>12,514</u>	<u>191,027</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	590,890	1,936	89,047	1,261,771
Unassigned	-	-	-	-
Total Fund Balances	<u>590,890</u>	<u>1,936</u>	<u>89,047</u>	<u>1,261,771</u>
Total Liabilities and Fund Balances	<u>\$ 1,683,141</u>	<u>\$ 1,936</u>	<u>\$ 101,561</u>	<u>\$ 1,452,798</u>

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015**

	Road District #2	Road District #3	Road District #4	Road District #5
ASSETS				
Cash and investments	\$ 793,147	\$ 954,383	\$ 4,591,705	\$ 2,690,145
Imprest cash	-	-	-	-
Interest receivable	712	828	3,817	2,168
Accounts receivable	-	-	22	-
Taxes receivable	9,401	15,953	90,370	26,299
Due from other agencies	-	-	-	-
Due from other funds	-	-	-	-
Inventories	-	-	-	-
Advances to other funds	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 803,260</u>	<u>\$ 971,164</u>	<u>\$ 4,685,914</u>	<u>\$ 2,718,612</u>
LIABILITIES				
Accounts payable	\$ 196,198	\$ 35,992	\$ 355,474	\$ 414,124
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Unearned revenues	14,088	23,811	135,003	40,298
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>210,286</u>	<u>59,803</u>	<u>490,477</u>	<u>454,422</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	592,974	911,361	4,195,437	2,264,190
Unassigned	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>592,974</u>	<u>911,361</u>	<u>4,195,437</u>	<u>2,264,190</u>
Total Liabilities and Fund Balances	<u>\$ 803,260</u>	<u>\$ 971,164</u>	<u>\$ 4,685,914</u>	<u>\$ 2,718,612</u>

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015**

	County Library	District Attorney Narcotics Enforcement	Sheriff Narcotics Enforcement	Justice Assistance Grant
ASSETS				
Cash and investments	\$ 1,883,365	\$ 31,395	\$ 52,524	\$ 209,267
Imprest cash	-	-	7,500	-
Interest receivable	430	18	36	179
Accounts receivable	149,193	-	-	-
Taxes receivable	148,374	-	-	-
Due from other agencies	-	-	-	-
Due from other funds	-	-	-	-
Inventories	-	-	-	-
Advances to other funds	-	-	-	-
Total Assets	<u>\$ 2,181,362</u>	<u>\$ 31,413</u>	<u>\$ 60,060</u>	<u>\$ 209,446</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	3,948
Advances from other funds	-	-	-	-
Unearned revenues	217,899	-	-	-
Total Liabilities	<u>217,899</u>	<u>-</u>	<u>-</u>	<u>3,948</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	1,963,463	31,413	60,060	205,498
Unassigned	-	-	-	-
Total Fund Balances	<u>1,963,463</u>	<u>31,413</u>	<u>60,060</u>	<u>205,498</u>
Total Liabilities and Fund Balances	<u>\$ 2,181,362</u>	<u>\$ 31,413</u>	<u>\$ 60,060</u>	<u>\$ 209,446</u>

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015**

	Supplemental Local Law Enforcement Block Grant	Recorder's Equipment Automation	Child Support	Community Infra- Structure
ASSETS				
Cash and investments	\$ 43,618	\$ 4,270,402	\$ 374,924	\$ 20,218,539
Imprest cash	-	-	25,400	-
Interest receivable	-	3,845	1,316	17,989
Accounts receivable	-	10,019	24	331,423
Taxes receivable	-	-	-	-
Due from other agencies	-	-	-	-
Due from other funds	-	-	19	-
Inventories	-	-	-	-
Advances to other funds	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u><u>\$ 43,618</u></u>	<u><u>\$ 4,284,266</u></u>	<u><u>\$ 401,683</u></u>	<u><u>\$ 20,567,951</u></u>
LIABILITIES				
Accounts payable	\$ -	\$ 107,846	\$ 50,540	\$ -
Accrued payroll	43,608	-	678,597	-
Due to other funds	-	-	49,734	-
Advances from other funds	-	-	-	-
Unearned revenues	-	-	345,112	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>43,608</u>	<u>107,846</u>	<u>1,123,983</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	10	4,176,420	-	20,567,951
Unassigned	-	-	(722,300)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>10</u>	<u>4,176,420</u>	<u>(722,300)</u>	<u>20,567,951</u>
Total Liabilities and Fund Balances	<u><u>\$ 43,618</u></u>	<u><u>\$ 4,284,266</u></u>	<u><u>\$ 401,683</u></u>	<u><u>\$ 20,567,951</u></u>

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015**

	Substance Abuse and Crime Prevention	Public Works Special Accounts	AB 109 Trial Court Security	AB 109 District Attorney - Public Defender
ASSETS				
Cash and investments	\$ -	\$ 3,510,217	\$ 4,954,694	\$ 1,165,448
Imprest cash	-	-	-	-
Interest receivable	(11)	3,578	4,184	900
Accounts receivable	-	28,293	-	-
Taxes receivable	-	-	-	-
Due from other agencies	-	-	400,781	648,954
Due from other funds	-	-	839	-
Inventories	-	-	-	-
Advances to other funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ (11)</u>	<u>\$ 3,542,088</u>	<u>\$ 5,360,498</u>	<u>\$ 1,815,302</u>
LIABILITIES				
Accounts payable	\$ -	\$ 47,444	\$ 67,657	\$ -
Accrued payroll	-	-	13,495	-
Due to other funds	-	-	3,630	648,954
Advances from other funds	-	-	-	-
Unearned revenues	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>47,444</u>	<u>84,782</u>	<u>648,954</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	3,494,644	5,275,716	1,166,348
Unassigned	(11)	-	-	-
	<u>(11)</u>	<u>3,494,644</u>	<u>5,275,716</u>	<u>1,166,348</u>
Total Fund Balances	<u>(11)</u>	<u>3,494,644</u>	<u>5,275,716</u>	<u>1,166,348</u>
Total Liabilities and Fund Balances	<u>\$ (11)</u>	<u>\$ 3,542,088</u>	<u>\$ 5,360,498</u>	<u>\$ 1,815,302</u>

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015**

	AB 118 Local Community Corrections Fund	Special Districts Under the Board	Total
ASSETS			
Cash and investments	\$ 11,997,052	\$ 25,529,218	\$ 145,422,412
Imprest cash	-	-	33,650
Interest receivable	9,794	22,464	117,319
Accounts receivable	-	278,905	2,030,407
Taxes receivable	-	63,708	3,252,032
Due from other agencies	1,571,931	46,785	4,310,793
Due from other funds	14,343	12,028	103,696
Inventories	-	-	611,645
Advances to other funds	-	-	770,529
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u><u>\$ 13,593,120</u></u>	<u><u>\$ 25,953,108</u></u>	<u><u>\$ 156,652,483</u></u>
LIABILITIES			
Accounts payable	\$ 256,179	\$ 1,274,986	\$ 5,495,952
Accrued payroll	290,055	21,508	2,424,533
Due to other funds	25,634	400,101	1,466,991
Advances from other funds	-	4,692,217	4,692,217
Unearned revenues	-	100,670	1,125,212
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>571,868</u>	<u>6,489,482</u>	<u>15,204,905</u>
FUND BALANCES			
Nonspendable	-	-	1,382,174
Restricted	13,021,252	21,786,725	143,110,814
Unassigned	-	(2,323,099)	(3,045,410)
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>13,021,252</u>	<u>19,463,626</u>	<u>141,447,578</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u><u>\$ 13,593,120</u></u>	<u><u>\$ 25,953,108</u></u>	<u><u>\$ 156,652,483</u></u>

**COUNTY OF SAN JOAQUIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	Road	Fish and Game	County Facilities Fee Program	Special Districts Settlement Fund
Revenues:				
Taxes	\$ 10,285,083	\$ -	\$ -	\$ -
Licenses and permits	144,264	-	-	-
Aid from other governmental agencies	27,108,668	18,476	-	-
Fines, forfeitures, and penalties	-	8,725	-	-
Use of money and property	93,345	294	48,264	3,774
Charges for services	905,729	-	3,299,109	-
Miscellaneous	72,982	-	-	-
Total Revenues	38,610,071	27,495	3,347,373	3,774
Expenditures:				
Current:				
Public protection	-	23,189	-	-
Public ways and facilities	10,409,301	-	-	-
Community infrastructure	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	20,290,907	-	-	-
Debt service - interest	1,326	-	-	-
Debt service - principal payment	13,923	-	-	-
Total Expenditures	30,715,457	23,189	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,894,614	4,306	3,347,373	3,774
Other Financing Sources (Uses):				
Transfers in	122	-	-	-
Transfers out	(1,373,698)	(9,179)	(1,216,324)	-
Transfers - other (A-87)	(759,983)	-	-	-
Transfers between special revenue funds	583,584	-	-	-
Total Other Financing Sources (Uses)	(1,549,975)	(9,179)	(1,216,324)	-
Net Change in Fund Balances	6,344,639	(4,873)	2,131,049	3,774
Fund Balances, Beginning of Year	35,998,047	240,543	16,780,225	1,342,478
Fund Balances, End of Year	\$ 42,342,686	\$ 235,670	\$ 18,911,274	\$ 1,346,252

**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, 2015**

	Work Incentive Act	Rabies Treatment	County Head Start	Road District #1
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 575,720
Licenses and permits	-	59,792	-	-
Aid from other governmental agencies	9,092,023	-	26,877,000	8,216
Fines, forfeitures, and penalties	-	-	-	-
Use of money and property	(1,638)	-	486	4,017
Charges for services	686,936	-	-	-
Miscellaneous	271,634	10	12	-
Total Revenues	10,048,955	59,802	26,877,498	587,953
Expenditures:				
Current:				
Public protection	-	-	-	-
Public ways and facilities	-	-	-	939,324
Community infrastructure	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	12,994,509	-	26,752,821	-
Education	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	81,344	-	-	-
Debt service - interest	-	-	-	-
Debt service - principal payment	-	-	-	-
Total Expenditures	13,075,853	-	26,752,821	939,324
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,026,898)	59,802	124,677	(351,371)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	(60,106)	-	-
Transfers - other (A-87)	(306,495)	-	5,694	-
Transfers between special revenue funds	-	-	-	(40,454)
Total Other Financing Sources (Uses)	(306,495)	(60,106)	5,694	(40,454)
Net Change in Fund Balances	(3,333,393)	(304)	130,371	(391,825)
Fund Balances, Beginning of Year	3,924,283	2,240	(41,324)	1,653,596
Fund Balances, End of Year	\$ 590,890	\$ 1,936	\$ 89,047	\$ 1,261,771

**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, 2015**

	Road District #2	Road District #3	Road District #4	Road District #5
Revenues:				
Taxes	\$ 354,682	\$ 732,766	\$ 3,327,239	\$ 1,014,159
Licenses and permits	-	-	-	-
Aid from other governmental agencies	3,668	6,199	35,149	10,499
Fines, forfeitures, and penalties	-	-	-	-
Use of money and property	2,169	2,444	10,786	7,399
Charges for services	-	-	500	-
Miscellaneous	18	-	22	49
Total Revenues	360,537	741,409	3,373,696	1,032,106
Expenditures:				
Current:				
Public protection	-	-	-	-
Public ways and facilities	418,903	699,030	3,488,262	1,726,509
Community infrastructure	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	-	-	-	-
Debt service - interest	-	-	-	-
Debt service - principal payment	-	-	-	-
Total Expenditures	418,903	699,030	3,488,262	1,726,509
Excess (Deficiency) of Revenues Over (Under) Expenditures	(58,366)	42,379	(114,566)	(694,403)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Transfers - other (A-87)	-	-	-	-
Transfers between special revenue funds	(28,643)	(146,032)	(207,565)	(135,075)
Total Other Financing Sources (Uses)	(28,643)	(146,032)	(207,565)	(135,075)
Net Change in Fund Balances	(87,009)	(103,653)	(322,131)	(829,478)
Fund Balances, Beginning of Year	679,983	1,015,014	4,517,568	3,093,668
Fund Balances, End of Year	\$ 592,974	\$ 911,361	\$ 4,195,437	\$ 2,264,190

