

**COUNTY OF SAN JOAQUIN, CALIFORNIA**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2017**

**COUNTY OF SAN JOAQUIN  
ANNUAL FINANCIAL REPORT  
JUNE 30, 2017**

Table of Contents

	<u>Page</u>
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report .....	1
<b>Management's Discussion and Analysis (Required Supplementary Information) .....</b>	<b>4</b>
<b>Basic Financial Statements:</b>	
Government-Wide Financial Statements:	
Statement of Net Position .....	14
Statement of Activities .....	15
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet .....	17
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position – Governmental Activities .....	18
Statement of Revenues, Expenditures, and Changes in Fund Balances .....	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities – Governmental Activities .....	20
Proprietary Funds:	
Statement of Fund Net Position .....	21
Statement of Revenues, Expenses, and Changes in Fund Net Position .....	23
Statement of Cash Flows .....	24
Fiduciary Funds:	
Statement of Fiduciary Net Position .....	26
Statement of Changes in Fiduciary Net Position .....	27
Notes to the Basic Financial Statements .....	28
<b>Required Supplementary Information (other than MD&amp;A):</b>	
Schedules of the County's Proportionate Share of the Net Pension Liability and Contributions:	
San Joaquin County Employees' Retirement Association .....	80
California Public Employees' Retirement System .....	81
Schedule of Funding Progress and Funding Status:	
Post Employment Healthcare – Implicit Subsidy .....	82
Budgetary Comparison Schedules:	
General Fund .....	83
Mental Health and Substance Abuse Fund .....	85
Note to Required Supplementary Information:	
Budgetary Basis of Accounting .....	86
<b>Supplementary Information:</b>	
General Fund Accounts:	
Combining Balance Sheet .....	87
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	88
Combining Balance Sheet – All General Fund Special Accounts .....	89
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – All General Fund Special Accounts .....	93

	<u>Page</u>
<b>Supplementary Information (Continued):</b>	
Nonmajor Governmental Funds:	
Combining Balance Sheet .....	97
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	98
Nonmajor Special Revenue Funds:	
Combining Balance Sheet .....	99
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	106
Combining Balance Sheet – Nonmajor Special Districts Governed by the Board of Supervisors .....	113
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Districts Governed by the Board of Supervisors.....	115
Nonmajor Debt Service Funds:	
Combining Balance Sheet .....	117
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	118
Nonmajor Capital Projects Funds:	
Combining Balance Sheet .....	119
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	121
Combining Balance Sheet – Nonmajor Special Districts Governed by the Board of Supervisors .....	123
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Districts Governed by the Board of Supervisors.....	125
Internal Service Funds:	
Combining Statement of Fund Net Position .....	127
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position.....	129
Combining Statement of Cash Flows .....	131
Agency Funds:	
Statement of Changes in Assets and Liabilities .....	133
Component Unit Financial Statements:	
County Service Area No. 31 – Flag City:	
Government-Wide Financial Statements:	
Statement of Net Position .....	134
Statement of Activities .....	135
Fund Financial Statements:	
Governmental Funds:	
Combining Balance Sheet.....	136
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	137
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities – Governmental Activities .....	138

**STATISTICAL SECTION**

Page

Financial Statistics for the Last Ten Years:

Changes in Net Position .....	139
Fund Balances – Governmental Funds .....	143
Legal Debt Margin Information .....	145
Ratios of Outstanding Debt by Type .....	147
Changes in Fund Balances – Governmental Funds .....	150
Net Position by Component.....	152



**VAVRINEK, TRINE, DAY & CO., LLP**  
Certified Public Accountants

VALUE THE *difference*

## INDEPENDENT AUDITORS' REPORT

To the Honorable Board of Supervisors  
County of San Joaquin, California

### Report on the Financial Statements

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 (County), as of and for the year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Health Plan of San Joaquin (a discretely presented component unit), which represent 99.05 percent, 98.93 percent, and 99.31 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Health Plan of San Joaquin, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## ***Opinions***

In our opinion, based on our audit and the report 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, 2017 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 18 to the financial statements, the County recorded prior period adjustments to correct errors reported in the prior year financial statements. Our opinion is not modified with respect to this 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 4-13, the schedules of the County's proportionate share of the net pension liability, the schedules of County contributions, the schedule of funding progress for the other postemployment benefit plan, and the budgetary comparison information for the General Fund and the major special revenue fund on pages 80-86, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

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

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2018, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Vavrinik, Trine, Day & Co. LLP

Sacramento, California  
January 10, 2018

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



**COUNTY OF SAN JOAQUIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

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

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of the County exceeded its liabilities and deferred inflows at the close of the 2016-17 fiscal year by \$277.2 million, which is referred to as net position. Of this amount, \$587.8 million was invested in capital assets, \$487.0 million is restricted and limited to specific purposes, while the remaining amount classified as a deficit in the amount of \$797.6.
- The County's total net position increased by \$37.3 million during the year. Governmental activities decreased the County's net position by \$5.9 million, and business-type activities increased the County's net position by \$43.3 million.
- As of June 30, 2017, the County governmental funds reported combined fund balances of \$679.6 million, which is an increase of \$54 million from last year's fund balance. Of the combined fund balances, \$431.7 million is nonspendable or restricted funds, while \$247.9 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, 2017, the unrestricted fund balance for the General Fund was \$171.4 million, or approximately 22.8% of the total General Fund operating expenditures.
- The County's total long-term liabilities that are due beyond one year at June 30, 2016, were \$1,864.4 million, \$208.2 million higher than the prior year, primarily due to an increase of \$6.9 million in the County's Other Post-Employment Benefits (OPEB) liability and the recording an increase of \$211.2 million in net pension liability, offset by a decrease of \$9.9 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, 2017**

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. The discretely presented component units include the Health Plan of San Joaquin and First 5 San Joaquin. 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 17-20 of this report.**

**COUNTY OF SAN JOAQUIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

**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 21-25 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 26-27 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 28-79 of this report.

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

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

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$277.2 million at the close of fiscal year 2016-17.

**COUNTY OF SAN JOAQUIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

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

The largest portion of the County's net position in the amount of \$587.8 million, approximately 212% 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 are 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, \$487 million or 176%, 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 \$-797.6 million, or -287.8%, which may be used to meet the County's ongoing obligations to citizens and creditors.

As shown below, the County's total net position increased by \$22.3 million compared to FY2015-16. Included in that increase is a combination of a \$-15.1 million prior period adjustment to business-type activities, a \$99 million increase in revenues, and a \$125.6 million increase in expenses from the prior year.

	Governmental Activities		Business-Type Activities		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
<b>Assets:</b>						
Current and other assets	\$ 958,262	\$ 916,218	\$ 383,051	\$ 330,322	\$ 1,341,313	\$ 1,246,540
Capital assets	591,259	586,071	137,438	119,914	728,697	705,985
<b>Total assets</b>	<b>1,549,521</b>	<b>1,502,289</b>	<b>520,489</b>	<b>450,236</b>	<b>2,070,010</b>	<b>1,952,525</b>
<b>Deferred outflows of resources:</b>						
Deferred gain on refunding	339	479	1,770	2,543	2,109	3,022
Deferred pensions	268,554	227,280	72,267	53,506	340,821	280,786
<b>Total deferred outflows</b>	<b>268,893</b>	<b>227,759</b>	<b>74,037</b>	<b>56,049</b>	<b>342,930</b>	<b>283,808</b>
<b>Liabilities:</b>						
Current and other liabilities	114,512	77,007	119,805	87,554	234,317	164,561
Long-term liabilities	1,506,190	1,459,526	358,282	331,695	1,864,472	1,791,221
<b>Total liabilities</b>	<b>1,620,702</b>	<b>1,536,533</b>	<b>478,087</b>	<b>419,249</b>	<b>2,098,789</b>	<b>1,955,782</b>
<b>Deferred inflows of resources:</b>						
Deferred SCA	1,568	1,685	--	--	1,568	1,685
Deferred pensions	29,799	19,574	5,596	4,369	35,395	23,943
<b>Total deferred inflows</b>	<b>31,367</b>	<b>21,259</b>	<b>5,596</b>	<b>4,369</b>	<b>36,963</b>	<b>25,628</b>
<b>Net Position:</b>						
Net investment in capital assets	479,182	472,054	108,595	82,290	587,777	554,344
Restricted	467,738	452,087	19,279	19,171	487,017	471,258
Unrestricted	(780,575)	(751,885)	(17,031)	(18,794)	(797,606)	(770,679)
<b>Total net position</b>	<b>\$ 166,345</b>	<b>\$ 172,256</b>	<b>\$ 110,843</b>	<b>\$ 82,667</b>	<b>\$ 277,188</b>	<b>\$ 254,923</b>

**COUNTY OF SAN JOAQUIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

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

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

**Governmental activities.** Governmental activities decreased the County's net position by \$5.9 million.

	Governmental Activities		Business-Type Activities		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
<b>Revenues:</b>						
Program Revenues:						
Charges for services	\$ 160,129	\$ 151,609	\$ 392,221	\$ 287,639	\$ 552,350	\$ 439,248
Operating grants and contr.	618,757	584,690	373	633	619,130	585,323
Capital grants and contr.	5,933	6,221	3,072	979	9,005	7,200
General Revenues:						
Property taxes	229,703	225,975	--	378	229,703	226,353
Property transfer taxes	3,575	3,441	--	--	3,575	3,441
Sales taxes	37,807	35,939	--	--	37,807	35,939
Motor vehicle and other in lieu taxes	4,331	4,056	--	--	4,331	4,056
Transient occupancy tax	463	445	--	--	463	445
Franchise and others	2,857	2,966	--	--	2,857	2,966
Tobacco settlement proceeds	6,075	5,907	--	--	6,075	5,907
Investment earnings	4,770	6,611	1,867	1,128	6,637	7,739
Miscellaneous	3,157	3,173	--	54,324	3,157	57,497
Total Revenues	<u>1,077,557</u>	<u>1,031,033</u>	<u>397,533</u>	<u>345,081</u>	<u>1,475,090</u>	<u>1,376,114</u>
Expenses:						
General government	63,018	49,919	--	--	63,018	49,918
Public protection	360,538	345,476	--	--	360,538	345,476
Public ways and facilities	53,695	47,127	--	--	53,695	47,127
Health and sanitation	193,540	154,531	--	--	193,540	154,531
Public assistance	383,285	385,943	--	--	383,285	385,943
Education	5,297	7,180	--	--	5,297	7,180
Culture and recreation	7,482	7,379	--	--	7,482	7,379
Interest on long-term debt	5,924	6,083	--	--	5,924	6,083
Solid waste			28,754	20,264	28,754	20,264
Hospital			331,414	283,324	331,414	283,325
Airport			4,795	4,899	4,795	4,899
Total Expenses	<u>1,072,779</u>	<u>1,003,638</u>	<u>364,963</u>	<u>308,487</u>	<u>1,437,742</u>	<u>1,312,125</u>
Excess (deficiency) before transfers	4,778	27,395	32,570	36,594	37,348	63,989
Transfers	(10,690)	(13,756)	10,690	13,756	--	--
Change in net position	<u>(5,912)</u>	<u>13,639</u>	<u>43,260</u>	<u>50,350</u>	<u>37,348</u>	<u>63,989</u>
Net position, beginning of year	172,257	112,582	82,666	28,206	254,923	140,788
Prior period adjustment	--	46,035	(15,083)	4,111	(15,083)	50,146
Net position, end of the year	<u>\$ 166,345</u>	<u>\$ 172,256</u>	<u>\$ 110,843</u>	<u>\$ 82,667</u>	<u>\$ 277,188</u>	<u>\$ 254,923</u>

**COUNTY OF SAN JOAQUIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

Revenues

Total revenues for the County's governmental activities increased by \$46.5 million, or 4.5%, 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 \$69.1 million, or 6.9%, over the previous year. Of the total increase, \$13.1 million comes from general government, \$15.1 million in public protection, and \$39 million in health and sanitation.

**Business-type activities.** Business-type activities increased the County's net position by \$43.3 million. The key factor that contributed to this increase was the increase in net charges for services revenue in the General Hospital Enterprise Fund. Hospital charges for services revenue increased \$50.7 million or 19.4% in 2017. A \$2.1 million increase in capital grants and contributions for the Airport also contributed to the overall increase in net position.

**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, 2017, the County's governmental funds reported total fund balances of \$679.6 million, an increase of \$54 million, or 8.6%, in comparison with the prior year. Approximately \$247.9 million, or 36.4%, 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, \$431.7 million or 63.5%, is restricted or nonspendable to indicate that it is not available for new spending because it: 1) reflects inventories, interfund advances, and loans receivable that are long-term in nature and thus do not represent available spendable resources, \$8.5 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, \$423.1 million.

The General Fund is the main operational fund of the County. At June 30, 2017, it had an unassigned fund balance of \$86.8 million while its total fund balance was \$243.4 million, an increase of \$30.7 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 11.5% of total fund expenditures, while total fund balance represents 32.3% 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, 2017, of its \$120.1 million fund balance, \$0.2 million is nonspendable and the remaining balance of \$119.9 million is available for the next fiscal year's appropriation.

**COUNTY OF SAN JOAQUIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

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, 2017, it had a fund balance of \$64.2 million.

Revenues for governmental functions totaled \$1,081 million in fiscal year 2016-17, which represents a \$63.9 million, or 6.2%, increase from fiscal year 2016-17. The largest increase in revenues were aid from other governmental agencies \$42.8 million, along with increases in tax revenues \$22.9 million, which is attributable to an increase in sales and property tax revenue, and charges for services \$2.5 million, due to an increase in chargeable services provided.

Expenditures for government functions totaled \$1,016 million in fiscal year 2016-17, which represents an increase of \$72.8 million, or 7.7%, from the prior year. The largest increases occurred in health and sanitation \$ 36.4 million, general government \$12 million, and general government \$36.4.

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

The Solid Waste Enterprise Fund had \$1.3 million in net position at June 30, 2017, the Airport Enterprise Fund had \$16.8 million, and the Hospital Enterprise Fund had \$92.8 million. The unrestricted net position amounted to -18.2 million, \$-1.9 million, and \$3 million, respectively, of the total proprietary funds' net position.

The internal service funds had \$82.8 million in net position at June 30, 2017, with \$53.6 million as unrestricted. Of the unrestricted net position, \$55 million is designated for future claims under the County's self-insurance programs.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Differences between the 2017 fiscal year's original budget and the final amended budget for the general fund resulted in a \$17.5 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 \$4.7 million due to an increase in salaries, services and supplies expense and capital outlay projects during the current year.
- The transfers-out budget increased by \$11.9 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, 2017**

During the year, actual revenues were less than budgetary estimates by \$51.6 million. The net under-budget revenues reflect the combination of over-budget and under-budget of various revenue sources. The major under-budget revenue was \$19.2 million in Aid from Other Governmental Agencies and \$50.5 million in transfers-in; while the major over-budget revenue was \$13.4 million in net property and sales tax.

Actual expenditures were less than final amended budgetary estimates by \$102 million. A majority of the difference is attributable to below budget expenditures in public protection (\$17.2 million), public assistance (\$40.8 million), transfers out (\$31.7 million), and general government (\$26.5 million). The net effect of under-realization of revenues and under-utilization of appropriations resulted in a favorable variance of \$50.4 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, 2017, amounted to \$728.7 million. This investment in capital assets includes infrastructure, infrastructure in progress, land, buildings and improvements, equipment, and construction in progress. The total increase in the County's investment in capital assets for the current period was 4.6%.

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

- Infrastructure increased by \$9.0 million due to completion of various bridge and road projects.
- Construction in progress increased by \$13.7 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>2016-17</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2015-16</u>
Infrastructure	\$ 268,102	\$ 259,075	\$ --	\$ --	\$ 268,102	\$ 259,076
Land and easements	14,201	14,551	4,663	4,663	18,864	19,214
Structure and improvements	262,144	266,212	77,993	76,335	340,137	342,548
Equipment	32,238	32,925	27,344	25,254	59,582	58,178
Construction in progress	6,224	6,088	26,035	12,449	32,259	18,537
Capital Leases	8,351	7,218	1,403	1,213	9,754	8,431
<b>Total</b>	<b><u>\$ 591,260</u></b>	<b><u>\$ 586,071</u></b>	<b><u>\$ 137,438</u></b>	<b><u>\$ 119,913</u></b>	<b><u>\$ 728,698</u></b>	<b><u>\$ 705,984</u></b>

For additional information related to capital assets, see Note 5 on pages 54-55.



**COUNTY OF SAN JOAQUIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

**Long-term liabilities**

At June 30, 2017, the County had total long-term outstanding liabilities of \$1,864.4 million, excluding the amount due within one year (\$49.1 million). This amount was comprised of \$131.5 million of certificates of participation, \$15.8 million in landfill closure/postclosure, \$6.6 million in capital lease obligations, \$1.6 million in notes payable, \$5.1 million in earned compensated absences, \$55 million for estimated self-insurance claims liability, \$91 million for the County's unfunded portion of OPEB, and \$1,557.8 million for the County's net pension liability.

For additional information related to long-term debt, see Notes 6, 7, and 8 on pages 55-61.