**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, 2015**

	County Library	District Attorney Narcotics Enforcement	Sheriff Narcotics Enforcement	Justice Assistance Grant
Revenues:				
Taxes	\$ 5,614,208	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Aid from other governmental agencies	218,220	-	23,963	202,000
Fines, forfeitures, and penalties	-	-	-	-
Use of money and property	1,290	55	111	610
Charges for services	288,385	-	-	-
Miscellaneous	-	29,051	9,547	-
Total Revenues	6,122,103	29,106	33,621	202,610
Expenditures:				
Current:				
Public protection	-	5,000	2,902	214,763
Public ways and facilities	-	-	-	-
Community infrastructure	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	5,742,505	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	-	-	23,962	-
Debt service - interest	-	-	-	-
Debt service - principal payment	-	-	-	-
Total Expenditures	5,742,505	5,000	26,864	214,763
Excess (Deficiency) of Revenues Over (Under) Expenditures	379,598	24,106	6,757	(12,153)
Other Financing Sources (Uses):				
Transfers in	121,380	-	-	-
Transfers out	-	-	-	-
Transfers - other (A-87)	-	-	-	198
Transfers between special revenue funds	-	-	-	-
Total Other Financing Sources (Uses)	121,380	-	-	198
Net Change in Fund Balances	500,978	24,106	6,757	(11,955)
Fund Balances, Beginning of Year	1,462,485	7,307	53,303	217,453
Fund Balances, End of Year	\$ 1,963,463	\$ 31,413	\$ 60,060	\$ 205,498

**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, 2015**

	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	-	-	15,075,691	-
Fines, forfeitures, and penalties	-	-	-	-
Use of money and property	-	12,652	3,773	60,404
Charges for services	-	803,035	-	1,861,840
Miscellaneous	-	-	-	-
Total Revenues	-	815,687	15,079,464	1,922,244
Expenditures:				
Current:				
Public protection	-	330,581	14,818,881	-
Public ways and facilities	-	-	-	-
Community infrastructure	-	-	-	3,551,862
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	-	90,837	512,889	-
Debt service - interest	-	-	-	-
Debt service - principal payment	-	-	-	-
Total Expenditures	-	421,418	15,331,770	3,551,862
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	394,269	(252,306)	(1,629,618)
Other Financing Sources (Uses):				
Transfers in	-	73,603	4,912	-
Transfers out	-	(655,500)	(240,505)	-
Transfers - other (A-87)	-	-	(197,456)	-
Transfers between special revenue funds	-	-	-	-
Total Other Financing Sources (Uses)	-	(581,897)	(433,049)	-
Net Change in Fund Balances	-	(187,628)	(685,355)	(1,629,618)
Fund Balances, Beginning of Year	10	4,364,048	(36,945)	22,197,569
Fund Balances, End of Year	\$ 10	\$ 4,176,420	\$ (722,300)	\$ 20,567,951

**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, 2015**

	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	-	-	11,888,423	3,132,356
Fines, forfeitures, and penalties	-	-	-	-
Use of money and property	-	11,966	13,214	2,898
Charges for services	-	111,279	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	123,245	11,901,637	3,135,254
Expenditures:				
Current:				
Public protection	-	-	2,447,708	-
Public ways and facilities	-	1,157,693	-	-
Community infrastructure	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Recreation and culture	-	-	-	-
Capital outlay	-	-	62,308	-
Debt service - interest	-	-	-	-
Debt service - principal payment	-	-	-	-
Total Expenditures	-	1,157,693	2,510,016	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(1,034,448)	9,391,621	3,135,254
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(8,503,715)	(2,811,177)
Transfers - other (A-87)	-	-	-	-
Transfers between special revenue funds	-	(25,815)	-	-
Total Other Financing Sources (Uses)	-	(25,815)	(8,503,715)	(2,811,177)
Net Change in Fund Balances	-	(1,060,263)	887,906	324,077
Fund Balances, Beginning of Year	(11)	4,554,907	4,387,810	842,271
Fund Balances, End of Year	\$ (11)	\$ 3,494,644	\$ 5,275,716	\$ 1,166,348

**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, 2015**

	AB 118 Local Community Corrections Fund	AB 118 Health and Human Services	Special Districts Under the Board	Total
Revenues:				
Taxes	\$ -	\$ -	\$ 2,355,943	\$ 24,259,800
Licenses and permits	-	-	-	204,056
Aid from other governmental agencies	19,662,182	-	366,771	113,729,504
Fines, forfeitures, and penalties	-	-	-	8,725
Use of money and property	29,568	-	87,625	395,506
Charges for services	-	-	16,261,578	24,218,391
Miscellaneous	815	-	186,999	571,139
Total Revenues	19,692,565	-	19,258,916	163,387,121
Expenditures:				
Current:				
Public protection	16,516,130	-	7,089,069	41,448,223
Public ways and facilities	-	-	11,337,096	30,176,118
Community infrastructure	-	-	-	3,551,862
Health and sanitation	-	1,576,163	-	1,576,163
Public assistance	-	-	(768,580)	38,978,750
Education	-	-	-	5,742,505
Recreation and culture	-	-	197,877	197,877
Capital outlay	-	-	319,269	21,381,516
Debt service - interest	-	-	86,648	87,974
Debt service - principal payment	-	-	145,661	159,584
Total Expenditures	16,516,130	1,576,163	18,407,040	143,300,572
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,176,435	(1,576,163)	851,876	20,086,549
Other Financing Sources (Uses):				
Transfers in	-	-	168,131	368,148
Transfers out	-	-	(608,131)	(15,478,335)
Transfers - other (A-87)	-	-	(618)	(1,258,660)
Transfers between special revenue funds	-	-	-	-
Total Other Financing Sources (Uses)	-	-	(440,618)	(16,368,847)
Net Change in Fund Balances	3,176,435	(1,576,163)	411,258	3,717,702
Fund Balances, Beginning of Year	9,844,817	1,576,163	19,052,368	137,729,876
Fund Balances, End of Year	\$ 13,021,252	\$ -	\$ 19,463,626	\$ 141,447,578

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET
NONMAJOR SPECIAL DISTRICTS GOVERNED BY
THE BOARD OF SUPERVISORS – SPECIAL REVENUE FUNDS
JUNE 30, 2015**

	Lighting Districts	Service Areas	Maintenance Districts
ASSETS			
Cash and investments	\$ 1,053,586	\$ 6,704,573	\$ 11,161,060
Interest receivable	909	6,244	9,817
Accounts receivable	2,326	71,820	98,242
Taxes receivable	5,190	4,440	10,655
Due from other agencies	-	-	-
Due from other funds	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u><u>\$ 1,062,011</u></u>	<u><u>\$ 6,787,077</u></u>	<u><u>\$ 11,279,774</u></u>
LIABILITIES			
Accounts payable	\$ 804	\$ 396,215	\$ 332,597
Accrued salaries and benefits	-	-	-
Advances from other funds	-	1,253,319	-
Due to other funds	-	17,244	2,651
Unearned revenues	7,612	6,419	15,644
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>8,416</u>	<u>1,673,197</u>	<u>350,892</u>
FUND BALANCES			
Restricted	1,053,595	5,089,237	10,928,882
Unassigned	-	24,643	-
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>1,053,595</u>	<u>5,113,880</u>	<u>10,928,882</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u><u>\$ 1,062,011</u></u>	<u><u>\$ 6,787,077</u></u>	<u><u>\$ 11,279,774</u></u>

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL DISTRICTS GOVERNED BY
THE BOARD OF SUPERVISORS – SPECIAL REVENUE FUNDS
JUNE 30, 2015**

	Flood Control District	Water District	North Eastern San Joaquin Ground Water Banking Authority
ASSETS			
Cash and investments	\$ 4,561,555	\$ 92,763	\$ 338,871
Interest receivable	4,694	79	239
Accounts receivable	98,900	4,532	-
Taxes receivable	43,378	45	-
Due from other agencies	6,785	-	40,000
Due from other funds	12,028	-	-
	<u>\$ 4,727,340</u>	<u>\$ 97,419</u>	<u>\$ 379,110</u>
LIABILITIES			
Accounts payable	\$ 518,083	\$ 4,124	\$ 3,832
Accrued salaries and benefits	-	-	-
Advances from other funds	-	-	502,284
Due to other funds	362,882	108	14,307
Unearned revenues	70,925	70	-
	<u>951,890</u>	<u>4,302</u>	<u>520,423</u>
FUND BALANCES			
Restricted	3,775,450	93,117	-
Unassigned	-	-	(141,313)
	<u>3,775,450</u>	<u>93,117</u>	<u>(141,313)</u>
Total Fund Balances	<u>\$ 3,775,450</u>	<u>\$ 93,117</u>	<u>\$ (141,313)</u>
Total Liabilities and Fund Balances	<u>\$ 4,727,340</u>	<u>\$ 97,419</u>	<u>\$ 379,110</u>

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL DISTRICTS GOVERNED BY
THE BOARD OF SUPERVISORS – SPECIAL REVENUE FUNDS
JUNE 30, 2015**

	Mokelumne Water and Power Authority	Improvement Districts	IHSS Public Authority	Total
ASSETS				
Cash and investments	\$ 740,376	\$ 128,197	\$ 748,237	\$ 25,529,218
Interest receivable	383	99	-	22,464
Accounts receivable	-	-	3,085	278,905
Taxes receivable	-	-	-	63,708
Due from other agencies	-	-	-	46,785
Due from other funds	-	-	-	12,028
	<u>\$ 740,759</u>	<u>\$ 128,296</u>	<u>\$ 751,322</u>	<u>\$ 25,953,108</u>
LIABILITIES				
Accounts payable	\$ 9,750	\$ -	\$ 9,581	\$ 1,274,986
Accrued salaries and benefits	-	-	21,508	21,508
Advances from other funds	2,936,614	-	-	4,692,217
Due to other funds	824	-	2,085	400,101
Unearned revenues	-	-	-	100,670
	<u>2,947,188</u>	<u>-</u>	<u>33,174</u>	<u>6,489,482</u>
FUND BALANCES				
Restricted	-	128,296	718,148	21,786,725
Unassigned	(2,206,429)	-	-	(2,323,099)
	<u>(2,206,429)</u>	<u>128,296</u>	<u>718,148</u>	<u>19,463,626</u>
Total Fund Balances	<u>(2,206,429)</u>	<u>128,296</u>	<u>718,148</u>	<u>19,463,626</u>
Total Liabilities and Fund Balances	<u>\$ 740,759</u>	<u>\$ 128,296</u>	<u>\$ 751,322</u>	<u>\$ 25,953,108</u>

**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, 2015**

	Lighting Districts	Service Areas	Maintenance Districts
Revenues:			
Taxes	\$ 187,820	\$ 166,515	\$ 396,549
Aid from other governmental agencies	1,981	1,729	4,072
Use of money and property	2,869	36,166	30,193
Charges for services	268,409	4,633,483	7,087,378
Miscellaneous	189	33,501	34,218
Total Revenues	461,268	4,871,394	7,552,410
Expenditures:			
Current:			
Public protection	-	-	-
Public ways and facilities	393,839	3,706,116	6,688,900
Public assistance	-	-	-
Recreation and culture	-	197,877	-
Capital outlay	44,754	95,426	96,192
Debt service - interest	-	73,027	-
Debt service - principal	-	-	-
Total Expenditures	438,593	4,072,446	6,785,092
Excess (Deficiency) of Revenues Over (Under) Expenditures	22,675	798,948	767,318
Other Financing Sources (Uses):			
Transfers in	-	54,736	33,395
Transfers out	-	(608,132)	-
Transfers - other (A-87)	-	(618)	-
Transfers between Special Revenue Funds	-	-	-
Total Other Financing Sources (Uses)	-	(554,014)	33,395
Net Change in Fund Balances	22,675	244,934	800,713
Fund Balances, Beginning of Year	1,030,920	4,868,946	10,128,169
Fund Balances, End of Year	\$ 1,053,595	\$ 5,113,880	\$ 10,928,882

**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, 2015**

	Flood Control District	Water District	North Eastern San Joaquin Ground Water Banking Authority
Revenues:			
Taxes	\$ 1,603,237	\$ 1,822	\$ -
Aid from other governmental agencies	120,041	18	238,930
Use of money and property	15,644	225	746
Charges for services	4,175,178	97,130	-
Miscellaneous	119,091	-	-
Total Revenues	6,033,191	99,195	239,676
Expenditures:			
Current:			
Public protection	7,089,069	-	-
Public ways and facilities	-	66,637	313,517
Public assistance	-	-	-
Recreation and culture	-	-	-
Capital outlay	82,897	-	-
Debt service - interest	3,671	-	1,453
Debt service - principal	145,661	-	-
Total Expenditures	7,321,298	66,637	314,970
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,288,107)</u>	<u>32,558</u>	<u>(75,294)</u>
Other Financing Sources (Uses):			
Transfers in	80,000	-	-
Transfers out	-	-	-
Transfers - other (A-87)	-	-	-
Transfers between Special Revenue Funds	(500,000)	-	100,000
Total Other Financing Sources (Uses)	(420,000)	-	100,000
Net Change in Fund Balances	(1,708,107)	32,558	24,706
Fund Balances, Beginning of Year	<u>5,483,557</u>	<u>60,559</u>	<u>(166,019)</u>
Fund Balances, End of Year	<u><u>\$ 3,775,450</u></u>	<u><u>\$ 93,117</u></u>	<u><u>\$ (141,313)</u></u>

**COUNTY OF SAN JOAQUIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR SPECIAL DISTRICTS GOVERNED BY
THE BOARD OF SUPERVISORS – SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	Mokelumne Water and Power Authority	Improvement Districts	IHSS Public Authority	Total
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 2,355,943
Aid from other governmental agencies	-	-	-	366,771
Use of money and property	1,262	336	184	87,625
Charges for services	-	-	-	16,261,578
Miscellaneous	-	-	-	186,999
	<u>1,262</u>	<u>336</u>	<u>184</u>	<u>19,258,916</u>
Total Revenues				
Expenditures:				
Current:				
Public protection	-	-	-	7,089,069
Public ways and facilities	167,969	117	-	11,337,095
Public assistance	-	-	(768,580)	(768,580)
Recreation and culture	-	-	-	197,877
Capital outlay	-	-	-	319,269
Debt service - interest	8,497	-	-	86,648
Debt service - principal	-	-	-	145,661
	<u>176,466</u>	<u>117</u>	<u>(768,580)</u>	<u>18,407,039</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(175,204)</u>	<u>219</u>	<u>768,764</u>	<u>851,877</u>
Other Financing Sources (Uses):				
Transfers in	-	-	-	168,131
Transfers out	-	-	-	(608,132)
Transfers - other (A-87)	-	-	-	(618)
Transfers between Special Revenue Funds	400,000	-	-	-
	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>(440,619)</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	224,796	219	768,764	411,258
Fund Balances, Beginning of Year	<u>(2,431,225)</u>	<u>128,077</u>	<u>(50,616)</u>	<u>19,052,368</u>
Fund Balances, End of Year	<u>\$ (2,206,429)</u>	<u>\$ 128,296</u>	<u>\$ 718,148</u>	<u>\$ 19,463,626</u>

Debt Service Funds

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

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2015**

	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	\$ -	\$ 34,419	\$ 12,922	\$ -	\$ 47,341
Interest receivable	-	30	9	-	39
Due from other funds	-	3,552	(3,552)	-	-
Restricted assets:					
Cash and investments	8,514,134	-	-	608,897	9,123,031
Receivables	9,957	-	-	111	10,068
Total Assets	\$ 8,524,091	\$ 38,001	\$ 9,379	\$ 609,008	\$ 9,180,479
FUND BALANCES					
Restricted	\$ -	\$ 38,001	\$ 9,379	\$ 609,008	\$ 656,388
Assigned	8,524,091	-	-	-	8,524,091
Total Fund Balances	\$ 8,524,091	\$ 38,001	\$ 9,379	\$ 609,008	\$ 9,180,479

**COUNTY OF SAN JOAQUIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	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	\$ 61,435	\$ 102	\$ 26	\$ 1,013	\$ 62,576
Charges for services	-	18,219	5,439	-	23,658
Total Revenues	61,435	18,321	5,465	1,013	86,234
Expenditures:					
Debt service:					
General government	-	307	180	-	487
Principal retirement	2,765,000	5,000	1,700	160,000	2,931,700
Interest and debt issuance costs	5,528,875	12,966	3,704	448,035	5,993,580
Total Expenditures	8,293,875	18,273	5,584	608,035	8,925,767
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,232,440)	48	(119)	(607,022)	(8,839,533)
Other Financing Sources (Uses):					
Transfers in	7,108,167	-	-	608,035	7,716,202
Transfers out	-	-	-	(4,736)	(4,736)
Total Other Financing Sources	7,108,167	-	-	603,299	7,711,466
Net Change in Fund Balances	(1,124,273)	48	(119)	(3,723)	(1,128,067)
Fund Balances, Beginning of Year	9,648,364	37,953	9,498	612,731	10,308,546
Fund Balances, End of Year	\$ 8,524,091	\$ 38,001	\$ 9,379	\$ 609,008	\$ 9,180,479

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, 2015**

	Courthouse Construction	Criminal Justice Construction	Airport East Construction
ASSETS			
Cash and investments	\$ 816,651	\$ 4,117,774	\$ 7,221,423
Due from other fund	172	172	-
Interest receivable	570	3,165	-
Accounts receivable	58,231	41,352	-
Total Assets	\$ 875,624	\$ 4,162,463	\$ 7,221,423
LIABILITIES			
Current liabilities:			
Due to other funds	\$ -	\$ -	\$ -
Accounts payable	-	-	8,203
Advances from other funds	-	-	-
Total Liabilities	-	-	8,203
FUND BALANCES			
Restricted	875,624	4,162,463	-
Assigned	-	-	7,213,220
Unassigned	-	-	-
Total Fund Balances	875,624	4,162,463	7,213,220
Total Liabilities and Fund Balances	\$ 875,624	\$ 4,162,463	\$ 7,221,423

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET (Continued)
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2015**

	MG Golf Course Capital Improvement Trust	Public Health Construction	Special Districts Governed by the Board of Supervisors	Total
ASSETS				
Cash and investments	\$ 75,831	\$ 1,317,081	\$ 1,271,444	\$ 14,820,204
Due from other fund	-	-	-	344
Interest receivable	46	1,035	980	5,796
Accounts receivable	-	-	-	99,583
Total Assets	\$ 75,877	\$ 1,318,116	\$ 1,272,424	\$ 14,925,927
LIABILITIES				
Current liabilities:				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	8,203
Advances from other funds	-	-	1,788,499	1,788,499
Total Liabilities	-	-	1,788,499	1,796,702
FUND BALANCES				
Restricted	-	-	996,351	6,034,438
Assigned	75,877	1,318,116	-	8,607,213
Unassigned	-	-	(1,512,426)	(1,512,426)
Total Fund Balances	75,877	1,318,116	(516,075)	13,129,225
Total Liabilities and Fund Balances	\$ 75,877	\$ 1,318,116	\$ 1,272,424	\$ 14,925,927

**COUNTY OF SAN JOAQUIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Courthouse Construction</u>	<u>Criminal Justice Construction</u>	<u>Airport East Construction</u>
Revenues:			
Fines, forfeitures, and penalties	\$ 741,109	\$ 525,944	\$ -
Use of money and property	1,565	10,459	(1,224)
Charges for services	-	-	-
Miscellaneous	-	-	-
Total Revenues	<u>742,674</u>	<u>536,403</u>	<u>(1,224)</u>
Expenditures:			
Public ways and facilities	-	-	-
Capital outlay	-	-	53,925
Total Expenditures	<u>-</u>	<u>-</u>	<u>53,925</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>742,674</u>	<u>536,403</u>	<u>(55,149)</u>
Other Financing Sources (Uses):			
Transfers in	-	-	-
Transfers out	(181,196)	-	-
Total Other Financing Sources (Uses)	<u>(181,196)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>561,478</u>	<u>536,403</u>	<u>(55,149)</u>
Fund Balances, Beginning of Year	<u>314,146</u>	<u>3,626,060</u>	<u>7,268,369</u>
Fund Balances, End of Year	<u>\$ 875,624</u>	<u>\$ 4,162,463</u>	<u>\$ 7,213,220</u>

**COUNTY OF SAN JOAQUIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	MG Golf Course Capital Improvement Trust	Public Health Construction	Special Districts Governed by the Board of Supervisors	Total
Revenues:				
Fines, forfeitures, and penalties	\$ -	\$ -	\$ -	\$ 1,267,053
Use of money and property	142	3,540	3,443	17,925
Charges for services	28,887	-	1,538	30,425
Miscellaneous	-	-	27,400	27,400
Total Revenues	29,029	3,540	32,381	1,342,803
Expenditures:				
Public ways and facilities	-	-	172,726	172,726
Capital outlay	-	-	-	53,925
Total Expenditures	-	-	172,726	226,651
Excess (Deficiency) of Revenues Over (Under) Expenditures	29,029	3,540	(140,345)	1,116,152
Other Financing Sources (Uses):				
Transfers in	-	-	96	96
Transfers out	-	-	(113,516)	(294,712)
Total Other Financing Sources (Uses)	-	-	(113,420)	(294,616)
Net Change in Fund Balances	29,029	3,540	(253,765)	821,536
Fund Balances, Beginning of Year	46,848	1,314,576	(262,310)	12,307,689
Fund Balances, End of Year	<u>\$ 75,877</u>	<u>\$ 1,318,116</u>	<u>\$ (516,075)</u>	<u>\$ 13,129,225</u>

**COUNTY OF SAN JOAQUIN
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL DISTRICTS GOVERNED BY
 THE BOARD OF SUPERVISORS – CAPITAL PROJECTS FUNDS
 JUNE 30, 2015**

	Improvement Districts	Lighting Districts	Maintenance Districts
ASSETS			
Cash and investments	\$ 875,581	\$ -	\$ (27,404)
Interest receivable	742	-	-
 Total Assets	<u>\$ 876,323</u>	<u>\$ -</u>	<u>\$ (27,404)</u>
LIABILITIES			
Advances from other funds	\$ -	\$ -	\$ -
 Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Restricted	876,323	-	-
Unassigned	-	-	(27,404)
 Total Fund Balances	<u>876,323</u>	<u>-</u>	<u>(27,404)</u>
 Total Liabilities and Fund Balances	<u>\$ 876,323</u>	<u>\$ -</u>	<u>\$ (27,404)</u>

**COUNTY OF SAN JOAQUIN
 COMBINING BALANCE SHEET (Continued)
 NONMAJOR SPECIAL DISTRICTS GOVERNED BY
 THE BOARD OF SUPERVISORS – CAPITAL PROJECTS FUNDS
 JUNE 30, 2015**