**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. The local economy continues to improve although it is anticipated the community will start to experience slower growth. The 2017 net property tax roll increased 6.74% from the prior year. This followed an increase in 2016 of 5.5%. The Assessor's property tax assessment rolls establish the property tax base for all local government agencies in the County, including cities, special districts, and school districts. Currently, the County collects over \$700 million for these agencies. The total tax roll for 2018 is \$70.6 billion.
- Under Proposition 8, passed in 1978, property values are temporarily reduced when their market value falls below their 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 published by the State Board of Equalization. These properties are reviewed annually to determine market value until the market value is equal to or greater than the FBYV.
- The overall 2017-18 County budget increased by \$140.9 million, or 9.4%, from fiscal year 2016-17. The increase is primarily attributable to: 1) negotiated salary and benefits adjustments; 2) increasing contributions to the Reserve for Contingencies to get closer to meeting the Board's strategic priority of 5% of appropriations in a Reserve for Contingency, 3) increased contributions towards the County's unfunded retirement liability (after the budget is structurally balanced, and the Contingency Reserve has been met, then up to an additional 5% toward the County's unfunded retirement liability is budgeted to be set aside), 4) increased 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.
- In March 2016, the Board adopted a policy to contribute up to 5% additional toward the County's unfunded retirement liability, currently at \$1.4 billion. At the 5% contribution level, the annual additional cost would be \$22.5 million with a Net County Cost of \$8.3 million. For 2017-18, the additional contributions are budgeted for the full fiscal year. The 2017-18 Final Budget includes \$4.8 million to be added to the Unfunded Pension Liability Reserve.
- Approximately 45% 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. Outstanding State SB90 claims at June 30, 2017 were approximately \$7.8 million.

- In June 2017, the Governor signed the fiscal year 2017-2018 State budget totaling \$183 billion dollar spending plan that maintains the Governor's insistence on fiscal prudence while at the same time helps counties avoid the worst impacts from increasing In-home Supportive Services (IHSS) costs. The final terms of the budget agreement between the Governor and legislative leadership prevented an IHSS cost shift of \$600 million to counties as was originally presented in the Governor's January budget. The final budget focuses on a combination of creating more robust reserves, paying down liabilities, and investing in schools and programs serving working families.

## **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, 2017**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Health Plan of San Joaquin	First 5 San Joaquin
<b>ASSETS</b>					
Cash and investments:					
Pooled	\$ 782,377,714	\$ 221,912,040	\$ 1,004,289,754	\$ 535,276,111	\$ 5,319,171
Other banks	6,348,816	-	6,348,816	-	-
Imprest cash	321,790	10,530	332,320	-	-
Accounts receivable, net	11,283,102	137,859,684	149,142,786	-	-
Taxes receivable	29,539,199	-	29,539,199	-	-
Interest receivable	2,379,617	53,905	2,433,522	1,534,389	14,208
Internal balances	1,536,915	(1,536,915)	-	-	-
Due from other agencies	72,431,951	230,558	72,662,509	121,456,470	1,308,575
Loans receivable	39,398,073	-	39,398,073	-	-
Prepaid expenses	290,130	1,994,405	2,284,535	-	-
Inventory	1,651,478	4,606,352	6,257,830	-	-
Other assets	25,948	-	25,948	11,663,689	-
SCA lease receivable	1,568,410	-	1,568,410	-	-
Restricted assets:					
Cash and investments	9,109,191	17,919,976	27,029,167	-	-
Capital assets:					
Non-depreciable	20,424,686	30,698,048	51,122,734	1,212,983	-
Depreciable	1,077,484,130	256,502,241	1,333,986,371	33,358,962	-
Accumulated depreciation	(506,649,430)	(149,761,869)	(656,411,299)	(14,368,908)	-
Total assets	<u>1,549,521,720</u>	<u>520,488,955</u>	<u>2,070,010,675</u>	<u>690,133,696</u>	<u>6,641,954</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred amounts on refunding	338,713	1,770,171	2,108,884	-	-
Deferred outflows related to pensions	268,553,575	72,267,425	340,821,000	4,958,467	639,814
Total deferred outflows of resources	<u>268,892,288</u>	<u>74,037,596</u>	<u>342,929,884</u>	<u>4,958,467</u>	<u>639,814</u>
<b>LIABILITIES</b>					
Accounts payable	43,939,850	18,536,085	62,475,935	6,472,771	1,360,837
Accrued expenses	7,868,214	2,980,630	10,848,844	7,818,158	18,088
Unearned revenue	27,934,928	1,898,521	29,833,449	-	75,000
Other liabilities	592,079	510,348	1,102,427	47,241,909	-
Due to other agencies	-	-	-	272,622,474	-
Accrued interest	902,218	241,000	1,143,218	-	-
Settlements with third parties	-	79,745,951	79,745,951	-	-
Long-term liabilities:					
Due within one year	33,278,170	15,892,837	49,171,007	-	65,524
Due beyond one year	123,427,722	37,240,582	160,668,304	-	17,405
Claims liability, due beyond one year	55,010,226	-	55,010,226	92,852,058	-
Other post-employment benefits	72,016,661	18,945,689	90,962,350	-	147,650
Net pension liability	<u>1,255,732,213</u>	<u>302,095,952</u>	<u>1,557,828,165</u>	<u>5,818,196</u>	<u>2,713,782</u>
Total liabilities	<u>1,620,702,281</u>	<u>478,087,595</u>	<u>2,098,789,876</u>	<u>432,825,566</u>	<u>4,398,286</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Service concession arrangement	1,568,410	-	1,568,410	-	-
Deferred inflows related to pensions	29,799,280	5,595,888	35,395,168	806,927	49,638
Total deferred inflows of resources	<u>31,367,690</u>	<u>5,595,888</u>	<u>36,963,578</u>	<u>806,927</u>	<u>49,638</u>
<b>NET POSITION</b>					
Net investment in capital assets	479,182,110	108,594,961	587,777,071	20,203,037	-
Restricted for:					
Capital projects	206,878,837	-	206,878,837	-	-
Debt service	9,109,191	1,359,555	10,468,746	-	-
Landfill closure / post-closure	-	6,490,324	6,490,324	-	-
Public works and community infrastructure	61,784,558	-	61,784,558	-	-
Local law enforcement programs	11,854,200	-	11,854,200	-	-
Mental health and substance abuse programs	122,045,740	-	122,045,740	-	-
Community development loans	56,064,427	-	56,064,427	-	-
Project costs & Medical education funds	-	11,429,652	11,429,652	-	-
Unrestricted	<u>(780,575,026)</u>	<u>(17,031,424)</u>	<u>(797,606,450)</u>	<u>241,256,633</u>	<u>2,833,844</u>
Total net position	<u>\$ 166,344,037</u>	<u>\$ 110,843,068</u>	<u>\$ 277,187,105</u>	<u>\$ 261,459,670</u>	<u>\$ 2,833,844</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, 2017**

Functions/Programs	Program Revenues				
	Operating Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>					
Governmental activities:					
General government	\$ 78,061,183	\$ (15,042,842)	\$ 27,326,551	\$ 410,895	\$ 486,133
Public protection	351,071,939	9,466,157	42,932,095	130,730,020	-
Public ways and facilities	50,316,763	896,083	15,206,628	13,280,019	5,446,787
Community infrastructure program	2,471,233	11,095	2,152,408	-	-
Health and sanitation	191,596,859	1,942,899	68,877,673	109,783,370	-
Public assistance	381,243,633	2,041,749	1,078,644	364,552,834	-
Education	5,193,824	103,452	236,659	-	-
Recreation and culture	6,900,492	581,407	2,318,728	-	-
Interest on long-term debt	5,923,999	-	-	-	-
Total governmental activities	<u>1,072,779,925</u>	<u>-</u>	<u>160,129,386</u>	<u>618,757,138</u>	<u>5,932,920</u>
Business-type activities:					
Hospital	331,413,438	-	359,381,771	-	-
Airport	4,794,758	-	4,137,658	808	3,071,900
Solid waste	28,754,059	-	28,701,130	372,054	-
Total business-type activities	<u>364,962,255</u>	<u>-</u>	<u>392,220,559</u>	<u>372,862</u>	<u>3,071,900</u>
Total primary government	<u>\$ 1,437,742,180</u>	<u>\$ -</u>	<u>\$ 552,349,945</u>	<u>\$ 619,130,000</u>	<u>\$ 9,004,820</u>
<b>Component units:</b>					
Health Plan of San Joaquin	\$ 1,051,315,316	\$ -	\$ 1,631,030	\$ 1,136,043,182	\$ -
First 5 San Joaquin	8,788,066	-	-	7,891,702	-
Total component units	<u>\$ 1,060,103,382</u>	<u>\$ -</u>	<u>\$ 1,631,030</u>	<u>\$ 1,143,934,884</u>	<u>\$ -</u>

General revenues:  
Taxes:  
Property taxes  
Property transfer tax  
Sales and use tax  
Transient occupancy tax  
Franchise and other  
Other in-lieu taxes  
Unrestricted interest and investment earnings  
Tobacco settlement revenues  
Miscellaneous  
Transfers  
Total general revenues and transfers

Change in net position  
Net position, beginning of year  
Prior period adjustments  
Net position, beginning of year, as restated  
Net position, end of year

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

<b>Net (Expense) Revenue and Changes in Net Position</b>				
<b>Primary Government</b>			<b>Component Units</b>	
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Health Plan of San Joaquin</b>	<b>First 5 San Joaquin</b>
\$ (34,794,762)		\$ (34,794,762)		
(186,875,981)		(186,875,981)		
(17,279,412)		(17,279,412)		
(329,920)		(329,920)		
(14,878,715)		(14,878,715)		
(17,653,904)		(17,653,904)		
(5,060,617)		(5,060,617)		
(5,163,171)		(5,163,171)		
(5,923,999)		(5,923,999)		
<u>(287,960,481)</u>		<u>(287,960,481)</u>		
	\$ 27,968,333	27,968,333		
	2,415,608	2,415,608		
	319,125	319,125		
	<u>30,703,066</u>	<u>30,703,066</u>		
<u>(287,960,481)</u>	<u>30,703,066</u>	<u>(257,257,415)</u>		
			\$ 86,358,896	\$ -
			-	(896,364)
			<u>86,358,896</u>	<u>(896,364)</u>
229,702,569	-	229,702,569	-	-
3,575,182	-	3,575,182	-	-
37,807,012	-	37,807,012	-	-
462,694	-	462,694	-	-
2,857,352	-	2,857,352	-	-
4,331,282	-	4,331,282	-	-
4,770,199	1,867,132	6,637,331	4,975,655	15,565
6,075,129	-	6,075,129	-	-
3,156,540	-	3,156,540	-	21,271
(10,690,177)	10,690,177	-	-	-
<u>282,047,782</u>	<u>12,557,309</u>	<u>294,605,091</u>	<u>4,975,655</u>	<u>36,836</u>
(5,912,699)	43,260,375	37,347,676	91,334,551	(859,528)
172,256,736	82,665,808	254,922,544	140,845,696	3,693,372
-	(15,083,115)	(15,083,115)	29,279,423	-
<u>172,256,736</u>	<u>67,582,693</u>	<u>239,839,429</u>	<u>170,125,119</u>	<u>3,693,372</u>
<u>\$ 166,344,037</u>	<u>\$ 110,843,068</u>	<u>\$ 277,187,105</u>	<u>\$ 261,459,670</u>	<u>\$ 2,833,844</u>

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, 2017**

	General Fund	Mental Health and Substance Abuse Fund	County Capital Outlay Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments:					
Pooled	\$ 278,088,704	\$ 99,766,000	\$ 63,660,373	\$ 208,118,762	\$ 649,633,839
Imprest cash	248,650	39,450	-	33,650	321,750
Accounts receivable	5,072,272	3,203,662	-	2,297,147	10,573,081
Taxes receivable	25,914,028	-	-	3,625,171	29,539,199
Interest receivable	1,034,888	263,944	205,477	501,159	2,005,468
Due from other agencies	40,120,941	24,997,339	-	7,313,671	72,431,951
Due from other funds	2,780,850	2,562,217	649,415	214,722	6,207,204
Advances to other funds	6,648,857	-	-	781,093	7,429,950
Loans receivable	20,000	-	-	39,378,073	39,398,073
Inventory	-	214,842	-	834,775	1,049,617
Other assets	25,500	-	-	448	25,948
Restricted assets:					
Restricted cash and investments	-	-	-	9,109,191	9,109,191
Total assets	<u>\$ 359,954,690</u>	<u>\$ 131,047,454</u>	<u>\$ 64,515,265</u>	<u>\$ 272,207,862</u>	<u>\$ 827,725,271</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 20,483,785	\$ 7,584,288	\$ 315,216	\$ 7,459,349	\$ 35,842,638
Accrued salaries	5,999,780	963,199	-	834,647	7,797,626
Due to other funds	3,972,688	454,227	-	1,949,909	6,376,824
Unearned revenues	27,676,121	-	-	258,807	27,934,928
Advances from other funds	-	-	-	6,484,701	6,484,701
Other liabilities	592,079	-	-	-	592,079
Total liabilities	<u>58,724,453</u>	<u>9,001,714</u>	<u>315,216</u>	<u>16,987,413</u>	<u>85,028,796</u>
Deferred inflows of resources:					
Unavailable revenue	57,872,238	1,928,088	-	3,257,292	63,057,618
Total deferred inflows of resources	<u>57,872,238</u>	<u>1,928,088</u>	<u>-</u>	<u>3,257,292</u>	<u>63,057,618</u>
Fund balances:					
Nonspendable	6,694,357	214,842	-	1,616,316	8,525,515
Restricted	65,261,426	119,902,810	-	238,046,445	423,210,681
Committed	21,995,971	-	-	-	21,995,971
Assigned	62,581,180	-	64,200,049	16,695,230	143,476,459
Unassigned	86,825,065	-	-	(4,394,834)	82,430,231
Total fund balances	<u>243,357,999</u>	<u>120,117,652</u>	<u>64,200,049</u>	<u>251,963,157</u>	<u>679,638,857</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 359,954,690</u>	<u>\$ 131,047,454</u>	<u>\$ 64,515,265</u>	<u>\$ 272,207,862</u>	<u>\$ 827,725,271</u>

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, 2017**

<b>Fund balances - total governmental funds</b>		<b>\$ 679,638,857</b>
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		568,569,786
Internal service funds are used by management to charge the costs to individual funds. These assets and deferred outflows of resources and liabilities and deferred inflows of resources of the internal services funds are included in governmental activities in the statement of net position.		82,840,818
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.		63,057,618
Deferred outflows of resources related to pensions		265,913,507
Deferred inflows of resources related to pensions		(29,610,401)
Deferred amounts on refunding		338,713
Lease receivable - service concession arrangement		1,568,410
Deferred inflows related to service concession arrangement		(1,568,410)
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	(115,510,231)	
Capital leases	(137,233)	
Notes payable	(311,700)	
Other post-employment benefits obligation	(71,272,206)	
Compensated absences	(30,939,541)	
Net pension liability	(1,245,406,107)	
Accrued interest payable	(827,843)	
	(1,464,404,861)	
<b>Net position of governmental activities</b>		<b>\$ 166,344,037</b>

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

**COUNTY OF SAN JOAQUIN  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>General Fund</u>	<u>Mental Health and Substance Abuse Fund</u>	<u>County Capital Outlay Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxes	\$ 244,783,646	\$ -	\$ -	\$ 30,318,147	\$ 275,101,793
Licenses, permits, and franchises	7,789,455	-	-	190,653	7,980,108
Fines, forfeitures, and penalties	9,787,672	231,623	-	2,675,238	12,694,533
Revenue from use of money and property	2,061,500	298,290	536,121	861,134	3,757,045
Aid from other governmental agencies	477,171,490	69,156,662	486,133	94,784,323	641,598,608
Charges for services	41,847,932	58,081,443	-	27,132,344	127,061,719
Other revenues	11,259,152	792,094	-	1,034,886	13,086,132
Total revenues	<u>794,700,847</u>	<u>128,560,112</u>	<u>1,022,254</u>	<u>156,996,725</u>	<u>1,081,279,938</u>
Expenditures:					
Current:					
General government	49,564,615	-	55,442	6,677,238	56,297,295
Public protection	276,053,386	-	120,177	43,647,869	319,821,432
Public ways and facilities	55,463	-	3,999	32,124,939	32,184,401
Community Infrastructure	-	-	-	2,471,233	2,471,233
Health and sanitation	58,503,225	117,939,729	15,543	1,767,623	178,226,120
Public assistance	360,599,552	-	15,771	10,408,510	371,023,833
Education	363,678	-	-	4,762,004	5,125,682
Parks and recreation	5,651,048	-	76,353	175,985	5,903,386
Capital outlay	2,119,317	3,036,796	5,474,435	25,523,701	36,154,249
Debt service:					
Principal	14,510	-	-	3,324,691	3,339,201
Interest and fiscal charges	1,154	-	-	5,782,183	5,783,337
Total expenditures	<u>752,925,948</u>	<u>120,976,525</u>	<u>5,761,720</u>	<u>136,665,976</u>	<u>1,016,330,169</u>
Excess (deficiency) of revenues over (under) expenditures	<u>41,774,899</u>	<u>7,583,587</u>	<u>(4,739,466)</u>	<u>20,330,749</u>	<u>64,949,769</u>
Other financing sources (uses):					
Transfers in	23,184,112	4,581,184	4,515,000	9,405,137	41,685,433
Transfers out	(34,294,956)	(1,193,886)	(220,342)	(16,809,333)	(52,518,517)
Total other financing sources (uses)	<u>(11,110,844)</u>	<u>3,387,298</u>	<u>4,294,658</u>	<u>(7,404,196)</u>	<u>(10,833,084)</u>
Net change in fund balances	30,664,055	10,970,885	(444,808)	12,926,553	54,116,685
Fund balances, beginning of year	212,693,944	109,146,767	64,644,857	239,036,604	625,522,172
Fund balances, end of year	<u>\$ 243,357,999</u>	<u>\$ 120,117,652</u>	<u>\$ 64,200,049</u>	<u>\$ 251,963,157</u>	<u>\$ 679,638,857</u>

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, 2017**

**Net change in fund balances - total governmental funds** \$ 54,116,685

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	\$ 36,154,249	
Depreciation expense	<u>(31,790,672)</u>	4,363,577

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

Unavailable revenues:		
Decrease in accrued property tax revenues	(7,602,049)	
Increase in accrued grant revenues	<u>952,120</u>	(6,649,929)

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 repayment:		
Certificates of participation	3,260,000	
Notes payable	6,900	
Capital leases	72,301	
Less amortization of premium on certificates of participation	<u>96,268</u>	3,435,469

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	3,858	
Change in other post-employment benefits obligation	(7,127,722)	
Change in net pension liability and related deferred inflows and outflows of resources	<u>(44,709,890)</u>	(51,833,754)

Gain / (loss) on disposed capital assets		(394,460)
--	--	-----------

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net expense of certain activities of the internal service funds is reported with governmental activities.