	County Service Areas	Flood Control	Total
ASSETS			
Cash and investments	\$ 303,239	\$ 120,028	\$ 1,271,444
Interest receivable	238	-	980
 Total Assets	 <u>\$ 303,477</u>	 <u>\$ 120,028</u>	 <u>\$ 1,272,424</u>
LIABILITIES			
Advances from other funds	\$ 1,788,499	\$ -	\$ 1,788,499
 Total Liabilities	 <u>1,788,499</u>	 <u>-</u>	 <u>1,788,499</u>
FUND BALANCES			
Restricted	-	120,028	996,351
Unassigned	(1,485,022)	-	(1,512,426)
 Total Fund Balances	 <u>(1,485,022)</u>	 <u>120,028</u>	 <u>(516,075)</u>
 Total Liabilities and Fund Balances	 <u>\$ 303,477</u>	 <u>\$ 120,028</u>	 <u>\$ 1,272,424</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, 2015**

	Improvement Districts	Lighting Districts	Maintenance Districts
Revenues:			
Use of money and property	\$ 2,642	\$ -	\$ 41
Aid from other agencies	-	-	-
Charges for services	1,538	-	-
Miscellaneous	27,400	-	-
Total Revenues	31,580	-	41
Expenditures:			
Public ways and facilities	170,782	-	-
Total Expenditures	170,782	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(139,202)	-	41
Other Financing Sources (Uses):			
Transfers in	-	-	-
Transfers out	(122)	-	(33,394)
Total Other Financing Sources (Uses)	(122)	-	(33,394)
Net Change in Fund Balances	(139,324)	-	(33,353)
Fund Balances, Beginning of Year	1,015,647	-	5,949
Fund Balances, End of Year	\$ 876,323	\$ -	\$ (27,404)

**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, 2015**

	County Service Areas	Flood Control	Total
Revenues:			
Use of money and property	\$ 813	\$ (53)	\$ 3,443
Aid from other agencies	-	-	-
Charges for services	-	-	1,538
Miscellaneous	-	-	27,400
Total Revenues	<u>813</u>	<u>(53)</u>	<u>32,381</u>
Expenditures:			
Public ways and facilities	<u>1,944</u>	-	<u>172,726</u>
Total Expenditures	<u>1,944</u>	-	<u>172,726</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,131)</u>	<u>(53)</u>	<u>(140,345)</u>
Other Financing Sources (Uses):			
Transfers in	96	-	96
Transfers out	<u>-</u>	<u>(80,000)</u>	<u>(113,516)</u>
Total Other Financing Sources (Uses)	<u>96</u>	<u>(80,000)</u>	<u>(113,420)</u>
Net Change in Fund Balances	(1,035)	(80,053)	(253,765)
Fund Balances, Beginning of Year	<u>(1,483,987)</u>	<u>200,081</u>	<u>(262,310)</u>
Fund Balances, End of Year	<u>\$ (1,485,022)</u>	<u>\$ 120,028</u>	<u>\$ (516,075)</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, 2015**

	Fleet Services	Office Automation	Central Telephone	Radio Communi- cations
Assets				
Current Assets:				
Cash and investments	\$ 14,648,258	\$ 424,917	\$ 1,560,562	\$ 1,987,335
Imprest cash	40	-	-	-
Receivables	22,541	1,210	4,690	770
Interest receivable	11,962	372	1,228	1,383
Due from other funds	970,553	124,560	429,882	63,974
Due from other governments	-	-	-	-
Other liabilities	-	-	-	-
Prepaid expense	-	42,261	-	-
Inventories	614,642	-	12,480	-
Total Current Assets	16,267,996	593,320	2,008,842	2,053,462
Noncurrent Assets:				
Capital assets:				
Non-depreciable	-	-	-	-
Depreciable	10,687,524	2,961,451	394,314	6,913,138
Total Noncurrent Assets	10,687,524	2,961,451	394,314	6,913,138
Total Assets	26,955,520	3,554,771	2,403,156	8,966,600
Deferred Outflows of Resources:				
Deferred Pensions	470,021	-	271,756	-
Total Deferred Outflows of Resources	470,021	-	271,756	-
Total Assets and Deferred Outflows of Resources	\$ 27,425,541	\$ 3,554,771	\$ 2,674,912	\$ 8,966,600
Liabilities				
Current Liabilities:				
Accounts payable	\$ 620,722	\$ 279,403	\$ 77,998	\$ 94,305
Accrued payroll	104,209	-	65,603	-
Interest payable	4,167	10,814	-	7,261
Due to other funds	5,665	12,821	44,442	11,482
Compensated absences	164,970	-	64,959	-
Current portion of capital leases	543,236	1,164,349	-	565,069
Current portion of notes payable	-	-	-	-
Total Current Liabilities	1,442,969	1,467,387	253,002	678,117
Long-Term Liabilities:				
Advances from other funds	-	-	-	-
Compensated absences	-	-	-	-
Capital lease obligations	936,799	1,779,425	-	2,377,304
Claims liability	-	-	-	-
Notes payable	-	-	-	-
Net pension liability	4,908,484	-	2,856,973	-
OPEB liability	465,883	-	149,909	-
Total Long-Term Liabilities	6,311,166	1,779,425	3,006,882	2,377,304
Total Liabilities	7,754,135	3,246,812	3,259,884	3,055,421
Deferred Inflows of Resources:				
Deferred pensions	3,131	-	1,822	-
Total Deferred Inflows of Resources	3,131	-	1,822	-
Net Position				
Net investments in capital assets	9,205,216	17,676	394,314	3,970,765
Restricted	14,167,559	-	-	-
Unrestricted	(3,704,500)	290,283	(981,108)	1,940,414
Total Net Position	19,668,275	307,959	(586,794)	5,911,179
Total Liabilities and Net Position and Deferred Inflows of Resources	\$ 27,425,541	\$ 3,554,771	\$ 2,674,912	\$ 8,966,600

COUNTY OF SAN JOAQUIN
COMBINING STATEMENT OF FUND NET POSITION (Continued)
INTERNAL SERVICE FUNDS
JUNE 30, 2015

	Southern Water System	Purchasing ISF	Health Insurance	Dental Insurance	Medical Malpractice Insurance
<u>Assets</u>					
Current Assets:					
Cash and investments	\$ (5)	\$ 1,712,969	\$ 40,968,765	\$ 4,230,801	\$ 11,544,827
Imprest cash	-	-	-	-	-
Receivables	401,345	281	-	-	-
Interest receivable	27	1,117	32,990	3,369	9,060
Due from other funds	-	107,936	-	-	-
Due from other governments	-	-	1,508,854	222,432	-
Other liabilities	-	-	-	-	-
Prepaid expense	-	-	-	-	-
Inventories	-	-	-	-	-
Total Current Assets	401,367	1,822,303	42,510,609	4,456,602	11,553,887
Noncurrent Assets:					
Capital assets:					
Non-depreciable	17,481	-	-	-	-
Depreciable	-	-	-	-	-
Total Noncurrent Assets	17,481	-	-	-	-
Total Assets	418,848	1,822,303	42,510,609	4,456,602	11,553,887
Deferred Outflows of Resources:					
Deferred Pensions	-	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 418,848	\$ 1,822,303	\$ 42,510,609	\$ 4,456,602	\$ 11,553,887
<u>Liabilities</u>					
Current Liabilities:					
Accounts payable	\$ 21,140	\$ 1,358,183	\$ 2,057,401	\$ 448,278	\$ 21,606
Accrued payroll	-	-	-	-	-
Interest payable	-	-	-	-	-
Due to other funds	-	-	28,646	-	-
Compensated absences	-	-	-	-	-
Current portion of capital leases	-	-	-	-	-
Current portion of notes payable	-	-	-	-	-
Total Current Liabilities	21,140	1,358,183	2,086,047	448,278	21,606
Long-Term Liabilities:					
Advances from other funds	106,518	-	-	-	-
Compensated absences	-	-	-	-	-
Capital lease obligations	-	-	-	-	-
Claims liability	-	-	5,411,040	378,911	4,426,000
Notes payable	-	-	-	-	-
Net pension liability	-	-	-	-	-
OPEB liability	-	-	-	-	-
Total Long-Term Liabilities	106,518	-	5,411,040	378,911	4,426,000
Total Liabilities	127,658	1,358,183	7,497,087	827,189	4,447,606
Deferred Inflows of Resources:					
Deferred pensions	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
<u>Net Position</u>					
Net investments in capital assets	17,481	-	-	-	-
Restricted	-	-	-	-	-
Unrestricted	273,709	464,120	35,013,522	3,629,413	7,106,281
Total Net Position	291,190	464,120	35,013,522	3,629,413	7,106,281
Total Liabilities and Net Position and Deferred Inflows of Resources	\$ 418,848	\$ 1,822,303	\$ 42,510,609	\$ 4,456,602	\$ 11,553,887

**COUNTY OF SAN JOAQUIN
COMBINING STATEMENT OF FUND NET POSITION (Continued)
INTERNAL SERVICE FUNDS
JUNE 30, 2015**

	Casualty Insurance	Workers Comp Insurance	Unemployment Insurance	Total
<u>Assets</u>				
Current Assets:				
Cash and investments	\$ 20,562,659	\$ 47,162,580	\$ 7,371,969	\$ 152,175,637
Imprest cash	-	-	-	40
Receivables	-	-	-	430,837
Interest receivable	16,877	39,011	5,206	122,602
Due from other funds	-	75	-	1,696,980
Due from other governments	-	-	90,467	1,821,753
Other liabilities	-	-	-	-
Prepaid expense	4,462	250,000	-	296,723
Inventories	-	-	-	627,122
Total Current Assets	20,583,998	47,451,666	7,467,642	157,171,694
Noncurrent Assets:				
Capital assets:				
Non-depreciable	-	-	-	17,481
Depreciable	-	-	-	20,956,427
Total Noncurrent Assets	-	-	-	20,973,908
Total Assets	20,583,998	47,451,666	7,467,642	178,145,602
Deferred Outflows of Resources:				
Deferred Pensions	-	-	-	741,777
Total Deferred Outflows of Resources	-	-	-	741,777
Total Assets and Deferred Outflows of Resources	\$ 20,583,998	\$ 47,451,666	\$ 7,467,642	\$ 178,887,379
<u>Liabilities</u>				
Current Liabilities:				
Accounts payable	\$ 115,675	\$ 659,789	\$ 2,006,059	\$ 7,760,559
Accrued payroll	-	-	-	169,812
Interest payable	56,703	-	-	78,945
Due to other funds	649,415	-	-	752,471
Compensated absences	-	-	-	229,929
Current portion of capital leases	-	-	-	2,272,654
Current portion of notes payable	70,257	-	-	70,257
Total Current Liabilities	892,050	659,789	2,006,059	11,334,627
Long-Term Liabilities:				
Advances from other funds	-	-	-	106,518
Compensated absences	-	-	-	-
Capital lease obligations	-	-	-	5,093,528
Claims liability	10,868,000	32,803,000	260,297	54,147,248
Notes payable	1,368,313	-	-	1,368,313
Net pension liability	-	-	-	7,765,457
OPEB liability	-	-	-	615,792
Total Long-Term Liabilities	12,236,313	32,803,000	260,297	69,096,856
Total Liabilities	13,128,363	33,462,789	2,266,356	80,431,483
Deferred Inflows of Resources:				
Deferred pensions	-	-	-	4,953
Total Deferred Inflows of Resources	-	-	-	4,953
<u>Net Position</u>				
Net investments in capital assets	-	-	-	13,605,452
Restricted	-	-	-	14,167,559
Unrestricted	7,455,635	13,988,877	5,201,286	70,677,932
Total Net Position	7,455,635	13,988,877	5,201,286	98,450,943
Total Liabilities and Net Position and Deferred Inflows of Resources	\$ 20,583,998	\$ 47,451,666	\$ 7,467,642	\$ 178,887,379

**COUNTY OF SAN JOAQUIN
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	Fleet Services	Office Automation	Central Telephone	Radio Communi- cations
Operating Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Equipment rental	9,390,092	1,600,915	126,450	34,326
User fees	1,407,306	104,165	5,117,671	2,491,352
Interest charges to users	-	75,386	-	-
Other	206,084	-	-	-
Total Operating Revenues	11,003,482	1,780,466	5,244,121	2,525,678
Operating Expenses:				
Liability claims and loss adjustment	-	-	-	-
Salaries and benefits	2,828,568	-	1,614,046	-
Insurance	324,811	21	8,643	449
Services and supplies	4,849,747	689,570	3,380,986	1,694,517
Depreciation and amortization	2,041,479	1,545,870	147,137	1,297,759
Miscellaneous	15,773	-	-	-
Total Operating Expenses	10,060,378	2,235,461	5,150,812	2,992,725
Operating Income (Loss)	943,104	(454,995)	93,309	(467,047)
Non-Operating Revenues (Expenses):				
Gain (loss) on sale of equipment	81,074	-	-	-
Investment income (loss)	39,375	1,064	4,375	4,632
Interest expense	(36,757)	(80,361)	-	(76,006)
Insurance recovery	23,197	-	-	-
Total Non-Operating Revenues (Expenses)	106,889	(79,297)	4,375	(71,374)
Net Income (Loss) Before Transfers and Contributions	1,049,993	(534,292)	97,684	(538,421)
Transfers and Contributions				
Capital contributions/grants-non County	88,587	-	-	-
Transfers in	2,570,440	-	-	-
Total Transfers and Contributions	2,659,027	-	-	-
Change in Net Position	3,709,020	(534,292)	97,684	(538,421)
Net Position - Beginning of Year	20,369,066	842,251	1,882,244	6,449,600
Prior Period Adjustment	(4,409,811)	-	(2,566,722)	-
Net Position - Beginning of Year, Restated	15,959,255	842,251	(684,478)	6,449,600
Net Position - End of Year	\$ 19,668,275	\$ 307,959	\$ (586,794)	\$ 5,911,179

**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, 2015**

	Southern Water System	Purchasing ISF	Health Insurance	Dental Insurance	Medical Malpractice Insurance
Operating Revenues:					
Charges for services	\$ 57,335	\$ -	\$ 36,468,758	\$ 5,804,263	\$ 2,450,000
Equipment rental	-	-	-	-	-
User fees	-	6,223,473	335,483	-	-
Interest charges to users	-	-	-	-	-
Other	-	35,559	-	-	1,176
Total Operating Revenues	57,335	6,259,032	36,804,241	5,804,263	2,451,176
Operating Expenses:					
Liability claims and loss adjustment	-	-	32,987,205	5,474,489	1,252,910
Salaries and benefits	-	-	-	-	-
Insurance	-	-	2,311,587	-	1,140,983
Services and supplies	-	6,262,583	645,984	63,411	62,381
Depreciation and amortization	-	-	-	-	-
Miscellaneous	-	-	45,419	-	-
Total Operating Expenses	-	6,262,583	35,990,195	5,537,900	2,456,274
Operating Income (Loss)	57,335	(3,551)	814,046	266,363	(5,098)
Non-Operating Revenues (Expenses):					
Gain (loss) on sale of equipment	-	-	-	-	-
Investment income (loss)	81	3,551	117,291	11,553	28,750
Interest expense	(9,918)	-	-	-	-
Insurance recovery	-	-	-	-	-
Total Non-Operating Revenues (Expenses)	(9,837)	3,551	117,291	11,553	28,750
Net Income (Loss) Before Transfers and Contributions	47,498	-	931,337	277,916	23,652
Transfers and Contributions					
Capital contributions/grants-non County	-	-	-	-	-
Transfers in	-	-	-	-	-
Total Transfers and Contributions	-	-	-	-	-
Change in Net Position	47,498	-	931,337	277,916	23,652
Net Position - Beginning of Year	243,692	464,120	34,082,185	3,351,497	7,082,629
Prior Period Adjustment	-	-	-	-	-
Net Position - Beginning of Year, Restated	243,692	464,120	34,082,185	3,351,497	7,082,629
Net Position - End of Year	<u>\$ 291,190</u>	<u>\$ 464,120</u>	<u>\$ 35,013,522</u>	<u>\$ 3,629,413</u>	<u>\$ 7,106,281</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, 2015**

	Casualty Insurance	Workers Comp Insurance	Unemployment Insurance	Total
Operating Revenues:				
Charges for services	\$ 5,895,516	\$ 10,955,000	\$ 2,388,514	\$ 64,019,386
Equipment rental	-	-	-	11,151,783
User fees	-	-	-	15,679,450
Interest charges to users	-	-	-	75,386
Other	1,315	11,325	-	255,459
Total Operating Revenues	5,896,831	10,966,325	2,388,514	91,181,464
Operating Expenses:				
Liability claims and loss adjustment	2,062,633	9,479,540	1,074,106	52,330,883
Salaries and benefits	-	-	-	4,442,614
Insurance	2,010,519	1,314,633	-	7,111,646
Services and supplies	3,310,970	2,100,357	5,873	23,066,379
Depreciation and amortization	-	-	-	5,032,245
Miscellaneous	42,605	17,542	-	121,339
Total Operating Expenses	7,426,727	12,912,072	1,079,979	92,105,106
Operating Income (Loss)	(1,529,896)	(1,945,747)	1,308,535	(923,642)
Non-Operating Revenues (Expenses):				
Gain (loss) on sale of equipment	-	-	-	81,074
Investment income (loss)	54,506	142,166	14,881	422,225
Interest expense	(62,099)	-	-	(265,141)
Insurance recovery	-	-	-	23,197
Total Non-Operating Revenues (Expenses)	(7,593)	142,166	14,881	261,355
Net Income (Loss) Before Transfers and Contributions	(1,537,489)	(1,803,581)	1,323,416	(662,287)
Transfers and Contributions				
Capital contributions/grants-non County	-	-	-	88,587
Transfers in	-	-	-	2,570,440
Total Transfers and Contributions	-	-	-	2,659,027
Change in Net Position	(1,537,489)	(1,803,581)	1,323,416	1,996,740
Net Position - Beginning of Year	8,993,124	15,792,458	3,877,870	103,430,736
Prior Period Adjustment	-	-	-	(6,976,533)
Net Position - Beginning of Year, Restated	8,993,124	15,792,458	3,877,870	96,454,203
Net Position - End of Year	\$ 7,455,635	\$ 13,988,877	\$ 5,201,286	\$ 98,450,943

**COUNTY OF SAN JOAQUIN
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	Fleet Services	Office Automation	Central Telephone	Radio Communi- cations
Cash Flows from Operating Activities:				
Cash received from user departments	\$ 10,545,201	\$ 1,702,073	\$ 5,191,508	\$ 2,542,252
Cash payments to suppliers for goods and services	(4,364,153)	(495,111)	(2,659,587)	(1,417,926)
Cash payments to employees for services	(2,744,553)	-	(1,570,875)	-
Cash paid to County departments for services	(670,817)	(225,924)	(761,060)	(261,457)
Other operating revenues	206,084	75,386	-	-
	<u>2,971,762</u>	<u>1,056,424</u>	<u>199,986</u>	<u>862,869</u>
Net Cash Provided (Used) by Operating Activities				
	<u>2,971,762</u>	<u>1,056,424</u>	<u>199,986</u>	<u>862,869</u>
Cash Flows from Noncapital Financing Activities:				
State and Federal grant receipts	88,587	-	-	-
Prior period adjustment	-	-	-	-
Capital contributions	-	-	-	-
Transfers in (out)	1,214,637	-	-	-
	<u>1,214,637</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Noncapital Financing Activities				
	<u>1,303,224</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition of capital assets	(2,607,512)	(23,139)	(312,898)	(91,951)
Debt interest payments	(37,399)	(82,780)	-	(75,865)
Debt principal payments	(481,773)	(1,243,466)	-	(572,452)
OPEB obligation	-	-	-	-
Proceeds from sale of capital assets	81,074	-	-	-
Receipts from insurance recovery	23,195	-	-	-
	<u>(3,022,415)</u>	<u>(1,349,385)</u>	<u>(312,898)</u>	<u>(740,268)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities				
	<u>(3,022,415)</u>	<u>(1,349,385)</u>	<u>(312,898)</u>	<u>(740,268)</u>
Cash Flows from Investing Activities:				
Interest on Investments - Pooled Cash	36,625	1,050	4,100	4,529
	<u>36,625</u>	<u>1,050</u>	<u>4,100</u>	<u>4,529</u>
Net Cash Provided by Investing Activities				
	<u>36,625</u>	<u>1,050</u>	<u>4,100</u>	<u>4,529</u>
Increase (Decrease) in Cash and Investments	1,289,196	(291,911)	(108,812)	127,130
Cash and Investments, Beginning of Year	13,359,102	716,828	1,669,374	1,860,205
	<u>13,359,102</u>	<u>716,828</u>	<u>1,669,374</u>	<u>1,860,205</u>
Cash and Investments, End of Year	<u>\$ 14,648,298</u>	<u>\$ 424,917</u>	<u>\$ 1,560,562</u>	<u>\$ 1,987,335</u>

COUNTY OF SAN JOAQUIN
COMBINING STATEMENT OF CASH FLOWS (Continued)
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Southern Water System	Purchasing ISF	Health Insurance	Dental Insurance	Medical Malpractice Insurance
Cash Flows from Operating Activities:					
Cash received from user departments	\$ -	\$ 6,207,002	\$ 36,705,616	\$ 5,803,421	\$ 2,450,000
Cash payments to suppliers for goods and services	-	(5,972,169)	(40,407,025)	(5,390,245)	(1,456,300)
Cash payments to employees for services	-	-	-	-	-
Cash paid to County departments for services	-	(105,814)	(528,759)	(63,411)	(45,079)
Other operating revenues	-	-	1,494,981	-	1,176
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u>-</u>	<u>129,019</u>	<u>(2,735,187)</u>	<u>349,765</u>	<u>949,797</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	(9,918)	-	-	-	-
Debt principal payments	(47,417)	-	-	-	-
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>(57,335)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Investing Activities:					
Interest on Investments - Pooled Cash	<u>75</u>	<u>3,359</u>	<u>112,638</u>	<u>10,843</u>	<u>27,488</u>
Net Cash Provided by Investing Activities	<u>75</u>	<u>3,359</u>	<u>112,638</u>	<u>10,843</u>	<u>27,488</u>
Increase (Decrease) in Cash and Investments	(57,260)	132,378	(2,622,549)	360,608	977,285
Cash and Investments, Beginning 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>
Cash and Investments, End of Year	<u>\$ (21,145)</u>	<u>\$ 1,712,969</u>	<u>\$ 40,968,765</u>	<u>\$ 4,230,801</u>	<u>\$ 11,544,827</u>