		<u>(8,950,287)</u>
<b>Change in net position of governmental activities</b>		<u><u>\$ (5,912,699)</u></u>

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

**COUNTY OF SAN JOAQUIN  
STATEMENT OF FUND NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2017**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>General Hospital</b>	<b>Stockton Metropolitan Airport</b>	<b>Solid Waste</b>	<b>Total</b>	
<b>ASSETS</b>					
Current assets:					
Cash and investments:					
Pooled and other banks	\$ 204,518,990	\$ 1,355,335	\$ 16,037,715	\$ 221,912,040	\$ 139,092,691
Imprest	2,580	250	7,700	10,530	40
Accounts receivable, net	135,472,003	235,370	2,152,311	137,859,684	801,852
Interest receivable	-	3,576	50,329	53,905	374,149
Due from other funds	-	-	28,669	28,669	1,520,940
Due from other agencies	-	47,832	182,726	230,558	-
Prepaid expenses	1,968,353	-	26,052	1,994,405	290,130
Inventories	4,591,451	-	14,901	4,606,352	601,861
Total current assets	<u>346,553,377</u>	<u>1,642,363</u>	<u>18,500,403</u>	<u>366,696,143</u>	<u>142,681,663</u>
Noncurrent assets:					
Restricted cash and investments	11,429,652	-	6,490,324	17,919,976	-
Capital assets:					
Non-depreciable	25,208,190	1,352,204	4,137,654	30,698,048	17,481
Depreciable	137,382,341	58,014,684	61,105,216	256,502,241	69,212,544
Accumulated depreciation	<u>(65,209,783)</u>	<u>(39,239,607)</u>	<u>(45,312,479)</u>	<u>(149,761,869)</u>	<u>(46,540,425)</u>
Total noncurrent assets	<u>108,810,400</u>	<u>20,127,281</u>	<u>26,420,715</u>	<u>155,358,396</u>	<u>22,689,600</u>
Total assets	<u>455,363,777</u>	<u>21,769,644</u>	<u>44,921,118</u>	<u>522,054,539</u>	<u>165,371,263</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred amounts on refunding	1,599,378	-	170,793	1,770,171	-
Deferred outflows related to pensions	<u>68,327,576</u>	<u>570,935</u>	<u>3,368,914</u>	<u>72,267,425</u>	<u>2,640,068</u>
Total deferred outflows of resources	<u>69,926,954</u>	<u>570,935</u>	<u>3,539,707</u>	<u>74,037,596</u>	<u>2,640,068</u>

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, 2017**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>General Hospital</b>	<b>Stockton Metropolitan Airport</b>	<b>Solid Waste</b>	<b>Total</b>	
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$ 14,550,869	\$ 190,677	\$ 3,794,539	\$ 18,536,085	\$ 8,189,043
Accrued payroll	2,847,630	17,673	115,327	2,980,630	70,588
Due to other funds	161,505	416,852	41,978	620,335	759,654
Other current liabilities	-	8,148	502,200	510,348	-
Interest payable	150,620	160	90,220	241,000	74,375
Due to third parties for settlements	79,745,951	-	-	79,745,951	-
Current portion:					
Certificates of participation	6,540,000	-	1,540,000	8,080,000	-
Notes payable	-	12,426	-	12,426	76,429
Capital leases	-	49,208	208,577	257,785	2,414,723
Compensated absences	6,977,054	57,974	507,598	7,542,626	310,566
Total current liabilities	<u>110,973,629</u>	<u>753,118</u>	<u>6,800,439</u>	<u>118,527,186</u>	<u>11,895,378</u>
Noncurrent liabilities:					
Unearned revenue	1,072,388	826,133	-	1,898,521	-
Advances from other funds	-	945,249	-	945,249	-
Certificates of participation, net	12,505,000	-	7,119,771	19,624,771	-
Notes payable	-	3,111	-	3,111	1,218,606
Capital leases	-	119,267	632,925	752,192	5,784,279
Compensated absences	938,274	-	85,782	1,024,056	2,584
Claims liability	-	-	-	-	55,010,226
Liability for closure/post closure costs	-	-	15,836,452	15,836,452	-
Net pension liability	284,279,245	2,646,679	15,170,028	302,095,952	10,326,106
Other post employment benefits liability	17,523,980	158,947	1,262,762	18,945,689	744,455
Total noncurrent liabilities	<u>316,318,887</u>	<u>4,699,386</u>	<u>40,107,720</u>	<u>361,125,993</u>	<u>73,086,256</u>
Total liabilities	<u>427,292,516</u>	<u>5,452,504</u>	<u>46,908,159</u>	<u>479,653,179</u>	<u>84,981,634</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to pensions	5,199,840	118,569	277,479	5,595,888	188,879
<b>NET POSITION</b>					
Net investment in capital assets	78,335,748	18,633,558	11,625,655	108,594,961	14,490,598
Restricted for:					
Debt service	-	-	1,359,555	1,359,555	-
Landfill site closure and post closure	-	-	6,490,324	6,490,324	-
Project costs & Medical education funds	11,429,652	-	-	11,429,652	-
Unrestricted (deficit)	3,032,975	(1,864,052)	(18,200,347)	(17,031,424)	68,350,220
Total net position	<u>\$ 92,798,375</u>	<u>\$ 16,769,506</u>	<u>\$ 1,275,187</u>	<u>\$ 110,843,068</u>	<u>\$ 82,840,818</u>

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, 2017**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>General Hospital</b>	<b>Stockton Metropolitan Airport</b>	<b>Solid Waste</b>	<b>Total</b>	
Operating revenues:					
Charges for services:	\$ 294,546,837	\$ 2,434,182	\$ 11,189,723	\$ 308,170,742	\$ 76,654,214
Concessions and rentals	-	1,624,152	16,360,437	17,984,589	11,566,898
Miscellaneous	16,751,566	79,324	1,133,687	17,964,577	1,008,685
Aid from other agencies	-	808	-	808	-
Total operating revenues	<u>311,298,403</u>	<u>4,138,466</u>	<u>28,683,847</u>	<u>344,120,716</u>	<u>89,229,797</u>
Operating expenses:					
Salaries and benefits	209,104,109	1,131,459	8,836,072	219,071,640	5,524,604
Services and supplies	113,962,220	1,991,373	14,637,325	130,590,918	24,259,729
Liability claims and loss adjustments	-	-	-	-	55,742,517
Insurance	-	-	-	-	7,383,368
Landfill closure and post closure expense	-	-	3,109,698	3,109,698	-
Depreciation and amortization	6,873,920	1,574,655	1,864,832	10,313,407	5,558,596
Miscellaneous	-	7,675	7,002	14,677	165,438
Total operating expenses	<u>329,940,249</u>	<u>4,705,162</u>	<u>28,454,929</u>	<u>363,100,340</u>	<u>98,634,252</u>
Operating income (loss)	<u>(18,641,846)</u>	<u>(566,696)</u>	<u>228,918</u>	<u>(18,979,624)</u>	<u>(9,404,455)</u>
Nonoperating revenues (expenses):					
Gain on sale of asset	-	-	17,283	17,283	63,432
Interest income	1,831,411	253	35,468	1,867,132	432,779
Aid from other governmental agencies	-	3,071,900	372,054	3,443,954	-
Interest expense	(1,473,189)	(89,596)	(299,130)	(1,861,915)	(237,793)
Insurance recovery	-	-	-	-	48,975
Other nonoperating income (expense)	48,083,368	-	-	48,083,368	-
Total nonoperating revenues (expenses)	<u>48,441,590</u>	<u>2,982,557</u>	<u>125,675</u>	<u>51,549,822</u>	<u>307,393</u>
Income (loss) before capital contributions and transfers	29,799,744	2,415,861	354,593	32,570,198	(9,097,062)
Capital contributions	-	-	-	-	3,868
Transfers in	16,056,417	704,826	-	16,761,243	142,907
Transfers out	(6,071,066)	-	-	(6,071,066)	-
Change in net position	39,785,095	3,120,687	354,593	43,260,375	(8,950,287)
Net position, beginning of year	68,096,395	13,648,819	920,594	82,665,808	91,791,105
Prior period adjustments	(15,083,115)	-	-	(15,083,115)	-
Total net position, beginning of year, as restated	<u>53,013,280</u>	<u>13,648,819</u>	<u>920,594</u>	<u>67,582,693</u>	<u>91,791,105</u>
Total net position, end of year	<u>\$ 92,798,375</u>	<u>\$ 16,769,506</u>	<u>\$ 1,275,187</u>	<u>\$ 110,843,068</u>	<u>\$ 82,840,818</u>

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, 2017**

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental Activities - Internal Service Funds</b>	
	<b>General Hospital</b>	<b>Stockton Metropolitan Airport</b>	<b>Solid Waste</b>		<b>Total</b>
Cash flows from operating activities:					
Cash received from customers	\$ 310,124,160	\$ 4,055,796	\$ 27,565,473	\$ 341,745,429	\$ 89,881,517
Cash payments to suppliers for goods and services	(101,747,732)	(1,659,091)	(11,062,339)	(114,469,162)	(83,032,032)
Cash payments to other departments for goods and services	-	(229,462)	(1,535,208)	(1,764,670)	(6,941,373)
Cash payments to employees for services	(200,749,787)	(1,208,570)	(8,124,140)	(210,082,497)	(5,100,601)
Other operating revenues	-	-	-	-	4,457,742
Net cash provided by (used for) operating activities	<u>7,626,641</u>	<u>958,673</u>	<u>6,843,786</u>	<u>15,429,100</u>	<u>(734,747)</u>
Cash flows from noncapital financing activities:					
Transfers in	16,056,417	704,826	-	16,761,243	142,906
Transfers out	(6,071,066)	-	-	(6,071,066)	-
State and Federal grant receipts	-	-	263,803	263,803	3,868
Loan repayment or borrowing	-	(274,119)	-	(274,119)	-
Other non-operating receipts (payments)	990,032	-	-	990,032	-
Net cash provided by noncapital financing activities	<u>10,975,383</u>	<u>430,707</u>	<u>263,803</u>	<u>11,669,893</u>	<u>146,774</u>
Cash flows from capital and related financing activities:					
Capital contribution grants	-	3,108,191	-	3,108,191	-
Acquisition and construction of capital assets	(22,729,925)	(3,080,331)	(680,716)	(26,490,972)	(3,105,132)
Insurance recovery	-	-	-	-	48,975
Loss from sale of property and equipment	-	-	-	-	(1,927)
Principal payment on debts	(6,395,000)	(54,602)	(1,663,400)	(8,113,002)	(2,646,144)
Interest payments on debts	(785,370)	(89,629)	(399,979)	(1,274,978)	(235,953)
Net cash (used for) capital and related financing activities	<u>(29,910,295)</u>	<u>(116,371)</u>	<u>(2,744,095)</u>	<u>(32,770,761)</u>	<u>(5,940,181)</u>
Cash flows from investing activities:					
Interest on investments and note receivable	1,831,411	(2,450)	6,070	1,835,031	279,204
Net cash provided by (used for) investing activities	<u>1,831,411</u>	<u>(2,450)</u>	<u>6,070</u>	<u>1,835,031</u>	<u>279,204</u>
Net increase (decrease) in cash and cash equivalents	(9,476,860)	1,270,559	4,369,564	(3,836,737)	(6,248,950)
Cash and cash equivalents, beginning of year	225,428,082	85,026	18,166,175	243,679,283	145,341,681
Cash and cash equivalents, end of year	<u>\$ 215,951,222</u>	<u>\$ 1,355,585</u>	<u>\$ 22,535,739</u>	<u>\$ 239,842,546</u>	<u>\$ 139,092,731</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, 2017**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Services Funds</b>
	<b>General Hospital</b>	<b>Stockton Metropolitan Airport</b>	<b>Solid Waste</b>	<b>Total</b>	
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ (18,641,846)	\$ (566,696)	\$ 228,918	\$ (18,979,624)	\$ (9,404,455)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation/amortization expense	6,873,920	1,574,655	1,864,832	10,313,407	5,558,596
Other post employment benefits	1,613,140	-	-	1,613,140	-
Pension expense	11,009,763	(52,823)	863,116	11,820,056	-
Provision for bad debts	24,592,855	-	-	24,592,855	-
(Increase) / decrease in receivables	(40,564,034)	(76,419)	(1,085,272)	(41,725,725)	2,798,192
(Increase) / decrease in prepaid expenses	(382,035)	-	-	(382,035)	-
(Increase) / decrease in inventories	(725,708)	-	9,280	(716,428)	(4,829)
Increase / (decrease) in payables	(8,896,250)	79,956	1,853,214	(6,963,080)	1,639,964
Increase / (decrease) in closure/post closure liability	-	-	3,109,698	3,109,698	-
Increase / (decrease) in claims liabilities	32,746,836	-	-	32,746,836	(1,322,215)
Net cash provided by (used for) operating activities	<u>\$ 7,626,641</u>	<u>\$ 958,673</u>	<u>\$ 6,843,786</u>	<u>\$ 15,429,100</u>	<u>\$ (734,747)</u>
Noncash investing, capital and financing activities:					
Lease agreements	\$ -	\$ -	\$ 537,445	\$ -	\$ 3,958,202

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



**COUNTY OF SAN JOAQUIN  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2017**

	<b>Investment Trust Fund</b>	<b>Sammie Hay Private Purpose Trust Fund</b>	<b>Agency Funds</b>
<b>ASSETS</b>			
Cash and investments - pooled	\$ 1,482,053,641	\$ 171,721	\$ 48,243,943
Cash and investments held by others	-	-	4,043,799
Investment income receivable	3,654,440	491	-
Other receivables	-	-	27,825,217
Other assets	-	-	3,338
Total assets	<u>1,485,708,081</u>	<u>172,212</u>	<u>\$ 80,116,297</u>
<b>LIABILITIES</b>			
Accounts payable	-	3,360	\$ 26,757,676
Loan payable	-	-	20,000
Due to others	-	-	53,338,621
Total liabilities	<u>-</u>	<u>3,360</u>	<u>\$ 80,116,297</u>
<b>NET POSITION</b>			
Held in trust for:			
External pool participants	1,485,708,081	-	
Other purposes	-	168,852	
Total net position	<u>\$ 1,485,708,081</u>	<u>\$ 168,852</u>	

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, 2017**

	<b>Investment Trust Funds</b>	<b>Sammie Hay Private Purpose Trust Fund</b>
Additions:		
Contributions from investment pool participants	\$ 4,935,144,210	\$ -
Interest and investment income	2,529,817	807
Total additions	4,937,674,027	807
Deductions:		
Withdrawals from pooled investments	4,756,717,383	-
Benefit payments	-	100,923
Total deductions	4,756,717,383	100,923
Change in net position	180,956,644	(100,116)
Net position, beginning of year	1,304,751,437	268,968
Net position, end of year	\$ 1,485,708,081	\$ 168,852

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

**A. Reporting Entity**

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

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**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

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**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-H.
- (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 of approximately \$465,969 as of June 30, 2017, 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 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 solely funded by State grants passed through the County's Human Services Agency. The County's Board is the governing body for the IHSS Public Authority. Therefore, this entity has been blended with the primary government. The entity's net activities are reported in the IHSS Authority fund. The financial statements are available through the County Auditor-Controller's office.

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**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 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. The debts associated with the Corporation are 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.

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.

***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.

- 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 financial statements are available through the County Auditor-Controller's office.
- 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. The Board of Supervisors appoints all of the members of the Board of Directors for the Health Plan. The Board can remove appointed members at will

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.

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

**A. Reporting Entity** (Continued)

***Related Organizations***

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

***Joint Powers Agreements***

The County participates in eight 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) Eastern San Joaquin Groundwater Authority was formed by the County and local groundwater sustainability agencies in February, 2017, to develop a groundwater sustainability plan for the sustainable management of groundwater for the portion of the groundwater basin underlying the members of the authority.
- (7) 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.
- (8) 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 the San Joaquin Area Flood Control Agency, Mokelumne River Water and Power Authority, Northern San Joaquin County Groundwater Banking Authority and Eastern San Joaquin Groundwater 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.



**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**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, 2017, the County implemented the following standards:

**GASB Statement No. 74** – In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Statement No. 74 replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, and Statement No. 50, *Pension Disclosures*. The provisions in Statement No. 74 are effective for fiscal years beginning after June 15, 2016. The County has determined that the requirements of this statement do not have a material impact on the financial statements.

**GASB Statement No. 77** – In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*. The objective of this statement is to provide financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs. This statement is effective for reporting periods beginning after December 15, 2015. The County has determined that the requirements of this statement do not have a material impact on the financial statements.

**GASB Statement No. 78** – In December 2015, GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement is effective for reporting periods beginning after December 15, 2015. The County has determined that the requirements of this statement do not have a material impact on the financial statements.

**GASB Statement No. 80** – In January 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement is effective for reporting periods beginning after June 15, 2016. The County has determined that the requirements of this statement do not have a material impact on the financial statements.

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

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

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

**GASB Statement No. 75** – In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Statement No. 75 establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. The provisions in Statement No. 75 are effective for fiscal years beginning after June 15, 2017. The County has not determined its effect on the financial statements.

**GASB Statement No. 81** – In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement is effective for reporting periods beginning after December 15, 2016. The County has not determined the effect on the financial statements.

**GASB Statement No. 83** – In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. The objective of this Statement is to provide financial statement users with information about asset retirement obligations that were not addressed in GASB Standards by establishing uniform accounting and financial reporting requirements for these obligations. This Statement is effective for reporting periods beginning after June 15, 2018. The County has not determined the effect on the financial statements.

**GASB Statement No. 84** – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement is effective for reporting periods beginning after December 15, 2018. The County has not determined the effect on the financial statements.

**GASB Statement No. 85** – In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. The objective of this Statement is to improve consistency in accounting and financial reporting by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement is effective for reporting periods beginning after June 15, 2017. The County has not determined the effect on the financial statements.

**GASB Statement No. 86** – In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. This Statement is effective for reporting periods beginning after June 15, 2017. The County has not determined the effect on the financial statements.

**GASB Statement No. 87** – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments. This Statement is effective for reporting periods beginning after December 15, 2019. The County has not determined the effect on the financial statements.

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

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

***Government-Wide Financial Statements***

Information relating to the primary government (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 2 CFR 200 (Uniform Guidance). 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 is available, it is County policy to use restricted net position first, and then use the unrestricted resources as needed.

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

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

***Fund Financial Statements***

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds. 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 County Capital Outlay Fund, and the Stockton Metropolitan Airport Fund as major funds for consistency reasons. All remaining governmental funds are separately aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Proprietary fund operating expenses, such as salaries and benefits or services and supplies, result from providing services and producing and delivering goods related to the proprietary fund's primary operations. Expenses that are not directly related to the proprietary fund's primary operations are reported as non-operating expenses.

The County reports the following major governmental funds:

- General Fund – The General Fund is the general operating fund of the County. It is used to account for all financial resources and transactions except those required to be accounted for in another fund. It includes certain special accounts that are under the control of various General Fund departments and those that are used to accumulate resources for designated purposes.
- Mental Health and Substance Abuse Fund – The Mental Health and Substance Abuse Fund is used to account for the proceeds of specific sources with its expenditures legally restricted for mental health and substance abuse services.
- 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 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.

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

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

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

- The San Joaquin County Solid Waste 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.

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.
- 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 settlements.
- 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 (such as special assessment districts) other than those accounted for in the Investment Trust Fund.

**C. Basis of Accounting**

The government-wide, proprietary, private purpose, 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 eligibility requirements have been satisfied.

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.

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

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

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 (60) days after the end of the accounting period so as to be both measurable and available. Revenues earned but not received within 60 days after the end of the accounting period, on the other hand, are recorded as receivables and deferred inflows of resources – unavailable revenues.

**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, and are classified as nonspendable component of fund balance as they are not available financial resources.
- Services provided, deemed to be at market or near market rate and are the core business of the function, are treated as revenues or expenditures/expenses in the funds involved. The related accounts payable and accounts receivable are eliminated upon consolidation and are referred to as “due to/due from other funds” on the fund statements.
- Reimbursement transactions are treated as reductions of expenditures/expenses in one fund and corresponding increases in the other fund.
- Operating/Capital transfers are reported as “transfers in” or “transfers out” under other financing sources and netted as part of the reconciliation to the government-wide presentation.

**E. Cash and Investments**

Cash and investments consist of cash held in the bank or on hand and debt and equity securities. All investment securities, such as certificates of deposit, bankers’ acceptances, commercial paper, repurchase agreements, and U.S. Treasury notes, stocks, bonds, etc., are stated at fair value in accordance with generally accepted accounting principles. 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.

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

**F. Fair Value Measurement**

The County categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**G. Inventory and Prepaid Items**

Inventory of materials and supplies in the enterprise funds, internal service funds, Mental Health and Substance Abuse Fund (a major governmental fund), and 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 items.

**H. Capital Assets**

Capital assets (including infrastructure) are recorded at historical costs or at estimated historical cost if actual historical cost is not available. Infrastructure acquired prior to June 30, 1980, is 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 acquisition 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.

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

**I. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an expense/expenditure until then. The County currently reports two (2) separate elements of deferred outflows of resources: deferred amounts on refunding and deferred outflows related to pensions.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. A deferred inflow of resources is an acquisition of net position that applies to a future reporting period and will not be recognized as revenue until then. The County currently reports two (2) separate elements of deferred inflows of resources: service concession arrangement, and deferred inflows related to pensions.

In addition to liabilities, the balance sheet of the government funds reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as revenue until that time in the governmental funds. Unavailable revenue reported consists primarily of revenue that will be received outside of the County's 60 day availability policy.

**J. Capital Lease Obligations**

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

**K. Property Taxes**

The County is responsible for the assessment, collection, and apportionment of property taxes for all jurisdictions including the schools and special districts within the County. The Board of Supervisors levies property taxes as of July 1 on property values assessed on January 1. Secured property tax payments are due in two equal installments. The first is generally due November 1 and is delinquent with penalties after December 10, and the second is generally due on February 1 and is delinquent with penalties after April 10. Secured property taxes become a lien on the property on January 1.

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 2016-17 net assessed valuation of the County real property was \$67.7 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. Property taxes on the unsecured roll are levied on the January 1 lien date and become delinquent if unpaid after August 31.



**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

**K. Property Taxes** (Continued)

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 \$66.6 million as of June 30, 2017.

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.

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 \$22.6 million at June 30, 2017. Penalties and interest collected on delinquent secured taxes are kept in the Tax Resource Fund.

**L. 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 payout 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.

**M. 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.

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

**M. Fund Balance** (Continued)

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.

**N. Net Position**

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.

**O. Bond Issuance Costs and Discounts/Premiums**

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 statements 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.

In the fund financial statements, governmental fund types recognize bond discounts and premiums, 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.

**P. 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.

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

**Q. Use of Estimates**

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

**R. Post Employment Health Benefits**

The County provides employees Other Post Employment Benefits (OPEB) under the “sick leave bank” program, as described below, and by allowing 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 Sick Leave Program is administered by the San Joaquin County Employees’ Retirement Association (SJCERA). 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. SJCERA received a favorable plan determination letter from the IRS dated January 29, 2014. 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. The pay-as-you-go costs for fiscal year 2016-17 were \$4.1 million.

**S. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County’s pension plans with San Joaquin County Employee Retirement Association (SJCERA) and the California Public Employees’ Retirement System (CalPERS), including additions to/deductions from the pension plans’ respective fiduciary net positions have been determined on the same basis as they are reported by SJCERA and CalPERS, respectively. 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.

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 2 – CASH AND INVESTMENTS**

With the exception of the Revolving Loans 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 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, 2017, the County's cash, deposits and investments were as follows (in \$000's):

	Investment Pool	Special Funds and Investments	Fiscal Agents	Totals
Cash on hand	\$ 68	\$ --	\$ --	\$ 68
Deposits with financial institutions	33,067	13,139	15,703	61,909
Outstanding warrants	(49,920)	--	--	(49,920)
Investments	3,100,152	900	--	3,101,052
	<u>\$ 3,083,367</u>	<u>\$ 14,039</u>	<u>\$ 15,703</u>	<u>\$ 3,113,109</u>

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

	Unrestricted	Restricted	Total
Primary government	\$ 1,010,971	\$ 27,029	\$ 1,038,000
Investment trust fund	1,482,054	--	1,482,054
Private purpose trust funds	172	--	172
Agency fund	52,288	--	52,288
Discretely presented component units	540,595	--	540,595
	<u>\$ 3,086,080</u>	<u>\$ 27,029</u>	<u>\$ 3,113,109</u>

Investment Pool

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

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 2 – CASH AND INVESTMENTS**

The table below identifies the investment types that are authorized for public funds of the County by the California Government Code and the Investment Pool's investment policy. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

<u>Investment Types Authorized by State Law</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Maturity</u>	<u>Maximum Investment In One Issuer</u>
United States (U.S.) Treasury Obligations	None	5 years	None
U.S. Government Sponsored Enterprise Securities	None	5 years	None
Medium Term Notes	30%	3 years	None
Time Deposits	30%	1 year	None
Commercial Paper	30%	90 days	10%
Banker's Acceptances	40%	180 days	30%
Repurchase Agreements	None	None	None
Mutual Funds	20%	N/A	None
California State Warrants or Bonds	None	N/A	None
Negotiable Certificates of Deposit	30%	5 years	10%
Bank Deposits	None	N/A	\$100,000,000
Local Agency Investment Fund (LAIF)	None	N/A	\$65,000,000 / account

Deposits

At year-end, the carrying amount of the County's cash on hand and authorized deposits at various financial institutions was \$62 million. Of the total deposits, the first \$250,000 is insured by the Federal Depository Insurance Corporation. \$58 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.

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

Investments

As of June 30, 2017, the County had the following pool investments (in \$000's):

	Fair Value	Weighted Average Maturities (in days)	Fair Value as % of the Pool Investments	Credit Rating S&P/MIS
Commercial Paper	\$ 398,203	101	12.8%	A1/P1
Money Market Account - Bank of the West	50,000	-	1.6%	A2/Aa3
Sweep Account - Bank of the West	89,262	-	2.9%	AAAm/Aaa
Federal Farm Credit Bank	336,337	737	10.9%	AA+/AAA
Federal Home Loan Bank	815,432	483	26.3%	AA+/AAA
Federal Home Loan Mortgage Corporation	768,689	554	24.8%	AA+/AAA
Federal National Mortgage Association	339,394	1,009	10.9%	AA+/AAA
Medium Term Note - Microsoft Corporation	10,040	524	0.3%	AAA/AAA
Medium Term Note - GE Capital Corporation	20,037	143	0.7%	AA-/A1
General Obligation Bonds - California	69,234	475	2.2%	AA-/none
United States Treasury - Bill	74,354	200	2.4%	AA+/AAA
United States Treasury - Strips	64,170	306	2.1%	AA+/AAA
State Local Agency Investment Fund (LAIF)	65,000	-	2.1%	Not rated
Total	<u>\$ 3,100,152</u>	490	<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, 2017, the weighted average maturity of the pool investments was 490 days.

*Credit Risk* – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. California statutes and the County's Investment Policy limit the County investments to obligations of the U.S. Treasury, certain Federal agencies, bankers' acceptances, "prime" commercial paper, certificates of deposit, swaps and trades, State Treasurer's Local Agency Investment Fund (LAIF), and repurchase agreements. Credit ratings as of June 30, 2017, 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, 2017, the County's investments by investment type as the percentage of the pool investments are shown above.

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

Investments (Continued)

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, 2017 (in \$000's):

<u>Issuer</u>	<u>Amount</u>	<u>Percent of Investments</u>
Federal Home Loan Bank	\$ 815,432	26.3%
Federal Home Loan Mortgage Corporation	768,689	24.8%
Commercial Paper	398,203	12.8%
Federal National Mortgage Association	339,394	10.9%
Federal Farm Credit Bank	336,337	10.8%

The County is a participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. Each entity may invest up to \$65,000,000 without limitation in special bond proceeds amounts. Investments in LAIF are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest. The County's investments with LAIF at June 30, 2017 included a portion of the pool funds invested in structured notes and asset-back securities:

Structured Notes – Debt securities (other than asset-back securities) whose cash flow characteristics (coupon rate, redemption amounts, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities – Generally mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, collateralized mortgage obligations) or credit card receivables.

As of June 30, 2017, the County had \$65,000 thousand invested in LAIF, which had invested 2.89 percent of the pool investment funds in structured notes and asset-back securities. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The LAIF financial statements are available at the State Treasurer's Office website at [www.treasurer.ca.gov](http://www.treasurer.ca.gov).

*Fair Value Measurements*

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 — Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County has the ability to access.

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

Investments (Continued)

*Fair Value Measurements (Continued)*

Level 2 — Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 — Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the County's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the County's own data.

The asset's level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The determination of what constitutes observable requires judgment by the County's management. County management considers observable data to be that market data, which is readily available, regularly distributed or updated, reliable, and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to County management's perceived risk of that investment.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The County's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Deposits and withdrawals in governmental investment pools, such as LAIF are made on the basis of \$1 and not fair value. Accordingly, the County's proportionate share in these types of investments is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

The following is a description of the valuation methods and assumptions used by the County to estimate the fair value of its investments. There have been no changes in the methods and assumptions used at June 30, 2017. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. County management believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The County's treasury pools asset market prices are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data, Bloomberg or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated market value. Prices that fall between data points are interpolated. Non-negotiable FDIC-insured bank certificates of deposit are priced at par.

When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy.



**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

Investments (Continued)

*Fair Value Measurements (Continued)*

For investments classified within Level 2 of the fair value hierarchy, the County’s custodians generally uses a multi-dimensional relational model. Inputs to their pricing models are based on observable market inputs in active markets. The inputs to the pricing models are typically benchmark yields, reported trades, broker-dealer quotes, issuer spreads and benchmark securities, among others. The County does not have any investments that are measured using Level 3 inputs.

The County has the following recurring fair value measurements as of June 30, 2017 (in 000’s):

	Fair Value at June 30, 2017	Fair value measurements using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by fair value level</b>				
Commercial Paper	\$ 398,203	\$ -	\$ 398,203	\$ -
Sweep Account - Bank of the West	89,262	89,262	-	-
Money Market Account - Bank of the West	50,000	-	50,000	--
Federal Farm Credit Bank	336,337	-	336,337	-
Federal Home Loan Bank	815,432	-	815,432	-
Federal Home Loan Mortgage Corporation	768,689	-	768,689	-
Federal National Mortgage Association	339,394	-	339,394	-
Medium Term Note - Microsoft Corporation	10,040	-	10,040	-
Medium Term Note - GE Capital Corporation	20,037	-	20,037	-
General Obligation Bonds - California	69,234	-	69,234	-
United States Treasury - Bill	74,354	-	74,354	-
United States Treasury - Strips	64,170	-	64,170	-
Total investments by fair value level	<u>3,035,152</u>	<u>\$ 89,262</u>	<u>\$ 2,945,890</u>	<u>\$ -</u>

**Investments not required to be leveled  
according to the hierarchy**

State Local Agency Investment Fund (LAIF)	<u>65,000</u>
Total investments	<u>\$ 3,100,152</u>

The County is a voluntary participant in the California Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Local Investment Advisory Board (Board). The Board consists of five members as designated by state statute. The balance available for withdrawal is based on the accounting records maintained by the LAIF, which are recorded on an amortized cost basis, which is different from the fair value of the County’s position in the LAIF pool. As of June 30, 2017, the County’s investment in LAIF is \$65,000. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2017, had a balance of \$77,559,119,072. Of that amount, 97.11% is invested in non-derivative financial products, and 2.89% is invested in derivative financial products.

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

Condensed Financial Statements

In lieu of separately issued financial statements for the entire pool and the external portion of the pool, condensed financial statements for the pool are presented below as of and for the year ended June 30, 2017:

Statement of Net Position:

Cash and Investments at fair value	\$ 3,083,696
Interest Receivables	40,416
Net Position	<u>\$ 3,124,112</u>
Equity of internal pool participants	1,638,404
Equity of external pool participants	<u>1,485,708</u>
Net Position	<u>\$ 3,124,112</u>

Statement of changes in Net Position:

Net position at July 1, 2016	\$ 3,054,287
Net change in investments by pool participants	69,825
Net position at June 30, 2017	<u>\$ 3,124,112</u>

Special Funds and Investments

In addition to the County Treasurer's investment pool, certain specific funds and investments are managed by contracted financial institutions and include the Industrial Revolving Loan Fund and the restricted Certificates of Participation (COPs). The investments of COPs and revenue bonds are reported as restricted cash and investments on the financial statements of the County debt service funds and the Solid Waste Enterprise Fund. The purpose of the restricted cash is to fund future long-term debt payments (\$10.5 million) and capital projects (\$3.6 million). Presented below are those deposits and investments managed by the trustee banks at June 30, 2017 (in \$000's):

	Fair Value			Weighted Average Maturities (yrs)	Credit Rating S&P/MIS
	Revolving Loan Fund	Certificates of Participation	Total		
Cash and money market fund deposits	\$ 3,564	\$ 10,475	\$ 14,039	Not applicable	Not applicable
	<u>\$ 3,564</u>	<u>\$ 10,475</u>	<u>\$ 14,039</u>		

The County has the following recurring fair value measurements with their Special Funds and Investments as of June 30, 2017 (in 000's):

	Fair value measurements using			
	Fair Value at June 30, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by fair value level</b>				
Money market funds	\$ 900	\$ -	\$ 900	\$ -
Total investments by fair value level	<u>\$ 900</u>	<u>\$ -</u>	<u>\$ 900</u>	<u>\$ -</u>

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 3 – RECEIVABLES**

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

<b>Receivables - Governmental Activities</b>	General Fund	Mental Health Substance Abuse Fund	Capital Outlay Fund	Other Governmental Funds	Internal Service Funds	Total Governmental Activities
Taxes - gross	\$ 48,624	\$ --	\$ --	\$ 3,625	\$ --	\$ 52,249
Accounts	5,072	3,204	--	2,297	802	11,375
Interest	1,035	264	205	501	374	2,379
Loan receivable	20	--	--	39,378	--	39,398
Due from other agencies	40,121	24,997	--	7,314	--	72,432
Gross receivables	94,872	28,465	205	53,115	1,176	177,833
Less: allowance for uncollectible	(22,710)	--	--	--	--	(22,710)
	<u>\$ 72,162</u>	<u>\$ 28,465</u>	<u>\$ 205</u>	<u>\$ 53,115</u>	<u>\$ 1,176</u>	<u>\$ 155,123</u>