**COUNTY OF SAN JOAQUIN
COMBINING STATEMENT OF CASH FLOWS (Continued)
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	Casualty Insurance	Workers Comp Insurance	Unemployment Insurance	Total
Cash Flows from Operating Activities:				
Cash received from user departments	\$ 5,895,516	\$ 10,955,000	\$ 4,392,510	\$ 92,390,099
Cash payments to suppliers for goods and services	(5,901,150)	(9,505,699)	(1,067,954)	(78,637,319)
Cash payments to employees for services	-	-	-	(4,315,428)
Cash paid to County departments for services	(1,492,941)	(1,926,430)	(5,883)	(6,087,575)
Other operating revenues	1,439	97,459	-	1,876,525
Net Cash Provided (Used) by Operating Activities	(1,497,136)	(379,670)	3,318,673	5,226,302
Cash Flows from Noncapital Financing Activities:				
State and Federal grant receipts	-	-	-	88,587
Prior period adjustment	-	-	-	-
Capital contributions	-	-	-	-
Transfers in (out)	-	-	-	1,214,637
Net Cash Provided (Used) by Noncapital Financing Activities	-	-	-	1,303,224
Cash Flows from Capital and Related Financing Activities:				
Acquisition of capital assets	-	-	-	(3,035,500)
Debt interest payments	(64,755)	-	-	(270,717)
Debt principal payments	(67,360)	-	-	(2,412,468)
OPEB obligation	-	-	-	-
Proceeds from sale of capital assets	-	-	-	81,074
Receipts from insurance recovery	-	-	-	23,195
Net Cash Provided (Used) by Capital and Related Financing Activities	(132,115)	-	-	(5,614,416)
Cash Flows from Investing Activities:				
Interest on Investments - Pooled Cash	52,207	136,119	12,204	401,237
Net Cash Provided by Investing Activities	52,207	136,119	12,204	401,237
Increase (Decrease) in Cash and Investments	(1,577,044)	(243,551)	3,330,877	1,316,347
Cash and Investments, Beginning of Year	22,139,703	47,406,131	4,041,092	150,838,190
Cash and Investments, End of Year	\$ 20,562,659	\$ 47,162,580	\$ 7,371,969	\$ 152,154,537

**COUNTY OF SAN JOAQUIN
COMBINING STATEMENT OF CASH FLOWS (Continued)
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	<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)	\$ 943,104	\$ (454,995)	\$ 93,309	\$ (467,047)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	2,041,479	1,545,870	147,137	1,297,759
(Increase) decrease in accounts receivable	(252,197)	(3,007)	(52,612)	16,573
(Increase) decrease in inventories	(17,070)	-	8,740	-
(Increase) decrease in prepaid expenses	-	21,804	-	-
Increase (decrease) in accounts payable	256,446	(53,248)	3,412	15,584
Increase (decrease) in claims liability	-	-	-	-
 Net Cash Provided (Used) by Operating Activities	 <u>\$ 2,971,762</u>	 <u>\$ 1,056,424</u>	 <u>\$ 199,986</u>	 <u>\$ 862,869</u>

**COUNTY OF SAN JOAQUIN
COMBINING STATEMENT OF CASH FLOWS (Continued)
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Southern Water System</u>	<u>Purchasing ISF</u>	<u>Health Insurance</u>	<u>Dental Insurance</u>	<u>Medical Malpractice Insurance</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 57,335	\$ (3,551)	\$ 814,046	\$ 266,363	\$ (5,098)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	-	-	-	-	-
(Increase) decrease in accounts receivable	(57,335)	(52,031)	(98,624)	(842)	-
(Increase) decrease in inventories	-	-	-	-	-
(Increase) decrease in prepaid expenses	-	-	-	-	-
Increase (decrease) in accounts payable	-	184,601	(3,788,182)	60,893	14,895
Increase (decrease) in claims liability	-	-	337,573	23,351	940,000
Net Cash Provided (Used) by Operating Activities	<u>\$ -</u>	<u>\$ 129,019</u>	<u>\$ (2,735,187)</u>	<u>\$ 349,765</u>	<u>\$ 949,797</u>

**COUNTY OF SAN JOAQUIN
COMBINING STATEMENT OF CASH FLOWS (Continued)
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	<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)	\$ (1,529,896)	\$ (1,945,747)	\$ 1,308,535	\$ (923,642)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	-	-	-	5,032,245
(Increase) decrease in accounts receivable	124	393	(2,063)	(501,621)
(Increase) decrease in inventories	-	-	-	(8,330)
(Increase) decrease in prepaid expenses	-	-	-	21,804
Increase (decrease) in accounts payable	62,636	376,354	2,006,059	(860,550)
Increase (decrease) in claims liability	(30,000)	1,189,330	6,142	2,466,396
	<u>\$ (1,497,136)</u>	<u>\$ (379,670)</u>	<u>\$ 3,318,673</u>	<u>\$ 5,226,302</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,497,136)</u>	<u>\$ (379,670)</u>	<u>\$ 3,318,673</u>	<u>\$ 5,226,302</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, 2015**

	Sammie Hay	Industrial Revolving Loan Fund	Home Investment Trust Local Account	Rehabilitation Loan Program	Disaster Recovery Initiative Program	Total
Assets						
Cash and investments	\$ 368,299	\$ 3,162,263	\$ 1,181,848	\$ 5,423,268	\$ 156,059	\$ 10,291,737
Loan program investment	-	-	-	-	-	-
Investment income receivables	302	3,618	937	5,213	122	10,192
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	48,925	-	-	48,925
Loans receivable	-	3,581,222	20,163,357	9,638,690	496,478	33,879,747
Total Assets	\$ 368,601	\$ 6,747,103	\$ 21,395,067	\$ 15,067,171	\$ 652,659	\$ 44,230,601
Liabilities						
Accounts payable	\$ 2,709	\$ -	\$ 88	\$ -	\$ -	\$ 2,797
Total Liabilities	2,709	-	88	-	-	2,797
Net Position						
Held in trust for:						
Revolving loans	-	6,747,103	21,394,700	15,065,891	652,622	43,860,316
Unrealized market value appreciation	87	-	279	1,280	37	1,683
Other purposes	365,805	-	-	-	-	365,805
Total Net Position	365,892	6,747,103	21,394,979	15,067,171	652,659	44,227,804
Total Liabilities and Net Position	\$ 368,601	\$ 6,747,103	\$ 21,395,067	\$ 15,067,171	\$ 652,659	\$ 44,230,601

**COUNTY OF SAN JOAQUIN
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	Sammie Hay	Industrial Revolving Loan Fund	Home Investment Trust Local Account	Rehabilitation Loan Program	Disaster Recovery Initiative Program	Total
Additions:						
Contributions from other governments	\$ -	\$ -	\$ 329,327	\$ 19,980	\$ -	\$ 349,307
Investment income	1,095	60,784	3,112	14,250	417	79,658
Loan income	-	152,154	78,547	71,160	-	301,861
Miscellaneous income	-	4,566	9,293	391	-	14,250
Total Additions	1,095	217,504	420,279	105,781	417	745,076
Deductions:						
Benefit payments	91,359	-	-	-	-	91,359
Program expenses	-	8,457	2,453	(36,867)	-	(25,957)
Allowance for loan adjustments	-	-	899,420	2,063,128	104,854	3,067,402
Loan servicing fees	-	9,084	792	176	-	10,052
Administrative expenses	-	173,410	143,932	6,910	-	324,252
Total Deductions	91,359	190,951	1,046,597	2,033,347	104,854	3,467,108
Change in Net Position	(90,264)	26,553	(626,318)	(1,927,566)	(104,437)	(2,722,032)
Net Position, Beginning	456,156	7,022,363	22,021,297	16,994,737	757,096	47,251,649
Prior Period Adjustment	-	(301,813)	-	-	-	(301,813)
Net Position, Beginning, Restated	456,156	6,720,550	22,021,297	16,994,737	757,096	46,949,836
Net Position, Ending	\$ 365,892	\$ 6,747,103	\$ 21,394,979	\$ 15,067,171	\$ 652,659	\$ 44,227,804

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, 2015**

	<u>June 30, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2015</u>
<u>Assets</u>				
Cash and investments - pooled	\$ 38,756,286	\$ 590,729,835	\$ 589,230,032	\$ 40,256,089
Cash and investments held by others	3,166,494	23,236,954	23,212,799	3,190,649
Receivables	34,089,801	30,015,623	34,089,801	30,015,623
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>\$ 88,015,919</u>	<u>\$ 643,982,412</u>	<u>\$ 646,532,632</u>	<u>\$ 85,465,699</u>
<u>Liabilities</u>				
Accounts payable	\$ 32,665,973	\$ 28,917,896	\$ 32,665,973	\$ 28,917,896
Due to other agencies	55,329,946	648,094,192	646,896,335	56,527,803
Loan payable	20,000	-	-	20,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 88,015,919</u>	<u>\$ 677,012,088</u>	<u>\$ 679,562,308</u>	<u>\$ 85,465,699</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, 2015**

	Governmental Activities
ASSETS	
Pooled cash and investments	\$ 338,760
Accounts receivable	14,613
Interest receivable	395
Due from other funds	-
Restricted assets:	
Cash and investments	608,897
Receivable	111
Capital assets:	
Depreciable, net	5,615,937
Total Assets	\$ 6,578,713
LIABILITIES	
Accounts payable	\$ 9,033
Interest payable	213,152
Advances from other County funds	1,154,735
Long-term liabilities:	
Certificates of participation	7,605,000
Discounts on certificates of participation	(90,563)
Total Liabilities	8,891,357
NET POSITION	
Net investments in capital assets	(1,289,492)
Restricted for:	
Debt service	311,758
Assigned	80
Unassigned	(1,334,990)
Total Net Position	(2,312,644)
Total Liabilities and Net Position	\$ 6,578,713

**COUNTY OF SAN JOAQUIN
STATEMENT OF ACTIVITIES
COUNTY SERVICE AREA NO. 31 – FLAG CITY
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Governmental Activities</u>
Program Expenses:	
Public Ways and Facilities:	
Professional services	\$ 228,968
Utilities	220,847
Communication	245
Office expenses	223
Special expenses	2,094
Maintenance	21,712
Insurance	29,401
Miscellaneous	3,355
Depreciation	311,679
Interest	<u>520,983</u>
Total Program Expenses	1,339,507
Program Revenues:	
Use of money and property	1,642
Miscellaneous	65
Charges for services	<u>1,209,285</u>
Total Program Revenues	1,210,992
Net Program Revenues (Expenses)	(128,515)
Other Financing Sources (Uses)	
Transfers In	612,771
Transfers Out	<u>(612,771)</u>
Total Other Financing Sources (Uses)	-
Change in Net Position	(128,515)
Net Position, Beginning of Year	<u>(2,184,129)</u>
Net Position, End of Year	<u><u>\$ (2,312,644)</u></u>

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET
COUNTY SERVICE AREA NO. 31 – FLAG CITY
ALL GOVERNMENTAL FUNDS
JUNE 30, 2015**

	Special Revenue Funds				Totals
	Operating Fund	Sewer Service Fund	All Special Revenue Funds	Debt Service	
ASSETS					
Cash and investments	\$ 639,191	\$ (300,431)	\$ 338,760	\$ -	\$ 338,760
Interest receivable	519	(124)	395	-	395
Due from other funds	-	-	-	-	-
Accounts receivable	14,613	-	14,613	-	14,613
Restricted assets:					
Cash and investments	-	-	-	608,897	608,897
Receivables	-	-	-	111	111
Total Assets	\$ 654,323	\$ (300,555)	\$ 353,768	\$ 609,008	\$ 962,776
LIABILITIES					
Accounts payable	\$ 7,171	\$ 1,862	\$ 9,033	\$ -	\$ 9,033
Advances from other funds	-	1,179,378	1,179,378	-	1,179,378
Total Liabilities	7,171	1,181,240	1,188,411	-	1,188,411
FUND BALANCES					
Restricted	-	-	-	612,731	612,731
Assigned	151	(71)	80	-	80
Unassigned	647,001	(1,481,724)	(834,723)	(3,723)	(838,446)
Total Fund Balances	647,152	(1,481,795)	(834,643)	609,008	(225,635)
Total Liabilities and Fund Balances	\$ 654,323	\$ (300,555)	\$ 353,768	\$ 609,008	\$ 962,776