<b>Receivables - Business-type Activities</b>	Hospital	Airport	Solid Waste	Total Business-type Activities
Accounts	\$ 319,881	\$ 238	\$ 2,152	\$ 322,271
Interest	--	4	50	54
Due from other agencies	--	48	183	231
Gross receivables	319,881	290	2,385	322,556
Less: allowance for uncollectible	(184,409)	(3)	--	(184,412)
	<u>\$ 135,472</u>	<u>\$ 287</u>	<u>\$ 2,385</u>	<u>\$ 138,144</u>

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

At June 30, 2017, the various components of deferred inflows of resources – unavailable revenues and unearned revenue reported were as follows (in \$000's):

<b>Governmental Activities:</b>	Unavailable	Unearned	Total
General fund:			
Property taxes receivable – secured	\$ 39,191	\$ --	\$ 39,191
Property taxes receivable – unsecured	4,625	--	4,625
Due from other governmental agencies	13,614	--	13,614
Grants received prior to meeting all eligible requirements	--	27,676	27,676
Others	442	--	442
Other Gov. funds:			
Due from other governmental agencies	1,636	259	1,895
Others	1,062	--	1,062
Property taxes receivable-unsecured	559	--	559
	<u>\$ 61,129</u>	<u>\$ 27,935</u>	<u>\$ 89,064</u>

<b>Business-Type Activities:</b>	Unearned	Total
Hospital	\$ 1,072	\$ 1,072
Airport	826	826
	<u>\$ 1,898</u>	<u>\$ 1,898</u>

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**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, 2017, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	General Hospital Fund	\$ 66,723
	Stockton Metropolitan Airport Fund	408,051
	Solid Waste Fund	27,391
	Internal Service Funds	69,824
	General Fund	336,740
	Mental Health and Substance Abuse Fund	358,970
	Other Governmental Funds	<u>1,513,151</u>
		<u>2,780,850</u>
County Capital Outlay Fund	Internal Service Funds	<u>649,415</u>
Mental Health and Substance Abuse Fund	General Fund	<u>2,562,217</u>
Other Governmental Funds	General Fund	167,775
	Other Governmental Funds	42,883
	Stockton Metropolitan Airport Fund	807
	Solid Waste Fund	3,257
		<u>214,722</u>
	<b>Total Governmental Funds</b>	<b><u>6,207,204</u></b>
Internal Service Funds	General Hospital Fund	94,782
	Stockton Metropolitan Airport Fund	7,994
	Solid Waste Fund	11,330
	Internal Service Funds	40,415
	General Fund	905,956
	Mental Health and Substance Abuse Fund	95,257
	Other Governmental Funds	<u>365,206</u>
	<b>Total Internal Service Funds</b>	<b><u>1,520,940</u></b>
Solid Waste Fund	Other Governmental Funds	<u>28,669</u>
	<b>Total Enterprise Funds</b>	<b><u>28,669</u></b>
Total		<b><u>\$ 7,756,813</u></b>

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

**Advances to/from other funds**

Receivable Fund	Payable Fund	Amount
General Fund	Other Governmental Funds	\$ 5,703,608
	Stockton Metropolitan Airport Fund	945,249
		<u>6,648,857</u>
Other Governmental Funds	Other Governmental Funds	<u>781,093</u>
		<u>\$ 7,429,950</u>

The Advance from the General Fund to the Stockton Metropolitan Airport Fund in the amount of \$945,248 was for the purpose of refinancing the outstanding Airport leases. There are annual debt service payments of \$354,812 and is expected to be repaid in full in June 2020.

The Advances from the General Fund to the Other Governmental Funds in the amount of \$5,703,608 are to fund capital asset improvements and other long-term projects. Payments on the advances are made from receipts of charges for services. There is no set payment schedule.

**Interfund 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):

(in \$000's) Transfer from	Transfer to	Amount
General Fund	General Hospital Fund	\$ 16,056
	Stockton Metropolitan Airport Fund	705
	Mental Health and Substance Abuse Fund	4,581
	County Capital Outlay Fund	4,515
	Other Governmental Funds	8,365
	Internal Service Funds	73
		<u>34,295</u>
Mental Health Fund	General Fund	<u>1,194</u>
County Capital Outlay Fund	General Fund	150
	Internal Service Funds	70
		<u>220</u>
Other Governmental Funds	General Fund	15,769
	Other Governmental Funds	1,040
		<u>16,809</u>
General Hospital Fund	General Fund	<u>6,071</u>
		<u>\$ 58,589</u>

**COUNTY OF SAN JOAQUIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2017, was as follows (in \$000's):

	Balance June 30, 2016	Additions	Retirement	Transfers & Adjustments	Balance June 30, 2017
<b>Government Activities</b>					
Capital assets, not being depreciated					
Land	\$ 14,551	\$ --	\$ (350)	\$ --	\$ 14,201
Construction in progress	6,088	136	--	--	6,224
Total capital assets, not being depreciated	<u>20,639</u>	<u>136</u>	<u>(350)</u>	<u>--</u>	<u>20,425</u>
Capital assets, being depreciated					
Structure and improvements	443,970	6,986	(4,129)	--	446,827
Furniture and equipment	107,502	6,510	(3,792)	(8)	110,212
Capitalized leases	18,389	3,958	(176)	--	22,171
Other capitalized assets	8,742	--	--	--	8,742
Infrastructure	464,227	25,305	--	--	489,532
Total capital assets, being depreciated	<u>1,042,830</u>	<u>42,759</u>	<u>(8,097)</u>	<u>(8)</u>	<u>1,077,484</u>
Less accumulated depreciation for:					
Structure and improvements	177,757	11,054	(4,128)	--	184,683
Furniture and equipment	74,577	7,205	(3,800)	(8)	77,974
Capitalized leases	11,171	2,825	(176)	--	13,820
Other capitalized assets	8,742	--	--	--	8,742
Infrastructure	205,151	16,279	--	--	221,430
Total depreciation	<u>477,398</u>	<u>37,363</u>	<u>(8,104)</u>	<u>(8)</u>	<u>506,649</u>
Total capital assets, being depreciated, net	<u>565,432</u>	<u>5,396</u>	<u>7</u>	<u>--</u>	<u>570,835</u>
Government activities capital assets, net	<u>\$ 586,071</u>	<u>\$ 5,532</u>	<u>\$ (343)</u>	<u>\$ --</u>	<u>\$ 591,260</u>
<b>Business-type Activities</b>					
Capital assets, not being depreciated					
Land	\$ 4,663	\$ --	\$ --	\$ --	\$ 4,663
Construction in progress	12,449	18,244	(262)	(4,396)	26,035
Total capital assets, not being depreciated	<u>17,112</u>	<u>18,244</u>	<u>(262)</u>	<u>(4,396)</u>	<u>30,698</u>
Capital assets, being depreciated					
Structure and improvements	186,383	5,492	(8)	2,005	193,872
Furniture and equipment	53,768	3,606	(111)	2,391	59,654
Capital leases	2,439	537	--	--	2,976
Total capital assets, being depreciated	<u>242,590</u>	<u>9,635</u>	<u>(119)</u>	<u>4,396</u>	<u>256,502</u>
Less accumulated depreciation for:					
Structure and improvements	110,048	5,242	(2)	591	115,879
Furniture and equipment	28,514	4,506	(111)	(599)	32,310
Capital leases	1,226	339	--	8	1,573
Total depreciation	<u>139,788</u>	<u>10,087</u>	<u>(113)</u>	<u>--</u>	<u>149,762</u>
Total capital assets, being depreciated, net	<u>102,802</u>	<u>(452)</u>	<u>(6)</u>	<u>4,396</u>	<u>106,740</u>
Business-type activities capital assets, net	<u>\$ 119,914</u>	<u>\$ 17,792</u>	<u>\$ (268)</u>	<u>\$ --</u>	<u>\$ 137,438</u>

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

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

	Amount
General government	\$ 4,716
Public protection	6,391
Public ways and facilities	16,881
Health and sanitation	1,356
Public assistance	1,696
Education	42
Recreation and culture	722
Depreciation on capital assets held by the County internal service funds is charged to the various functions based on their usage of the assets	5,559
Total depreciation expense - governmental activities	\$ 37,363

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

	Amount
Airport enterprise	\$ 1,575
Solid Waste enterprise	1,865
General Hospital enterprise	6,647
Total depreciation expense – business-type activities	\$ 10,087

**NOTE 6 – LONG-TERM LIABILITIES**

The following is a schedule of long-term liabilities as of June 30, 2017 (in \$000's):

**Governmental Activities:**

	Amount			Balance June 30, 2017	Amounts Due Within One Year
	Balance June 30, 2016	Additions	Deductions		
Certificates of participation	\$ 116,405	\$ --	\$ 3,260	\$ 113,145	\$ 3,475
Issuance premium	2,560	--	195	2,365	--
Notes payable	1,687	--	80	1,607	83
Capital leases	6,968	2,850	1,482	8,336	2,489
Other post employment benefits	65,380	6,637	--	72,017	--
Compensated absences	30,651	31,252	30,650	31,253	27,231
Estimated claims	56,332	55,742	57,064	55,010	--
	\$ 279,983	\$ 96,481	\$ 92,731	\$ 283,733	\$ 33,278

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

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

**Business-Type Activities:**

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017	Amounts Due Within One Year
Certificates of participation	\$ 34,990	\$ --	\$ 7,910	\$ 27,080	\$ 8,080
Issuance premium	750	--	750	--	--
Notes payable	27	--	11	16	12
Capital lease	664	537	191	1,010	258
Other post employment benefits	17,207	1,739	--	18,946	--
Landfill closure and postclosure	12,727	3,109	--	15,836	--
Compensated absences	6,751	8,567	6,751	8,567	7,543
	<u>\$ 73,116</u>	<u>\$ 13,952</u>	<u>\$ 15,613</u>	<u>\$ 71,455</u>	<u>\$ 15,893</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	\$ 22,170,936	\$ 2,976,293
Less: accumulated depreciation	<u>13,889,931</u>	<u>1,572,730</u>
Book Value	<u>\$ 8,281,005</u>	<u>\$ 1,403,563</u>



**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

**A. Capital Leases** (Continued)

The related amortization on the capital leases is as follows:

Year Ended June 30,	Governmental Activities	Business-Type Activities
2018	\$ 2,793,823	\$ 282,290
2019	2,292,622	256,083
2020	1,584,362	230,032
2021	1,063,278	113,989
2022	631,879	97,878
2023 - 2024	382,712	97,878
Total Requirements	8,748,676	1,078,150
Less Interest	412,814	68,174
Present Value of Remaining Payments	<u>\$ 8,335,862</u>	<u>\$ 1,009,976</u>

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

**Certificates of Participation**

The County had the following Certificates of Participation (COPs) issues outstanding at June 30, 2017:

Project Name	Issuance Date	Face Value of the C.O.P.	Year-End Balance
<b>Governmental activities:</b>			
2007 County Administration Building	May 23, 2007	\$ 114,635,000	\$ 105,880,000
2007 County Service Area No. 31	December 1, 2007	8,450,000	7,265,000
Total governmental activities		<u>123,085,000</u>	<u>113,145,000</u>
<b>Business-type activities:</b>			
Solid Waste System Facilities Project (including refunding)	July 23, 2014	12,655,000	8,035,000
2012 San Joaquin General Hospital Refunding	November 16, 2012	43,755,000	19,045,000
Total business-type activities		<u>56,410,000</u>	<u>27,080,000</u>
Total primary government		<u>\$ 179,495,000</u>	<u>\$ 140,225,000</u>

All Certificates of Participation were issued by the San Joaquin County Public Facilities Financing Corporation. 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.

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

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

**Certificates of Participation** (Continued)

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

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

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

The 2007 COPs were issued on May 23, 2007, with an average interest rate from 4.75% to 5.0%. A portion of the proceeds from the new issuance was deposited in an irrevocable trust (\$18,398,857) with an escrow agent to provide for future scheduled debt services on the refunded 1993 COPs. As a result, the refunded portion of the outstanding 1993 COPs are considered to be defeased and the liability for those debts has been removed from the financial statements. The remaining proceeds, after the required deposit to the Reserve Fund and issuance costs and discounts, are deposited in the Improvement Fund for the design and construction of the new County administration building. The final acceptance and occupancy of the new building occurred in August 2009. The certificates mature in 2036 with principal payments ranging from \$2,765,000 to \$7,985,000. On August 22, 2017, \$79,865,000 of Refunding Certificates of Participation were issued to repay all of the outstanding 2007 COPs, fund certain reserves and pay other costs, including costs of issuance.

The 2003 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.

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.

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

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

**Certificates of Participation** (Continued)

**Notes Payable**

The County Maintenance Districts of Shaded Terrace and Sunnyside Estates (Special Revenue Funds) had entered into agreements with the United States Department of Agriculture (USDA) for a loan of \$300,000 and \$100,000, respectively, in 2000-01. The loans, along with the grants received from the USDA, are used to finance certain capital improvements to the water systems of the Districts. As of June 30, 2017, the outstanding balances on the loans totaled \$311,700.

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, 2017, the outstanding note was approximately \$1,295,035.

The Airport (Enterprise Fund) has the remaining life of a 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 \$15,537 as of June 30, 2017, and will be paid in full in fiscal year 2018-19.

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

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

**Debt Service Requirements**

Debt service requirements on long-term debt at June 30, 2017, are as follows (in \$000):

**Governmental Activities:**

Year Ended June 30	Certificates of Participation		Notes Payable	
	Principal	Interest	Principal	Interest
2018	\$ 3,475	\$ 5,500	\$ 83	\$ 71
2019	3,690	5,321	87	68
2020	3,750	5,134	91	64
2021	3,935	4,941	96	60
2022	4,135	4,738	100	55
2023-2027	24,010	20,262	568	209
2028-2032	30,645	13,500	432	79
2033-2037	38,915	5,054	85	29
2038-2042	590	18	65	6
	<u>113,145</u>	<u>64,468</u>	<u>1,607</u>	<u>641</u>
Add premium	2,027	--	--	--
Total Debt	<u>\$ 115,172</u>	<u>\$ 64,468</u>	<u>\$ 1,607</u>	<u>\$ 641</u>

**Business-Type Activities:**

Year Ended June 30	Certificates of Participation		Notes Payable	
	Principal	Interest	Principal	Interest
2018	\$ 8,080	\$ 729	\$ 12	\$ 1
2019	8,300	510	4	--
2020	7,375	298	--	--
2021	1,620	166	--	--
2022	1,705	85	--	--
	<u>27,080</u>	<u>1,788</u>	<u>16</u>	<u>1</u>
Add premium	--	--	--	--
Total Debt	<u>\$ 27,080</u>	<u>\$ 1,788</u>	<u>\$ 16</u>	<u>\$ 1</u>

**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, 2017, such special assessment debt outstanding totaled \$465,969.

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**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 2016-17	<u>\$ 67,671,767,489</u>
Legal Debt Limit – 1 1/4% of total assessed value	<u>\$ 845,897,094</u>
Amount of debt applicable to debt limit:	

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, 2017, does not expect to incur a significant liability.

**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, 2017, the landfill closure and postclosure care liability (\$15.8 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 \$120.5 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 2017. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

Prior year deposits and interest earned exceed the minimum closure fund balance required by the State, therefore, no transfers into the closure fund were made in fiscal year 2016-17. The funds available for landfill closure and postclosure remain at \$5.1 million, which leaves approximately \$10.7 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 2092. Foothill is at 7.0% capacity. North County will be operative until 2049 and is at 15.0% capacity.

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

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 9 – RISK MANAGEMENT**

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, workers compensation, unemployment compensation, medical insurance, and dental insurance (June 1982). Under these programs, the County provides coverage for up to a \$1,000,000 for each general liability and malpractice claim, \$25,000 for each property damage claim, \$25,000 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 (December of 2016), the full value of the County's unpaid casualty (general liability and malpractice liability) liabilities and the workers compensation program liabilities at June 30, 2017, were estimated at a discounted value of \$15.0 million and \$33.3 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, 2017.

The insurance funds had the following net position at June 30, 2017 (in \$000's):

	<u>Net Position</u>
Casualty Insurance	\$ 7,369
Workers' Compensation Insurance	14,163
Health Insurance	20,201
Medical Malpractice Insurance	6,863
Dental Insurance	3,817
Unemployment Insurance	5,702
Total	\$ 58,115

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

Changes in the insurance funds' claim liabilities for fiscal years 2015-16 and 2016-17 were (in \$000's):

	<u>Casualty</u>	<u>Workers' Compensation</u>	<u>Health Insurance</u>	<u>Medical Mal Insurance</u>	<u>Dental Insurance</u>	<u>Unemployment</u>	<u>Total</u>
<b>Balance at June 30, 2015</b>	\$ 10,868	\$ 32,803	\$ 5,411	\$ 4,426	\$ 379	\$ 260	\$ 54,147
Claims and changes in estimates for FY 2015-16	4,807	9,915	38,985	1,183	5,323	1,038	61,251
Less: claim payments	<u>(4,478)</u>	<u>(8,653)</u>	<u>(39,018)</u>	<u>(385)</u>	<u>(5,431)</u>	<u>(1,101)</u>	<u>(59,066)</u>
<b>Balance at June 30, 2016</b>	11,197	34,065	5,378	5,224	271	197	56,332
Claims and changes in estimates for FY 2016-17	2,305	7,199	38,882	989	5,354	1,013	55,742
Less: claim payments	<u>(2,956)</u>	<u>(7,945)</u>	<u>(38,155)</u>	<u>(1,724)</u>	<u>(5,346)</u>	<u>(938)</u>	<u>(57,064)</u>
<b>Balance at June 30, 2017</b>	<u>\$ 10,546</u>	<u>\$ 33,319</u>	<u>\$ 6,105</u>	<u>\$ 4,489</u>	<u>\$ 279</u>	<u>\$ 272</u>	<u>\$ 55,010</u>

**NOTE 10 – OPERATING LEASES**

The County has several operating lease agreements, with original terms ranging from one to ten years, for leased office space and equipment 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, 2017, are (in \$000's):

<u>Year Ended June 30,</u>	<u>Primary Government</u>
2018	\$ 3,870
2019	2,334
2020	1,813
2021	1,545
2022	832
Thereafter	<u>9,652</u>
	<u>\$ 20,046</u>

Total rent expense under operating lease agreements during the year ended June 30, 2017, was approximately \$4.0 million.

A lease agreement was entered in October 2003 for the County to lease for the Workforce Investment Act Program an office building, located at 56 South Lincoln Street, Stockton, California, that was under construction by a property developer. The agreement would allow the County to occupy the office building for a minimum of 15 years after the completion of the construction with scheduled rent increases. The County moved into this building in September 2005. The fiscal year 2016-17 total rent paid on this lease was \$915,856.

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**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, 2017 (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.

Year Ended June 30,	Amount
2018	\$ 728
2019	570
2020	442
2021	466
2022	466
Thereafter	10,866
	<u>\$ 13,538</u>

Total rental income under operating lease agreements during the year ended June 30, 2017, was \$1,033,216.



**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 12 – FUND BALANCES**

	Major Funds				Total
	General Fund	Mental Health Substance Abuse Fund	County Capital Outlay Fund	Other Funds	
<b>Fund balances:</b>					
<b>Nonspendable:</b>					
Inventory	\$ -	\$ 214,842	\$ -	\$ 834,775	\$ 1,049,617
Advances	6,648,857			781,093	7,429,950
Loans receivable and other assets	45,500			448	45,948
<b>Total Nonspendable</b>	<b>6,694,357</b>	<b>214,842</b>	<b>--</b>	<b>1,616,316</b>	<b>8,525,515</b>
<b>Restricted for:</b>					
General government services	935,666				935,666
Public protection services	28,940,377			37,441,478	66,381,855
Emergency medical services	2,046,523				2,046,523
Agricultural services	1,524,203				1,524,203
Community services	10,790,167			3,320,859	14,111,026
Health and sanitation services	20,659,307	119,902,810			140,562,117
Parks and recreation services	365,183				365,183
Road projects and maintenance				46,469,446	46,469,446
Fish and game programs				186,466	186,466
County facilities				24,889,479	24,889,479
Rabies treatment				89,796	89,796
County headstart				45,215	45,215
Library programs				4,667,740	4,667,740
Narcotics enforcement				208,031	208,031
Recorder's Equipment Automation				4,857,315	4,857,315
Local Innovation				151,549	151,549
Whole Person Care program				1,729,965	1,729,965
Community Development Loan programs				56,064,427	56,064,427
Community Infrastructure				22,006,945	22,006,945
Lighting district maintenance				1,157,267	1,157,267
Service areas maintenance				6,774,123	6,774,123
Maintenance district services				11,923,020	11,923,020
Flood control districts				3,826,606	3,826,606
Water district services				203,133	203,133
Improvement district services				603,193	603,193
Courthouse construction				6,389,934	6,389,934
Criminal justice construction				5,040,458	5,040,458
<b>Total Restricted</b>	<b>65,261,426</b>	<b>119,902,810</b>	<b>--</b>	<b>238,046,445</b>	<b>423,210,681</b>
<b>Committed to:</b>					
General reserve - emergencies	21,995,971				21,995,971
<b>Total Committed</b>	<b>21,995,971</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>21,995,971</b>
<b>Assigned to:</b>					
Budgetary deficit - subsequent year	62,581,180				62,581,180
Capital projects			64,200,049	135,829	64,335,878
Debt service				8,500,874	8,500,874
Airport projects				6,729,059	6,729,059
Health and sanitation projects				1,329,468	1,329,468
<b>Total Assigned</b>	<b>62,581,180</b>	<b>--</b>	<b>64,200,049</b>	<b>16,695,230</b>	<b>143,476,459</b>
<b>Unassigned:</b>	<b>86,825,065</b>	<b>--</b>	<b>--</b>	<b>(4,394,834)</b>	<b>82,430,231</b>
<b>Total Fund Balances</b>	<b>\$ 243,357,999</b>	<b>\$ 120,117,652</b>	<b>\$ 64,200,049</b>	<b>\$ 251,963,157</b>	<b>\$ 679,638,857</b>

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

The following funds had deficit fund balances at June 30, 2017:

Child Support (Nonmajor)	\$ (121,601)
The deficit resulted from prior year's excess expenditures over revenues	
Work Incentive Act (Nonmajor)	\$ (191,942)
The deficit resulted from an excess in operating expenditures over revenues	
Mokelumne River Water and Power Authority (Nonmajor)	\$ (2,192,535)
The deficit resulted from an excess in operating expenditures over revenues	
IHSS Public Authority (Nonmajor)	\$ (91,047)
The deficit resulted from an excess in operating expenditures over revenues	
County Service Areas (Nonmajor)	\$ (1,797,709)
The deficit resulted from an excess in operating expenditures over revenues	
Office Automation ISF (Internal Service Fund)	\$ (189,877)
The deficit resulted from an excess in operating expenditures over revenues	
Central Telephone ISF (Internal Service Fund)	\$ (1,895,330)
The deficit resulted from an excess in operating expenditures over revenues	

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

**NOTE 14 – DEFINED BENEFIT PENSIONS**

As of June 30, 2017, the County reported total net pension liability, deferred outflows of resources and deferred inflows of resources for both the SJCERA and CalPERS Miscellaneous Plans as follows:

	<u>Net Pension Liability</u>	<u>Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
SJCERA	\$ 1,548,472,349	\$ 339,860,662	\$ 34,526,293
CalPERS	12,069,598	1,600,152	918,513
Total	<u>\$ 1,560,541,947</u>	<u>\$ 341,460,814</u>	<u>\$ 35,444,806</u>

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 14 – DEFINED BENEFIT PENSIONS** (Continued)

	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Governmental Activities	\$ 1,255,732,213	\$ 268,553,575	\$ 29,799,280
Business-type activities	302,095,952	72,267,425	5,595,888
First 5	2,713,782	639,814	49,638
Total	<u>\$ 1,560,541,947</u>	<u>\$ 341,460,814</u>	<u>\$ 35,444,806</u>

**A. San Joaquin County Employees' Retirement Association**

***General Information about the Pension Plan***

*Plan Description* – All full-time and part-time County employees participate in the San Joaquin County Employees' Retirement Association (SJCERA) (the Plan), a cost-sharing defined benefits retirement plan. SJCERA is administered by the Board of Retirement of the San Joaquin County Employees' Retirement Association (SJCERA) and is governed by the County Employee's Retirement Law (CERL) of 1937 (California Government Code Section 31450 et. Seq.), and the California Public Employees' Pension reform Act of 2013 (PEPRA). The Plan's authority to establish and amend the benefit terms are set by the CERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the County of San Joaquin Board of Supervisors and/or the SJCERA Board. SJCERA is a tax-qualified plan under Section 401(a) of the Internal Revenue Code.

SJCERA publishes its own comprehensive annual financial report that includes its financial statements and required supplementary information which can be obtained by writing to SJCERA at 6 South El Dorado Street, Suite 400, Stockton, California 95202 or by calling (209) 468-2163.

*Benefits Provided* – SJCERA provides service retirement, disability, death and survivor benefits to eligible employees. All permanent full-time or part-time employees of the County of San Joaquin or contracting district become members of SJCERA upon employment. There are separate retirement plans for Safety and Miscellaneous member employees. Safety membership is extended to those involved in active law enforcement, fire suppression, and certain other classifications. There are two tiers applicable to Safety and Miscellaneous members separately. Those hired prior to January 1, 2013, are included in Tier 1 and those hired after that date are included in Tier 2.

The CERL and PEPRA establish benefit terms. Retirement benefits are calculated on the basis of age, average final compensation and service credit as follows:

**Safety Members**

Safety members hired prior to January 1, 2013 (Tier 1), are eligible to retire once they attain the age of 50 and have acquired 5 or more years of retirement service credit and have passed the tenth anniversary of their membership in SJCERA. A member with 20 years of service is eligible to retire regardless of age. Safety members who are first hired on or after January 1, 2013 (Tier 2), are eligible to retire once they have attained the age of 50, and have acquired five years of retirement service credit or after attaining age 70, regardless of service.

Safety member benefits for Tier I are calculated pursuant to the provisions of California Government Code Section 31664.1. The service retirement benefit payable is equal to the final compensation multiplied by the percentage from Section 31664.1. The percentage of final compensation may not exceed 100%. Safety member benefits for those who are first hired on or after January 1, 2013, are calculated pursuant to the provision of California Government Code Section 7522.25(d). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.25(d).

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 14 – DEFINED BENEFIT PENSIONS** (Continued)

**A. *San Joaquin County Employees' Retirement Association*** (Continued)

***General Information about the Pension Plan*** (Continued)

Miscellaneous Members

Miscellaneous members hired prior to January 1, 2013 (Tier 1), are eligible to retire once they attain the age of 50 and have acquired 5 or more years of retirement service credit and have passed the tenth anniversary of their membership in SJCERA. A member with 30 years of service or upon reaching age 70 with no service requirement is eligible to retire regardless of age. Miscellaneous members who are first hired on or after January 1, 2013 (Tier 2), are eligible to retire once they have attained the age of 52, and have acquired five years of retirement service credit or after attaining age 70, regardless of service.

Miscellaneous member benefits for Tier I are calculated pursuant to the provisions of California Government Code Section 31676.14. The service retirement benefit payable is equal to the final compensation multiplied by the percentage from Section 31676.14. Miscellaneous member benefits for those who are first hired on or after January 1, 2013, are calculated pursuant to the provision of California Government Code Section 7522.25(d). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.25(d).

Maximum monthly retirement allowance is 100% of final average compensation for all tiers.

For Tier I members, final average compensation consists of the highest average compensation earned during any 12 consecutive months of the Member's employment. For Tier 2 members, highest average compensation will be based on the highest 36 consecutive months rather than 12 months.

The service retirement benefit will be paid monthly beginning at retirement and for the life of the member. If the member selects the unmodified benefit form, in the event of the member's death, 60% of the benefit will continue for the life of the member's spouse, or to the age of majority of dependent minor children if there is no spouse. In the event there is no surviving spouse or minor children, any unpaid remainder of the member's accumulated contributions will be paid to the member's designated beneficiary.

*Contributions* – The County of San Joaquin, contracting districts, and active members are required by statute to contribute to the retirement plan based upon actuarially determined contribution rates (percentage of covered salary) adopted by the Board of Retirement. This requirement is pursuant to Government Code sections 31453.5 and 31454, for participating employers and Government Code sections 31621.6, 31639.25, and 7522.30 for active members. The contribution requirements are established and may be amended by the SJCERA Board pursuant to Article 1 of the CERL, which is consistent with the Plan's actuarial funding policy. The contribution rates are adopted annually based upon recommendations received from SJCERAs' independent actuary after the completion of the annual actuarial valuation. The combined active member and employer contribution rates are expected to finance any unfunded accrued liability. Participating employers may pay a portion of the active members' contributions through negotiations and bargaining agreements.

The composite total employer contribution rate for General and safety members combined for the measurement date ended December 31, 2016 ranged from 42.06 percent to 45.58 percent and 31.95 percent for Tier I and Tier II, respectively, of covered payroll. For the year ended June 30, 2017, the County was required to contribute \$173,001,083 to the Plan.

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

**A. San Joaquin County Employees’ Retirement Association** (Continued)

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

At June 30, 2017, the County reported a liability of \$1,548,472,349 for its proportionate share of the net pension liability (including the First 5 Commission of San Joaquin County discretely presented component unit). The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016. The County’s proportion of the net pension liability was based on a projection of the County’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2016, the County’s proportion was 93.5831 percent, which was a decrease of 0.3303 from its proportion measured as of December 31, 2015.

For the year ended June 30, 2017, the County recognized pension expense of \$240,063,034.

At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to the Measurement Date	\$ 93,613,345	\$ --
Changes in Assumptions	65,470,235	
Differences between Expected and Actual Experience	--	22,036,644
Change in Employer’s Proportion and Differences between the Employer’s Contributions and the Employer’s Proportionate Share of Contributions	5,970,439	12,489,649
Net Differences between Projected and Actual Earnings on Plan Investments	174,806,643	--
Total	\$ 339,860,662	\$ 34,526,293

\$93,613,345 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. 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,	Amount
2018	\$ 52,732,146
2019	52,760,859
2020	52,937,239
2021	53,290,780
Total	\$ 211,721,024

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

**A. San Joaquin County Employees’ Retirement Association** (Continued)

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

*Actuarial Assumptions* – The total pension liability in the January 1, 2016 actuarial valuation was determined using the following actuarial assumptions:

	General Members
Valuation Date	January 1, 2015
Measurement Date	December 31, 2016
 Actuarial Assumptions:	
Amortization growth rate	3.25%
Inflation	3.00%
Projected salary increase	3.25%
Investment rate of return	7.4%
Mortality	Gender distinct RP-2000 Combined Mortality, projected with generational improvements using Scale BB

*Changes of assumptions* – The investment rate of return was 7.5% for measurement date December 31, 2015. The Plan changed the investment rate to 7.4% effective January 1, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and projected arithmetic real rates of return for each major asset class used in the derivation of the long-term expected investment rate of return assumption as of December 31, 2016, are summarized in the table below:

Asset Class	Target Allocation	Arithmetic Long-term Expected Real Rate of Return
Global Public Equity	30.00%	9.65%
Stable Fixed Income	10.00%	3.70%
Credit	14.00%	6.20%
Risk Parity	14.00%	7.85%
Private Appreciation / Real Estate Private Manager	12.00%	10.85%
Crisis Risk Offset	20.00%	7.75%
Total	100.00%	

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

**A. San Joaquin County Employees’ Retirement Association** (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.40% as of December 31, 2016. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made based on the current contribution rate and that employer contributions will be made at the end of each pay period based on the actuarially determined contribution rates. For this purpose, only the employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service cost for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included.

Based on those assumptions, SJCERA’s fiduciary net position was projected to be available to make all the 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.

*Sensitivity of the County’s 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, 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 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease 6.40%	Discount Rate 7.40%	1% Increase 8.40%
County's proportionate share of the net pension liability	\$ 2,094,455,578	\$ 1,548,472,349	\$ 1,121,795,378

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued SJCERA financial reports 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.

**B. California Public Employees’ Retirement System (CalPERS)**

***General Information about the Pension Plan***

The County has a closed plan to new entrants with the California Public Employees’ Retirement System (CalPERS). Certain employees of the Health Care Services Department (Public Health) were members of CalPERS. This plan was closed effective June 28, 1993 and those employees became eligible to participate in SJCERA through reciprocity.

*Plan Description* – As of the actuarial valuation date of June 30, 2015, the County’s miscellaneous plan held at CalPERS became part of a CalPERS Risk Pool for employers with less than 100 active plan members. When these risk pools were established, PERS assigned each entity in the pool a share of the unfunded liability. The public health employees are part of cost-sharing multiple-employer defined benefit plan.

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

**B. California Public Employees’ Retirement System (CalPERS)** (Continued)

***General Information about the Pension Plan*** (Continued)

*Benefits Provided* – CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the basic death benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the plan are applied as specified by the Public Employees’ Retirement Law. Benefit provisions and all other requirements are established State statute. Since participation in the CalPERS Cost-Sharing Plan is closed for County employees, the benefit provisions cannot be amended.

The Plan’s provisions and benefits in effect at June 30, 2017, are summarized as follows:

Formula	2.7% @ 55
Benefit vesting schedule	5 years of service
Benefit payments	monthly for life
Retirement age	50-55
Monthly benefits, as a % of annual salary	2.0% to 2.7%
Required employee contribution rates	8.00%
Required employer contribution rates	23.084%

*Contributions* – Section 20814 of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS’ annual actuarial valuations process. For public agency cost-sharing plans covered by the miscellaneous risk pools, the Plan’s actuarially determined rate is based on the estimated amount necessary to pay the Plan’s allocated share of the risk pool’s cost of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2016 (measurement date), the active employee contribution rate is 8.00% of annual pay, and the average employer’s contribution amount is \$585,888. Employer contributions rate may change if plan contracts are amended.

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

As of June 30, 2017, the County reported a liability of \$12,069,598 for its proportionate share of the net pension liability.

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015, rolled forward to June 30, 2016, 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 as of June 30, 2016, the County’s proportion was 0.1395%, which was an decrease of 0.003% from its proportion measured as of June 30, 2015.