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

Fund Balances from above	\$ (225,635)
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	5,615,937
Advance from other funds	24,643
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	(7,514,437)
Accrued interest payable	(213,152)
Net position of governmental activities	<u>\$ (2,312,644)</u>

**COUNTY OF SAN JOAQUIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
COUNTY SERVICE AREA NO. 31 – FLAG CITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Special Revenue Funds				Totals
	Operating Fund	Sewer Service Fund	All Special Revenue Funds	Debt Service	
Revenues:					
Use of money and property	\$ 1,702	\$ (1,072)	\$ 630	\$ 1,012	\$ 1,642
Miscellaneous	65	-	65	-	65
Charges for services	250,874	958,411	1,209,285	-	1,209,285
Total Revenues	252,641	957,339	1,209,980	1,012	1,210,992
Expenditures:					
Current:					
Public ways and facilities:					
Professional services	140,165	88,803	228,968	-	228,968
Utilities	17,117	203,730	220,847	-	220,847
Communication	-	245	245	-	245
Office expenses	223	-	223	-	223
Special expenses	2,802	(708)	2,094	-	2,094
Maintenance	20,193	1,519	21,712	-	21,712
Insurance	9,489	19,912	29,401	-	29,401
Miscellaneous	47	3,308	3,355	-	3,355
Capital outlay	-	-	-	-	-
Interest	-	97,385	97,385	608,035	705,420
Total Expenditures	190,036	414,194	604,230	608,035	1,212,265
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	62,605	543,145	605,750	(607,023)	(1,273)
Other Financing Sources (Uses):					
Transfers in	-	4,736	4,736	608,035	612,771
Transfers out	-	(608,035)	(608,035)	(4,736)	(612,771)
Total Other Financing Sources (Uses)	-	(603,299)	(603,299)	603,299	-
Net Change in Fund Balances	62,605	(60,154)	2,451	(3,724)	(1,273)
Fund Balances, Beginning of Year	584,547	(1,421,641)	(837,094)	612,732	(224,362)
Fund Balances, End of Year	<u>\$ 647,152</u>	<u>\$ (1,481,795)</u>	<u>\$ (834,643)</u>	<u>\$ 609,008</u>	<u>\$ (225,635)</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, 2015**

Net change in fund balances - total governmental funds \$ (1,273)

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.

Change in accrued interest payable	<u>184,437</u>
Change in net position of governmental activities	<u><u>\$ (128,515)</u></u>

**STATISTICAL SECTION –
FINANCIAL ONLY**

**COUNTY OF SAN JOAQUIN
CHANGES IN NET POSITION
LAST EIGHT FISCAL YEARS
FOR THE YEAR ENDED JUNE 30, 2015**

	2014-15	2013-14	2012-13
Expenses:			
Governmental activities:			
General government	\$ 44,119,254	\$ 40,145,573	\$ 38,900,374
Public protection	312,319,279	288,441,086	284,684,621
Public ways and facilities	50,196,703	46,689,698	46,045,758
Health and sanitation	159,487,254	148,701,302	131,895,213
Public assistance	385,698,364	346,006,741	328,782,573
Education	6,320,057	5,796,673	5,466,702
Recreation and culture	7,207,270	7,353,381	6,068,176
Interest on long-term debt	6,332,101	8,103,411	7,262,275
Total governmental activities expenses	<u>971,680,282</u>	<u>891,237,865</u>	<u>849,105,692</u>
Business-type activities:			
Solid Waste	17,431,399	19,959,897	19,261,618
Hospital	244,964,002	231,019,266	218,810,095
Airport	4,609,485	4,225,330	3,958,205
Total business-type activities expenses	<u>267,004,886</u>	<u>255,204,493</u>	<u>242,029,918</u>
Total primary governmental expenses	<u>1,238,685,168</u>	<u>1,146,442,358</u>	<u>1,091,135,610</u>
Program Revenues:			
Governmental activities:			
Charges for services:			
General government	16,701,740	16,110,539	18,713,432
Public protection	42,655,237	42,130,757	36,530,250
Public ways and facilities	13,322,768	12,920,671	12,355,712
Community infrastructure program	1,861,840	2,437,929	2,327,150
Health and sanitation	60,648,994	46,529,972	44,996,442
Children and families act program	5,665	2,958	-
Public assistance	1,424,032	1,574,045	1,556,354
Education	288,385	149,422	125,154
Recreation and culture	2,438,641	2,357,105	2,232,119
Operating grants and contributions	615,371,916	572,068,307	553,220,285
Capital grants and contributions (3)	8,108,454	2,998,899	5,917,695
Total governmental activities revenues	<u>762,827,672</u>	<u>699,280,604</u>	<u>677,974,593</u>
Business-type activities:			
Charges for services:			
Solid Waste	21,523,626	20,028,217	18,938,096
Hospital	318,448,623	251,158,643	211,715,269
Airport	2,208,655	1,782,589	1,659,160
Operating grants and contributions	321,377	257,212	278,645
Capital grants and contributions (3)	4,443,668	8,603	276,796
Total business-type activities revenues	<u>346,945,949</u>	<u>273,235,264</u>	<u>232,867,966</u>
Total primary government revenues	<u>1,109,773,621</u>	<u>972,515,868</u>	<u>910,842,559</u>
Net (Expense)/Revenue			
Governmental activities	(208,852,610)	(191,957,261)	(171,131,099)
Business-type activities	79,941,063	18,030,771	(9,161,952)
Total primary government net expense	<u>\$ (128,911,547)</u>	<u>\$ (173,926,490)</u>	<u>\$ (180,293,051)</u>

	2011-12	2010-11	2009-10	2008-09	2007-08
\$	30,511,256	\$ 27,299,881	\$ 26,098,049	\$ 38,743,985	\$ 31,655,441
	282,264,243	279,598,113	297,597,268	303,010,545	277,183,027
	45,940,486	43,102,885	46,579,136	41,407,882	49,711,444
	124,500,788	120,331,660	127,103,901	135,808,377	133,879,694
	331,193,491	351,331,147	355,777,105	344,216,452	332,367,831
	6,026,990	6,055,394	5,921,627	6,724,552	7,010,323
	7,145,530	9,054,852	9,956,704	9,069,181	7,377,767
	7,076,149	7,506,293	7,311,782	8,424,991	11,684,229
	<u>834,658,933</u>	<u>844,280,225</u>	<u>876,345,572</u>	<u>887,405,965</u>	<u>850,869,756</u>
	20,149,471	16,373,498	19,748,649	20,980,240	19,682,725
	220,561,110	206,416,196	204,730,696	203,675,658	204,207,568
	3,827,559	4,304,072	4,024,516	3,813,218	3,915,507
	<u>244,538,140</u>	<u>227,093,766</u>	<u>228,503,861</u>	<u>228,469,116</u>	<u>227,805,800</u>
	<u>1,079,197,073</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>
	14,987,471	17,166,522	16,002,101	20,891,343	20,878,702
	33,921,623	42,841,343	44,575,946	46,309,079	46,128,760
	12,070,414	11,088,079	10,876,151	10,333,240	10,970,609
	2,880,231	1,194,635	933,701	1,344,892	3,564,809
	40,191,296	36,338,946	38,321,000	34,934,714	33,600,035
	1,220	975	750	574	1,000
	1,756,149	1,152,025	2,775,286	2,166,674	1,329,035
	165,905	250,865	297,122	274,717	157,664
	2,459,005	2,219,648	2,293,085	1,885,727	1,588,227
	504,564,328	531,236,543	524,926,700	481,756,701	517,574,981
	6,029,847	11,548,756	17,920,366	21,311,899	15,098,553
	<u>619,027,489</u>	<u>655,038,337</u>	<u>658,922,208</u>	<u>621,209,560</u>	<u>650,892,375</u>
	18,211,174	18,459,508	17,316,220	16,274,245	17,678,924
	199,321,051	219,637,752	171,131,971	169,748,603	166,670,823
	1,717,973	1,853,720	1,715,024	1,576,065	1,664,750
	1,454,441	5,475,622	791,175	974,955	1,715,573
	-	-	-	-	-
	<u>220,704,639</u>	<u>245,426,602</u>	<u>190,954,390</u>	<u>188,573,868</u>	<u>187,730,070</u>
	<u>839,732,128</u>	<u>900,464,939</u>	<u>849,876,598</u>	<u>809,783,428</u>	<u>838,622,445</u>
	(215,631,444)	(189,241,888)	(217,423,364)	(266,196,405)	(199,977,381)
	(23,833,501)	18,332,836	(37,549,471)	(39,895,248)	(40,075,730)
\$	<u>(239,464,945)</u>	<u>(170,909,052)</u>	<u>(254,972,835)</u>	<u>(306,091,653)</u>	<u>(240,053,111)</u>

**COUNTY OF SAN JOAQUIN
CHANGES IN NET POSITION (Continued)
LAST EIGHT FISCAL YEARS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
General Revenues and Other Changes in Net Position			
Governmental activities:			
Property taxes	\$ 187,329,552	\$ 190,657,357	\$ 194,307,507
Sales taxes	32,951,657	30,750,927	25,582,091
Motor vehicle and other in-lieu taxes	3,835,878	3,009,443	3,315,816
Tobacco settlement proceeds	5,973,943	6,051,379	9,179,197
Other	3,311,445	5,662,160	5,461,138
Investment earnings	3,617,995	3,446,408	3,330,203
Miscellaneous	3,134,692	1,136,688	2,748,878
Transfers	(16,245,774)	(15,422,000)	(16,484,352)
Prior period adjustment (1)	<u>(904,616,146)</u>	<u>(120,400)</u>	<u>26,165,848</u>
Total governmental activities	<u>(680,706,758)</u>	<u>225,171,962</u>	<u>253,606,326</u>
Business-type activities:			
Property taxes	439,265	452,344	404,271
Investment earnings	449,516	238,142	208,241
Other	-	-	-
Transfers	16,245,774	15,422,000	16,484,352
Prior period adjustment (2)	<u>(200,711,082)</u>	<u>1,954,370</u>	<u>-</u>
Total business-type activities	<u>(183,576,527)</u>	<u>18,066,856</u>	<u>17,096,864</u>
Total primary government	<u>\$ (864,283,285)</u>	<u>\$ 243,238,818</u>	<u>\$ 270,703,190</u>
Changes in Net Position			
Governmental activities	\$ (889,559,368)	\$ 33,214,701	\$ 82,475,227
Business-type activities	<u>(103,635,464)</u>	<u>36,097,627</u>	<u>7,935,512</u>
Total primary government	<u>\$ (993,194,832)</u>	<u>\$ 69,312,328</u>	<u>\$ 90,410,739</u>

(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.

(1) & (2) = 2014-15 - Reflect primarily the implementation of GASB 68 "Accounting and Financial Reporting for Pensions."