**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

**B. California Public Employees’ Retirement System (CalPERS)** (Continued)

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

For the year ended June 30, 2017, the County recognized pension expense of \$2,110,710. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to the Measurement Date	\$ 585,888	\$ --
Change in Employer's Proportion and Differences between the Employer's Contributions and the Employer's Proportionate Share of Contributions	136,837	749,282
Changes in Assumptions	--	165,229
Differences between Expected and Actual Experience	17,464	4,002
Net Differences between Projected and Actual Earnings on Plan Investments	859,963	-
Total	\$ 1,600,152	\$ 918,513

\$585,888 reported as deferred outflows of resources will be recognized as a reduction of net pension liability in the fiscal year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	Amount
2018	\$ (165,731)
2019	(246,326)
2020	285,069
2021	222,739
Total	\$ 95,751

**Actuarial Assumptions** – The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost
<b>Actuarial Assumptions:</b>	
Discount rate	7.65%
Inflation	2.75%
COLA increases	3.0%
Projected salary increase	3.30% - 14.2% (1)
Investment rate of return	7.65% (2)
Mortality	Based on CalPERS Experience Study

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

**B. California Public Employees’ Retirement System** (Continued)

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

The mortality table used was developed based on CalPERS’ specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The following table reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class	Target Allocation	Real Return Years 1 - 10 <sup>(1)</sup>	Real Return Years 11+ <sup>(2)</sup>
Global Equity	51%	5.25%	5.71%
Global Fixed Income	20%	0.99%	2.43%
Inflation Sensitive	6%	0.45%	3.36%
Private Equity	10%	6.83%	6.95%
Real Estate	10%	4.50%	5.13%
Infrastructure and Forestland	2%	4.50%	5.09%
Liquidity	1%	-0.55%	-1.05%
Total	<u>100%</u>		

*Discount Rate* - The discount rate used to measure the total pension liability was 7.65% for the plan. 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.

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

**B. California Public Employees’ Retirement System** (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 7.65%, 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 6.65%	Discount Rate 7.65%	1% Increase 8.65%
County's proportionate share of the net pension liability	\$ 18,363,358	\$ 12,069,598	\$ 6,888,054

***Pension Plan Fiduciary Net Position***

Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

**C. 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 2016-17, the County contributed \$47,334 to the plan.

**NOTE 15 – POST EMPLOYMENT HEALTH BENEFITS**

As explained in Note 1-R, the County provides employees Other Post Employment Benefits (OPEB) under the “sick leave bank” program, as described in summary of significant accounting policies. The sick leave bank program is administered by the County’s Retirement Association. Additionally, 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 2016-17, the County’s actual contribution amounted to \$4.1 million for current premiums.

**Annual OPEB Cost and Net OPEB Obligation** The County’s annual OPEB-Implicit Subsidy cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the County’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County’s net OPEB obligation (in \$000’s):

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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

Annual Required Contribution	\$15,926
Interest on net OPEB-Implicit Subsidy obligation	3,303
Adjustment to annual required contribution	<u>(5,807)</u>
Annual OPEB-Implicit Subsidy cost	13,422
Contribution made	<u>(5,045)</u>
Increase in obligation	8,377
Net OPEB-Implicit Subsidy obligation - beginning of year	<u>82,586</u>
Net OPEB-Implicit Subsidy obligation - end of year	<u><u>\$90,963</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2016-17 were as follows (\$000's):

Year Ended <u>December 31,</u>	Annual OPEB-Subsidy Cost	Annual Actual <u>Contribution</u>	Percentage of Annual Cost <u>Contribution</u>	Net OPEB Obligation <u>End of Year</u>
2015	\$13,371	\$5,013	37.49%	\$75,643
2016	\$11,152	\$4,209	37.74%	\$82,586
2017	\$13,422	\$5,045	37.59%	\$90,963

**Funded Status and Funding Progress** As of December 31, 2016, the most recent actuarial valuation date, the plan was not funded, as the County chose to fund the program on the as-pay-as-you-go basis. The actuarial accrued liability and the unfunded actuarial accrued liability (UAAL) for benefits was \$136.2 million. The covered payroll was \$440.7 million, and the ratio of the UAAL to the covered payroll was 30.9%.

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, 2016 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, 2016, was 21 years.

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 16 – COMMITMENTS AND CONTINGENCIES**

**Pending Litigations** The County is a defendant in various casualty and workers compensation lawsuits. Claims against the County are recorded in the internal service funds (See Note 9).

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

**Medicare and Medi-Cal Programs** The San Joaquin General Hospital provides services to eligible patients under Medi-Cal and Medicare programs. For the years ended June 30, 2017 and 2016, the Medi-Cal program represented approximately 56% and 55%, and the Medicare program represented approximately 18% and 17%, respectively, of the Hospitals' net patient service revenues. Medi-Cal inpatient services are reimbursed at contractually agreed upon per diem rates and outpatient services are reimbursed under a schedule of maximum allowances. Medicare inpatient services are reimbursed based upon pre-established rates for diagnostic-related groups. Outpatient services are reimbursed based on prospectively determined payments per procedure under a system called Ambulatory Payment Classifications. Certain defined capital and the medical education costs related to Medicare beneficiaries are paid on a cost-reimbursement methodology.

Additional detailed financial information, including separately issued financial statements, can be obtained from the Auditor-Controller's office at 44 North San Joaquin Street, Suite 550, Stockton, CA 95202.

**NOTE 17 – SERVICE CONCESSION ARRANGEMENTS (SCA)**

**Micke Grove Golf Course**

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

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

The County has determined that the following arrangement meets the criteria set forth above (where the County is the transferor) and therefore included this SCA in the County's financial statements.

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 17 – SERVICE CONCESSION ARRANGEMENTS (SCA)**

**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:

	Date SCA Entered Into	Term of SCA	Expiration of SCA	Minimum Installment Payment (per month)	Revenue Sharing
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, 2016, was as follows (\$000's):

	Balance June 30, 2016	Additions/ Restatements	Deletions/ Amortization <sup>1</sup>	Balance June 30, 2017
<b>Present Value of Installment Payments<sup>2</sup>:</b>				
SCA - Micke Grove Golf Course	\$ 1,685	\$ -	\$ (117)	\$ 1,568
Total deferred inflows of resources	<u>\$ 1,685</u>	<u>\$ -</u>	<u>\$ (117)</u>	<u>\$ 1,568</u>

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

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

**COUNTY OF SAN JOAQUIN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

**NOTE 18 – PRIOR PERIOD ADJUSTMENT**

The Hospital determined that certain transactions and balances related to Estimated Cost Report Settlements were recorded incorrectly in the prior year. As such, an adjustment was made to the beginning Net Position to correct the error.

The correction of beginning net position is summarized as follows:

	Hospital Enterprise Fund	Government-Wide Statements Business-type Activities
Net Position, June 30, 2016, as previously reported	\$ 68,096,395	\$ 82,665,808
Restatements:		
Correct reporting of prior year contractual allowances	(15,083,115)	(15,083,115)
	\$ 53,013,280	\$ 67,582,693
Net Position, June 30, 2016, as restated		

The Health Plan of San Joaquin identified a liability in the amount of \$21,222,613 related to ACA 1202 *Enhanced Payment to Primary Care Physicians Payment Program*, which was reflected in due to other governmental agencies. The liability was established in periods prior to June 30, 2016, but after further evaluation, management determined that the liability should have been released in period(s) prior to June 30, 2017. In addition, management identified reinsurance recoveries in the amount of \$8,056,810 that were paid in fiscal year 2017, which also should have been reflected in period(s) prior to June 30, 2017. The aggregate impact of these two prior period items was to restate the beginning net position to correct the error.

The correction of beginning net position is summarized as follows:

	Discretely Presented Component Unit Health Plan of San Joaquin
Net Position, June 30, 2016, as previously reported	\$ 140,845,696
Restatements:	
Correct reporting of unearned revenues and reinsurance recoveries	29,279,423
	\$ 170,125,119
Net Position, June 30, 2016, as restated	

**NOTE 19 – SUBSEQUENT EVENT**

On December 5, 2017, the Board of Directors approved Resolution # 17-158 approving the issuance and sale of the County of San Joaquin 2017 Refunding Bonds (CSA NO. 31) in the amount of \$7,940,000. The bonds will be a combination of tax-exempt and taxable bonds. The bonds will be used to refund the 2007 Certificates of Participation in the amount of \$7,080,000 and the 2007 loan in the amount of \$1,179,378.

**REQUIRED SUPPLEMENTARY INFORMATION**



**COUNTY OF SAN JOAQUIN  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2017**

**Schedule of the County's Proportionate  
Share of the Net Pension Liability – SJCERA Cost Sharing Plan  
Last 10 Years\***

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the Net Pension Liability	93.58%	94.91%	93.58%
Proportionate Share of the Net Pension Liability	\$ 1,560,541,947	\$ 1,444,707,254	\$ 1,560,541,948
Covered Payroll	\$ 392,644,200	\$ 384,649,723	\$ 366,782,873
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	397.44%	375.59%	425.47%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.51%	61.07%	65.18%
Measurement Date	December 31, 2016	December 31, 2015	December 31, 2014

*\*Fiscal year 2015 was the first year of implementation, therefore only three years are shown.*

**Schedule of the County's Contributions – SJCERA Cost Sharing Plan  
Last 10 Years\***

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution (Actuarially Determined)	\$ 173,001,083	\$ 140,929,496	\$ 128,428,697
Contributions in Relation to the Actuarially Determined Contributions	<u>173,001,083</u>	<u>140,929,496</u>	<u>128,428,697</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 404,423,526	\$ 392,644,200	\$ 384,649,723
Contributions as a Percentage of Covered Payroll	42.78%	35.89%	33.39%

*\*Fiscal year 2015 was the first year of implementation, therefore only three years are shown.*

**COUNTY OF SAN JOAQUIN  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2017**

**Schedule of the County's Proportionate  
Share of the Net Pension Liability – CalPERS Cost Sharing Plan  
Last 10 Years\***

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the Net Pension Liability	0.1395%	0.3150%	0.1725%
Proportionate Share of the Net Pension Liability	\$ 12,069,598	\$ 9,778,155	\$ 7,340,721
Covered Payroll	\$ -	\$ -	\$ -
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.06%	78.40%	79.84%
Measurement Date	June 30, 2016	June 30, 2015	June 30, 2014

*\*Fiscal year 2015 was the first year of implementation, therefore only three years are shown.*

**Schedule of the County's Contributions – CalPERS Cost Sharing Plan  
Last 10 Years\***

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution (Actuarially Determined)	\$ 585,888	\$ 492,867	\$ 387,807
Contributions in Relation to the Actuarially Determined Contributions	<u>585,888</u>	<u>492,867</u>	<u>387,807</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%

*\*Fiscal year 2015 was the first year of implementation, therefore only three years are shown.*

*\*This plan is closed to new entrants and the County does not have any active employees included in the Plan.*

**COUNTY OF SAN JOAQUIN  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2017**

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
12/31/2014	-	\$ 131,585	\$ 131,585	0.0%	\$ 391,328	34%
12/31/2015	-	112,804	112,804	0.0%	407,188	28%
12/31/2016	-	136,201	136,201	0.0%	440,749	28%

**COUNTY OF SAN JOAQUIN  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2017  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

	Budgeted amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ 149,245,936	\$ 149,245,936	\$ 149,245,936	\$ -
Resources (inflows):				
Taxes	232,310,257	231,329,562	244,783,646	13,454,084
Licenses, permits, and franchises	7,039,086	7,039,086	7,440,636	401,550
Fines, forfeitures, and penalties	7,050,100	7,050,100	7,917,519	867,419
Revenue from use of money and property	1,331,560	1,331,560	1,339,162	7,602
Aid from other governmental agencies	464,990,083	467,548,831	448,328,807	(19,220,024)
Charges for services	37,114,547	38,445,711	39,217,569	771,858
Other revenues	2,246,142	2,264,684	4,924,714	2,660,030
Transfers in	66,675,073	78,346,687	27,845,117	(50,501,570)
Total resources	818,756,848	833,356,221	781,797,170	(51,559,051)
Charges to appropriations (outflows):				
Current:				
General government	69,941,680	70,903,504	44,367,497	26,536,007
Public protection	279,990,512	284,668,572	267,429,484	17,239,088
Public ways and facilities	123,260	123,260	1,203	122,057
Health and sanitation	42,656,408	42,317,638	56,936,087	(14,618,449)
Public assistance	375,587,076	375,820,961	334,997,434	40,823,527
Education	349,415	349,415	363,678	(14,263)
Parks and recreation	5,654,484	5,746,484	5,540,692	205,792
Debt service:				
Principal	-	-	14,510	(14,510)
Interest and fiscal charges	-	-	1,154	(1,154)
Transfers out	54,177,145	66,035,279	34,308,644	31,726,635
Total charges to appropriations	828,479,980	845,965,113	743,960,383	102,004,730
Fund balances (deficit), end of year	\$ 139,522,804	\$ 136,637,044	\$ 187,082,723	\$ 50,445,679

**COUNTY OF SAN JOAQUIN  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2017  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND (Continued)**

Explanation of differences between budgetary inflows and outflows and accounting principles 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	\$ 781,797,170
---	----------------

Differences - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(27,845,117)
--	--------------

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.	40,748,794
--	------------

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ <u>794,700,847</u>
--	-----------------------

Uses / outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 743,960,383
---	----------------

Differences - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(34,308,644)
---	--------------

Disbursements from the General Fund special accounts were not budgeted but were reported as expenditures for financial reporting purposes.	34,264,904
--	------------

Encumbrances for equipment and supplies ordered but not received are reported in the year the orders are placed for budgetary purpose, but are reported in the year the equipment and supplies are received for GAAP purposes.	9,009,305
--	-----------

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ <u>752,925,948</u>
--	-----------------------

**COUNTY OF SAN JOAQUIN  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2017  
BUDGETARY COMPARISON SCHEDULE  
MENTAL HEALTH AND SUBSTANCE ABUSE FUND**

	Budgeted amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ 109,146,767	\$ 109,146,767	\$ 109,146,767	\$ -
<b>Resources (inflows):</b>				
Fines, forfeitures, and penalties	450,000	450,000	231,623	(218,377)
Revenue from use of money and property	12,000	12,000	298,290	286,290
Aid from other governmental agencies	71,459,720	72,294,384	69,156,662	(3,137,722)
Charges for services	62,397,945	62,739,838	58,081,443	(4,658,395)
Other revenues	1,097,659	1,097,659	792,094	(305,565)
Transfers in	4,962,495	4,962,495	4,581,184	(381,311)
Total resources	140,379,819	141,556,376	133,141,296	(8,415,080)
<b>Charges to appropriations (outflows):</b>				
<b>Current:</b>				
Health and sanitation	141,024,148	142,200,705	116,885,430	25,315,275
Capital outlay	7,733,262	7,733,262	3,036,796	4,696,466
Transfers out	-	-	1,193,886	(1,193,886)
Total charges to appropriations	148,757,410	149,933,967	121,116,112	28,817,855
Fund balances (deficit), end of year	\$ 100,769,176	\$ 100,769,176	\$ 121,171,951	\$ 20,402,775

Explanation of differences between budgetary inflows and outflows and accounting principles 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 \$ 133,141,296

Differences - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes. (4,581,184)

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds \$ 128,560,112

Uses / outflows of resources:

Actual amounts (budgetary basis) \*total charges to appropriations" from the budgetary comparison schedule \$ 121,116,112

Differences - budget to GAAP:

Transfers from other funds are inflows of budgetary resources but are not expenditures for financial reporting purposes. (1,193,886)

Encumbrances for equipment and supplies ordered but not received are reported in the year the orders are placed for budgetary purpose, but are reported in the year the equipment and supplies are received for GAAP purposes. 1,054,299

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds \$ 120,976,525

**COUNTY OF SAN JOAQUIN  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2017**

**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 assignments 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 (General Fund), (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).