2011-12	2010-11	2009-10	2008-09	2007-08
\$ 181,691,758	\$ 197,588,751	\$ 194,019,051	\$ 228,875,556	\$ 234,895,057
25,234,396	22,201,894	21,314,504	22,034,677	26,759,854
3,085,571	4,209,020	2,742,578	4,383,463	4,804,452
6,090,538	5,972,551	5,708,772	6,849,537	6,230,445
4,921,777	2,477,535	4,950,211	5,440,246	6,258,720
3,404,414	3,240,049	4,632,198	15,167,101	27,198,618
179,010	854,293	78,437	(116,862)	83,414
(21,219,699)	(18,439,088)	(31,215,630)	(26,006,773)	(47,806,151)
-	-	3,615,017	(78,007,878)	-
<u>203,387,765</u>	<u>218,105,005</u>	<u>205,845,138</u>	<u>178,619,067</u>	<u>258,424,409</u>
440,546	412,356	495,249	624,866	486,589
543,366	576,172	590,015	1,407,937	1,701,493
-	-	-	-	2,444,975
21,219,699	18,439,088	31,215,630	26,006,773	47,806,151
-	-	(575,937)	23,575,078	-
<u>22,203,611</u>	<u>19,427,616</u>	<u>31,724,957</u>	<u>51,614,654</u>	<u>52,439,208</u>
<u>\$ 225,591,376</u>	<u>\$ 237,532,621</u>	<u>\$ 237,570,095</u>	<u>\$ 230,233,721</u>	<u>\$ 310,863,617</u>
\$ (12,243,679)	\$ 28,863,117	\$ (15,193,243)	\$ (87,577,338)	\$ 58,447,028
(1,629,890)	37,760,452	(5,248,577)	11,719,406	12,363,478
<u>\$ (13,873,569)</u>	<u>\$ 66,623,569</u>	<u>\$ (20,441,820)</u>	<u>\$ (75,857,932)</u>	<u>\$ 70,810,506</u>

**COUNTY OF SAN JOAQUIN
FUND BALANCES – GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS
AS OF JUNE 30, 2015**

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

	2014-15	2013-14	2012-13	2011-12
General Fund:				
Nonspendable	\$ 7,643,013	\$ 7,484,489	\$ 7,698,730	\$ 7,898,238
Restricted	48,549,323	43,080,110	37,762,674	35,416,191
Committed	10,003,085	10,003,085	10,004,635	10,003,085
Assigned	31,497,014	25,806,721	18,841,794	14,497,524
Unassigned	101,867,252	85,391,987	85,118,632	38,438,402
Total General Fund	199,559,687	171,766,392	159,426,465	106,253,440
All Other Governmental Funds:				
Nonspendable	1,759,290	1,669,154	1,575,224	1,498,955
Restricted	238,992,643	216,181,366	201,337,911	185,975,884
Assigned	76,886,985	65,338,370	57,691,719	58,718,682
Unassigned	(4,557,836)	(4,210,127)	(4,053,482)	(4,193,090)
Total all other governmental funds	313,081,082	278,978,763	256,551,372	242,000,431
Total - all governmental funds	\$ 512,640,769	\$ 450,745,155	\$ 415,977,837	\$ 348,253,871

	<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><u>342,110,964</u></u>	<u><u>329,322,377</u></u>	<u><u>396,661,259</u></u>	<u><u>475,391,393</u></u>

<u>2010-11 (1)</u>
\$ 8,094,729
35,245,339
10,006,276
29,889,700
<u>44,315,708</u>
<u>127,551,752</u>
1,491,076
177,632,988
69,136,987
<u>(3,092,040)</u>
<u>245,169,011</u>
<u><u>\$ 372,720,763</u></u>

**COUNTY OF SAN JOAQUIN
LEGAL DEBT MARGIN INFORMATION
LAST EIGHT FISCAL YEARS
AS OF JUNE 30, 2015**

	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
Debt limit	\$ 754,692,239	\$ 692,834,021	\$ 659,393,352
Total net debt applicable to limit	-	-	-
Legal debt margin	754,692,239	692,834,021	659,393,352
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>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
\$ 659,802,311	\$ 685,383,938	\$ 647,943,721	\$ 730,992,679	\$ 746,277,606
-	-	-	-	-
659,802,311	685,383,938	647,943,721	730,992,679	746,277,606
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, 2015**

Fiscal Year	Governmental Activities			
	Certificates of Participation	Capital Leases	Claims/Notes/ OPEB	Unpaid Compensated Absence
2015	\$ 121,655,492	\$ 7,672,933	\$ 116,094,540	\$ 30,651,703
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

**COUNTY OF SAN JOAQUIN
RATIOS OF OUTSTANDING DEBT BY TYPE (Continued)
LAST EIGHT FISCAL YEARS
AS OF JUNE 30, 2015**

Fiscal Year	Business-Type Activities				
	Certificates of Participation	Capital Leases	Claims/Notes/O PEB	Unpaid Compensated Absence	Landfill Closure and Postclosure
2015	\$ 43,360,560	\$ 841,449	\$ 50,429,943	\$ 7,224,685	\$ 12,550,263
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

**COUNTY OF SAN JOAQUIN
RATIOS OF OUTSTANDING DEBT BY TYPE (Continued)
LAST EIGHT FISCAL YEARS
AS OF JUNE 30, 2015**

Fiscal Year	Total Primary Government	Per Capita	Population
2015	\$ 390,481,568	\$ 543	719,511
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

**COUNTY OF SAN JOAQUIN
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS
AS OF JUNE 30, 2015**

	2014-15	2013-14	2012-13	2011-12
REVENUES				
Taxes	\$ 247,582,643	\$ 225,089,738	\$ 212,056,460	\$ 203,474,641
Licenses and permits	7,590,126	7,163,302	7,065,578	5,709,247
Fines, forfeitures, and penalties	11,828,420	13,570,298	14,086,309	11,425,041
Use of money and property	3,360,170	3,164,958	3,285,935	3,150,330
Aid from other governmental agencies	642,720,971	586,561,084	566,196,112	517,253,471
Charges for services	113,776,069	97,077,976	95,469,119	87,814,747
Miscellaneous	11,129,327	11,062,901	14,648,722	12,373,135
Total Revenues	1,037,987,726	943,690,257	912,808,235	841,200,612
EXPENDITURES				
Current:				
General government	46,234,075	45,914,929	50,085,753	51,825,030
Public safety	294,376,805	275,078,622	268,176,699	264,428,919
Public ways and facilities	33,942,012	30,863,647	31,141,322	31,345,220
Health and sanitation	157,673,353	146,876,714	128,532,481	119,911,230
Public assistance	378,902,622	342,306,189	324,020,734	326,366,640
Education	6,051,470	5,564,668	5,266,189	5,641,949
Recreation and culture	5,342,397	5,466,274	5,404,618	6,018,841
Capital outlay	26,706,194	31,613,607	32,288,100	29,264,625
Debt service:				
Principal	3,104,997	3,341,418	2,883,548	2,658,191
Interest	6,085,105	6,297,634	6,711,246	6,543,010
Total expenditures	958,419,030	893,323,702	854,510,690	844,003,655
Excess (deficiency) of revenues over (under) expenditures	79,568,696	50,366,555	58,297,545	(2,803,043)
OTHER FINANCING SOURCES (USES)				
Transfers in	41,738,981	40,160,144	61,359,996	51,814,780
Transfers out	(59,412,063)	(55,639,145)	(78,304,473)	(73,528,418)
Interfund interest	-	-	-	-
Loan proceeds	-	-	-	49,789
Prior period adjustments	-	(120,236)	-	-
Total Other Financing Sources (Uses)	(17,673,082)	(15,599,237)	(16,944,477)	(21,663,849)
Net change in fund balances	\$ 61,895,614	\$ 34,767,318	\$ 41,353,068	\$ (24,466,892)

2010-11	2009-10	2008-09	2007-08
\$ 219,624,042	\$ 233,592,658	\$ 262,120,999	\$ 227,076,417
5,283,279	4,521,601	4,909,610	6,659,886
10,588,072	14,505,266	17,169,243	17,348,913
2,809,953	4,078,513	12,190,863	22,631,106
548,416,708	548,283,284	511,206,416	540,440,978
94,099,700	91,896,037	91,461,555	101,260,527
15,880,988	14,084,177	13,211,719	14,508,125
<u>896,702,742</u>	<u>910,961,536</u>	<u>912,270,405</u>	<u>929,925,952</u>
41,693,019	41,684,459	48,006,592	51,768,284
262,332,207	273,972,542	276,607,702	263,415,264
29,815,450	32,346,727	28,236,546	35,818,333
115,529,363	122,569,723	130,599,944	131,038,122
345,721,093	349,552,643	337,562,155	328,313,700
5,663,467	5,848,898	6,646,636	6,927,513
5,917,793	6,222,469	6,369,288	5,468,614
30,061,521	27,521,442	99,541,241	122,920,479
3,150,239	2,593,667	6,397,785	13,690,137
6,933,924	7,152,094	7,936,181	10,593,228
<u>846,818,076</u>	<u>869,464,664</u>	<u>947,904,070</u>	<u>969,953,674</u>
<u>49,884,666</u>	<u>41,496,872</u>	<u>(35,633,665)</u>	<u>(40,027,722)</u>
38,890,956	27,517,174	57,611,137	61,170,226
(58,345,849)	(59,329,240)	(84,143,865)	(109,397,997)
-	-	-	-
180,026	317,604	790,682	9,525,359
-	-	-	-
<u>(19,274,867)</u>	<u>(31,494,462)</u>	<u>(25,742,046)</u>	<u>(38,702,412)</u>
<u>\$ 30,609,799</u>	<u>\$ 10,002,410</u>	<u>\$ (61,375,711)</u>	<u>\$ (78,730,134)</u>

**COUNTY OF SAN JOAQUIN
NET POSITION BY COMPONENT
LAST EIGHT FISCAL YEARS
AS OF JUNE 30, 2015**

	2014-15	2013-14	2012-13	2011-12
Governmental activities				
Net investments in capital assets	\$ 463,486,189	\$ 462,765,546	\$ 451,195,289	\$ 450,740,695
Restricted net position	257,513,902	376,464,492	360,682,027	348,192,228
Unrestricted net position	<u>(608,418,248)</u>	<u>162,911,173</u>	<u>157,049,194</u>	<u>87,518,360</u>
Total governmental activities net position	<u>112,581,843</u>	<u>1,002,141,211</u>	<u>968,926,510</u>	<u>886,451,283</u>
Business-type activities				
Net investments in capital assets	67,100,975	48,767,460	51,507,576	39,837,451
Restricted net position	3,758,051	2,684,231	2,254,966	1,915,283
Unrestricted net position	<u>(42,653,102)</u>	<u>80,389,697</u>	<u>41,981,219</u>	<u>46,055,515</u>
Total business-type activities net position	<u>28,205,924</u>	<u>131,841,388</u>	<u>95,743,761</u>	<u>87,808,249</u>
Primary government				
Net investments in capital assets	530,587,164	511,533,006	502,702,865	490,578,146
Restricted net position	261,271,953	379,148,723	362,936,993	350,107,511
Unrestricted net position	<u>(651,071,350)</u>	<u>243,300,870</u>	<u>199,030,413</u>	<u>133,573,875</u>
Total primary government net position	<u>\$ 140,787,767</u>	<u>\$ 1,133,982,599</u>	<u>\$ 1,064,670,271</u>	<u>\$ 974,259,532</u>

<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
\$ 447,107,088	\$ 442,095,234	\$ 441,546,314	\$ 485,015,056
354,890,877	366,388,735	357,928,522	373,275,682
<u>96,696,997</u>	<u>61,347,876</u>	<u>81,935,235</u>	<u>118,084,147</u>
<u>898,694,962</u>	<u>869,831,845</u>	<u>881,410,071</u>	<u>976,374,885</u>
36,708,379	40,321,738	40,581,470	18,627,614
1,914,093	1,785,070	2,133,763	11,528,014
<u>50,815,667</u>	<u>9,570,879</u>	<u>14,786,968</u>	<u>18,372,385</u>
<u>89,438,139</u>	<u>51,677,687</u>	<u>57,502,201</u>	<u>48,528,013</u>
483,815,467	482,416,972	482,127,784	503,642,670
356,804,970	368,173,805	360,062,285	384,803,696
<u>147,512,664</u>	<u>70,918,755</u>	<u>96,722,203</u>	<u>136,456,532</u>
<u>\$ 988,133,101</u>	<u>\$ 921,509,532</u>	<u>\$ 938,912,272</u>	<u>\$ 1,024,902,898</u>