The following accounts had excess expenditures over appropriations:

General Fund - Health and Sanitation	\$14,618,449
General Fund - Education	14,263
General Fund - Principal and Interest	15,664
Mental Health and Substance Abuse Fund – Transfers Out	1,193,886

**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, 2017**

	<u>General Accounts</u>	<u>Contingency</u>	<u>General Reserve</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and investments:				
Pooled	\$ 193,891,553	\$ 62,201,180	\$ 21,995,971	\$ 278,088,704
Imprest cash	248,650	-	-	248,650
Accounts receivable	5,072,272	-	-	5,072,272
Taxes receivable	25,914,028	-	-	25,914,028
Interest receivable	1,034,888	-	-	1,034,888
Due from other agencies	40,120,941	-	-	40,120,941
Due from other funds	2,400,850	380,000	-	2,780,850
Advances to other funds	3,485,287	3,163,570	-	6,648,857
Loans receivable	-	20,000	-	20,000
Other assets	25,500	-	-	25,500
Total assets	<u>\$ 272,193,969</u>	<u>\$ 65,764,750</u>	<u>\$ 21,995,971</u>	<u>\$ 359,954,690</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 20,483,785	\$ -	\$ -	\$ 20,483,785
Accrued payroll	5,999,780	-	-	5,999,780
Due to other funds	3,972,688	-	-	3,972,688
Unearned revenues	27,676,121	-	-	27,676,121
Other liabilities	592,079	-	-	592,079
Total liabilities	<u>58,724,453</u>	<u>-</u>	<u>-</u>	<u>58,724,453</u>
Deferred Inflows of resources:				
Unavailable revenue	57,872,238	-	-	57,872,238
Total deferred inflows of resources	<u>57,872,238</u>	<u>-</u>	<u>-</u>	<u>57,872,238</u>
Fund balances:				
Nonspendable	3,510,787	3,183,570	-	6,694,357
Restricted	65,261,426	-	-	65,261,426
Committed	-	-	21,995,971	21,995,971
Assigned	-	62,581,180	-	62,581,180
Unassigned	86,825,065	-	-	86,825,065
Total fund balances	<u>155,597,278</u>	<u>65,764,750</u>	<u>21,995,971</u>	<u>243,357,999</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 272,193,969</u>	<u>\$ 65,764,750</u>	<u>\$ 21,995,971</u>	<u>\$ 359,954,690</u>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
ALL GENERAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

	General Accounts	Contingency	General Reserve	Interfund Elimination	Total
<b>Revenues:</b>					
Taxes	\$ 244,783,646	\$ -	\$ -	\$ -	\$ 244,783,646
Licenses, permits, and franchises	7,789,455	-	-	-	7,789,455
Fines, forfeitures, and penalties	9,787,672	-	-	-	9,787,672
Revenue from use of money and property	2,366,851	(190,014)	(115,337)	-	2,061,500
Aid from other governmental agencies	477,171,490	-	-	-	477,171,490
Charges for services	41,847,932	-	-	-	41,847,932
Other revenues	11,259,152	-	-	-	11,259,152
Total revenues	<u>795,006,198</u>	<u>(190,014)</u>	<u>(115,337)</u>	<u>-</u>	<u>794,700,847</u>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	49,564,615	-	-	-	49,564,615
Public protection	276,053,386	-	-	-	276,053,386
Public ways and facilities	55,463	-	-	-	55,463
Health and sanitation	58,503,225	-	-	-	58,503,225
Public assistance	360,599,552	-	-	-	360,599,552
Education	363,678	-	-	-	363,678
Parks and recreation	5,651,048	-	-	-	5,651,048
Capital outlay	2,119,317	-	-	-	2,119,317
<b>Debt service:</b>					
Principal	14,510	-	-	-	14,510
Interest and fiscal charges	1,154	-	-	-	1,154
Total expenditures	<u>752,925,948</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>752,925,948</u>
Excess (deficiency) of revenues over (under) expenditures	<u>42,080,250</u>	<u>(190,014)</u>	<u>(115,337)</u>	<u>-</u>	<u>41,774,899</u>
<b>Other financing sources (uses):</b>					
Transfers in	23,123,459	22,568,116	12,099,310	(34,606,773)	23,184,112
Transfers out	(68,901,729)	-	-	34,606,773	(34,294,956)
Total other financing sources (uses)	<u>(45,778,270)</u>	<u>22,568,116</u>	<u>12,099,310</u>	<u>-</u>	<u>(11,110,844)</u>
Net change in fund balances	(3,698,020)	22,378,102	11,983,973	-	30,664,055
Fund balances, beginning of year	159,295,298	43,386,648	10,011,998	-	212,693,944
Fund balances, end of year	<u>\$ 155,597,278</u>	<u>\$ 65,764,750</u>	<u>\$ 21,995,971</u>	<u>\$ -</u>	<u>\$ 243,357,999</u>

**COUNTY OF SAN JOAQUIN  
COMBINING BALANCE SHEET  
ALL GENERAL FUND SPECIAL ACCOUNTS  
JUNE 30, 2017**

	<u>General Accounts</u>	<u>Sheriff's Special Accounts</u>	<u>Prisoner Welfare Accounts</u>	<u>Court Fees and Assessments</u>
<b>ASSETS</b>				
Cash and investments:				
Pooled	\$ 106,533,331	\$ 3,425,344	\$ 2,727,461	\$ 2,756,195
Imprest cash	96,150	-	-	-
Accounts receivable	3,857,848	43,825	366,455	9,079
Taxes receivable	25,897,278	-	-	-
Interest receivable	834,013	8,774	6,964	7,614
Due from other agencies	37,670,223	208,948	-	164,797
Due from other funds	1,681,794	-	3,510	-
Advances to other funds	3,485,287	-	-	-
Other assets	25,500	-	-	-
Total assets	<u>\$ 180,081,424</u>	<u>\$ 3,686,891</u>	<u>\$ 3,104,390</u>	<u>\$ 2,937,685</u>
<b>LIABILITIES, DEFERRED INFLOWS OF OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 20,117,057	\$ 40,786	\$ 42,609	\$ -
Accrued payroll	5,998,488	-	-	-
Due to other funds	3,696,016	1,557	8,316	-
Unearned revenues	1,572,928	15,308	-	-
Other liabilities	592,079	-	-	-
Total liabilities	<u>31,976,568</u>	<u>57,651</u>	<u>50,925</u>	<u>-</u>
Deferred Inflows of resources:				
Unavailable revenue	<u>57,769,004</u>	-	<u>89,883</u>	-
Total deferred inflows of resources	<u>57,769,004</u>	-	<u>89,883</u>	-
Fund balances:				
Nonspendable	3,510,787	-	-	-
Restricted	-	3,629,240	2,963,582	2,937,685
Unassigned	86,825,065	-	-	-
Total fund balances	<u>90,335,852</u>	<u>3,629,240</u>	<u>2,963,582</u>	<u>2,937,685</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 180,081,424</u>	<u>\$ 3,686,891</u>	<u>\$ 3,104,390</u>	<u>\$ 2,937,685</u>

**COUNTY OF SAN JOAQUIN  
COMBINING BALANCE SHEET (Continued)  
ALL GENERAL FUND SPECIAL ACCOUNTS  
JUNE 30, 2017**

<u>Emergency Medical Services</u>	<u>Agriculture Special Accounts</u>	<u>Public Health Special Accounts</u>	<u>Community Service Special Accounts</u>	<u>Parks' Special Accounts</u>	<u>Recorder's Accounts</u>
\$ 2,030,607	\$ 1,549,673	\$ 5,585,916	\$ 23,935,446	\$ 362,179	\$ 357,613
-	-	-	2,500	-	-
32,012	63,425	93,761	14,168	-	342
-	-	16,750	-	-	-
5,277	1,048	11,027	2,305	3,004	-
-	-	760,000	1,316,973	-	-
-	-	19,818	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,067,896</u>	<u>\$ 1,614,146</u>	<u>\$ 6,487,272</u>	<u>\$ 25,271,392</u>	<u>\$ 365,183</u>	<u>\$ 357,955</u>
\$ 21,373	\$ 37,620	\$ 133,893	\$ 90,447	\$ -	\$ -
-	-	-	1,292	-	-
-	38,972	13,848	-	-	97,750
-	-	760,000	18,790,950	-	-
-	-	-	-	-	-
<u>21,373</u>	<u>76,592</u>	<u>907,741</u>	<u>18,882,689</u>	<u>-</u>	<u>97,750</u>
-	13,351	-	-	-	-
-	13,351	-	-	-	-
-	-	-	-	-	-
2,046,523	1,524,203	5,579,531	6,388,703	365,183	260,205
-	-	-	-	-	-
<u>2,046,523</u>	<u>1,524,203</u>	<u>5,579,531</u>	<u>6,388,703</u>	<u>365,183</u>	<u>260,205</u>
<u>\$ 2,067,896</u>	<u>\$ 1,614,146</u>	<u>\$ 6,487,272</u>	<u>\$ 25,271,392</u>	<u>\$ 365,183</u>	<u>\$ 357,955</u>

**COUNTY OF SAN JOAQUIN  
COMBINING BALANCE SHEET (Continued)  
ALL GENERAL FUND SPECIAL ACCOUNTS  
JUNE 30, 2017**

	<u>Assessor Special Accounts</u>	<u>Probation Juvenile Welfare</u>	<u>Community Development Accounts</u>	<u>District Attorney Accounts</u>
<b>ASSETS</b>				
Cash and investments:				
Pooled	\$ 789,784	\$ 8,724,046	\$ 4,390,349	\$ 9,438,202
Imprest cash	-	-	-	-
Accounts receivable	1,042	585,872	-	4,353
Taxes receivable	-	-	-	-
Interest receivable	864	100,378	11,115	30,291
Due from other agencies	-	-	-	-
Due from other funds	-	526,728	-	-
Advances to other funds	-	-	-	-
Other assets	-	-	-	-
Total assets	<u>\$ 791,690</u>	<u>\$ 9,937,024</u>	<u>\$ 4,401,464</u>	<u>\$ 9,472,846</u>
<b>LIABILITIES, DEFERRED INFLOWS OF OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Due to other funds	116,229	-	-	-
Unearned revenues	-	-	-	-
Other liabilities	-	-	-	-
Total liabilities	<u>116,229</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of resources:				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	675,461	9,937,024	4,401,464	9,472,846
Unassigned	-	-	-	-
Total fund balances	<u>675,461</u>	<u>9,937,024</u>	<u>4,401,464</u>	<u>9,472,846</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 791,690</u>	<u>\$ 9,937,024</u>	<u>\$ 4,401,464</u>	<u>\$ 9,472,846</u>

**COUNTY OF SAN JOAQUIN  
COMBINING BALANCE SHEET (Continued)  
ALL GENERAL FUND SPECIAL ACCOUNTS  
JUNE 30, 2017**

HSA Grant Accounts	Other Accounts	Total
\$ 6,497,195	\$ 14,788,212	\$ 193,891,553
150,000	-	248,650
-	90	5,072,272
-	-	25,914,028
-	12,214	1,034,888
-	-	40,120,941
-	169,000	2,400,850
-	-	3,485,287
-	-	25,500
<u>\$ 6,647,195</u>	<u>\$ 14,969,516</u>	<u>\$ 272,193,969</u>
\$ -	\$ -	\$ 20,483,785
-	-	5,999,780
-	-	3,972,688
6,536,935	-	27,676,121
-	-	592,079
<u>6,536,935</u>	<u>-</u>	<u>58,724,453</u>
-	-	57,872,238
-	-	57,872,238
-	-	3,510,787
110,260	14,969,516	65,261,426
-	-	86,825,065
<u>110,260</u>	<u>14,969,516</u>	<u>155,597,278</u>
<u>\$ 6,647,195</u>	<u>\$ 14,969,516</u>	<u>\$ 272,193,969</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, 2017**

	<b>General Accounts</b>	<b>Sheriff's Special Accounts</b>	<b>Prisoner Welfare Accounts</b>	<b>Court Fees and Assessments</b>
<b>Revenues:</b>				
Taxes	\$ 244,783,646	\$ -	\$ -	\$ -
Licenses, permits, and franchises	7,440,636	-	-	-
Fines, forfeitures, and penalties	7,917,519	110,908	-	95,605
Revenue from use of money and property	2,367,432	7,637	5,548	8,968
Aid from other governmental agencies	443,867,517	756,258	-	632,747
Charges for services	39,150,536	36,309	380	-
Other revenues	8,210,737	101,338	2,327,543	-
Total revenues	<u>753,738,023</u>	<u>1,012,450</u>	<u>2,333,471</u>	<u>737,320</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	49,563,768	-	-	-
Public protection	268,167,288	377,940	597,782	-
Public ways and facilities	55,463	-	-	-
Health and sanitation	57,267,866	-	-	-
Public assistance	334,937,573	-	-	-
Education	363,678	-	-	-
Parks and recreation	5,651,048	-	-	-
Capital outlay	2,119,317	-	-	-
<b>Debt service:</b>				
Principal	14,510	-	-	-
Interest and fiscal charges	1,154	-	-	-
Total expenditures	<u>718,141,665</u>	<u>377,940</u>	<u>597,782</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>35,596,358</u>	<u>634,510</u>	<u>1,735,689</u>	<u>737,320</u>
<b>Other financing sources (uses):</b>				
Transfers in	19,363,018	-	-	-
Transfers out	(60,470,814)	(455,087)	(1,161,772)	(881,134)
Total other financing sources (uses)	<u>(41,107,796)</u>	<u>(455,087)</u>	<u>(1,161,772)</u>	<u>(881,134)</u>
Net change in fund balances	(5,511,438)	179,423	573,917	(143,814)
Fund balances, beginning of year	95,847,290	3,449,817	2,389,665	3,081,499
Fund balances, end of year	<u>\$ 90,335,852</u>	<u>\$ 3,629,240</u>	<u>\$ 2,963,582</u>	<u>\$ 2,937,685</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, 2017**

Emergency Medical Services	Agriculture Special Accounts	Public Health Special Accounts	Community Service Special Accounts	Parks' Special Accounts	Recorder's Accounts
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
262,689	-	270,026	55,767	-	-
5,413	53,087	3,402	(126,943)	5,520	(1,986)
393,920	110,881	-	27,141,966	-	-
-	572,474	-	216,492	321,472	72,593
76,942	118,337	23,419	33,255	309,803	-
<u>738,964</u>	<u>854,779</u>	<u>296,847</u>	<u>27,320,537</u>	<u>636,795</u>	<u>70,607</u>
-	-	-	-	-	-
-	96,214	-	-	-	-
-	-	-	-	-	-
644,762	-	590,597	-	-	-
-	-	-	25,661,979	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>644,762</u>	<u>96,214</u>	<u>590,597</u>	<u>25,661,979</u>	<u>-</u>	<u>-</u>
94,202	758,565	(293,750)	1,658,558	636,795	70,607
-	-	-	-	-	-
-	(577,908)	(23,332)	(848,704)	(1,027,395)	(97,750)
-	(577,908)	(23,332)	(848,704)	(1,027,395)	(97,750)
94,202	180,657	(317,082)	809,854	(390,600)	(27,143)
1,952,321	1,343,546	5,896,613	5,578,849	755,783	287,348
<u>\$ 2,046,523</u>	<u>\$ 1,524,203</u>	<u>\$ 5,579,531</u>	<u>\$ 6,388,703</u>	<u>\$ 365,183</u>	<u>\$ 260,205</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, 2017**

	<b>Assessor Special Accounts</b>	<b>Probation Juvenile Welfare</b>	<b>Community Development Accounts</b>	<b>District Attorney Accounts</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and franchises	-	-	348,819	-
Fines, forfeitures, and penalties	-	-	-	1,075,158
Revenue from use of money and property	(1,659)	72,746	10,015	37,501
Aid from other governmental agencies	-	4,268,201	-	-
Charges for services	228,450	-	21,918	1,181,741
Other revenues	-	-	-	-
Total revenues	<u>226,791</u>	<u>4,340,947</u>	<u>380,752</u>	<u>2,294,400</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	-	-	-	-
Public protection	-	6,475,953	-	338,209
Public ways and facilities	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	-	-
<b>Debt service:</b>				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>6,475,953</u>	<u>-</u>	<u>338,209</u>
Excess (deficiency) of revenues over (under) expenditures	<u>226,791</u>	<u>(2,135,006)</u>	<u>380,752</u>	<u>1,956,191</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	3,760,441	-	-
Transfers out	(116,229)	(18,469)	-	(2,638,661)
Total other financing sources (uses)	<u>(116,229)</u>	<u>3,741,972</u>	<u>-</u>	<u>(2,638,661)</u>
Net change in fund balances	110,562	1,606,966	380,752	(682,470)
Fund balances, beginning of year	<u>564,899</u>	<u>8,330,058</u>	<u>4,020,712</u>	<u>10,155,316</u>
Fund balances, end of year	<u>\$ 675,461</u>	<u>\$ 9,937,024</u>	<u>\$ 4,401,464</u>	<u>\$ 9,472,846</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, 2017**

HSA Grant Accounts	Other Accounts	Total
\$ -	\$ -	\$ 244,783,646
-	-	7,789,455
-	-	9,787,672
(36,242)	(43,588)	2,366,851
-	-	477,171,490
-	45,567	41,847,932
-	57,778	11,259,152
(36,242)	59,757	795,006,198
-	847	49,564,615
-	-	276,053,386
-	-	55,463
-	-	58,503,225
-	-	360,599,552
-	-	363,678
-	-	5,651,048
-	-	2,119,317
-	-	14,510
-	-	1,154
-	847	752,925,948
(36,242)	58,910	42,080,250
-	-	23,123,459
-	(584,474)	(68,901,729)
-	(584,474)	(45,778,270)
(36,242)	(525,564)	(3,698,020)
146,502	15,495,080	159,295,298
\$ 110,260	\$ 14,969,516	\$ 155,597,278

### **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, 2017**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and investments:				
Pooled	\$ 188,242,332	\$ 48,041	\$ 19,828,389	\$ 208,118,762
Imprest cash	33,650	-	-	33,650
Accounts receivable	2,049,879	-	247,268	2,297,147
Taxes receivable	3,625,171	-	-	3,625,171
Interest receivable	468,011	148	33,000	501,159
Due from other agencies	7,313,671	-	-	7,313,671
Due from other funds	214,722	-	-	214,722
Advances to other funds	781,093	-	-	781,093
Loans receivable	39,378,073	-	-	39,378,073
Inventory	834,775	-	-	834,775
Restricted assets:				
Restricted cash and investments	-	9,109,191	-	9,109,191
Total assets	<u>\$ 242,941,825</u>	<u>\$ 9,157,380</u>	<u>\$ 20,108,657</u>	<u>\$ 272,207,862</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 7,421,976	\$ 27,403	\$ 9,970	\$ 7,459,349
Accrued payroll	834,647	-	-	834,647
Due to other funds	1,949,909	-	-	1,949,909
Unearned revenues	258,807	-	-	258,807
Advances from other funds	4,686,991	-	1,797,710	6,484,701
Total liabilities	<u>15,152,330</u>	<u>27,403</u>	<u>1,807,680</u>	<u>16,987,413</u>
Deferred inflows of resources:				
Unavailable revenue	3,257,292	-	-	3,257,292
Total deferred inflows of resources	<u>3,257,292</u>	<u>-</u>	<u>-</u>	<u>3,257,292</u>
Fund balances:				
Nonspendable	1,616,316	-	-	1,616,316
Restricted	225,513,012	629,103	11,904,330	238,046,445
Assigned	-	8,500,874	8,194,356	16,695,230
Unassigned	(2,597,125)	-	(1,797,709)	(4,394,834)
Total fund balances	<u>224,532,203</u>	<u>9,129,977</u>	<u>18,300,977</u>	<u>251,963,157</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 242,941,825</u>	<u>\$ 9,157,380</u>	<u>\$ 20,108,657</u>	<u>\$ 272,207,862</u>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Special Revenue Funds</b>	<b>Debt Service Funds</b>	<b>Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>				
Taxes	\$ 30,318,147	\$ -	\$ -	\$ 30,318,147
Licenses, permits, and franchises	190,653	-	-	190,653
Fines, forfeitures, and penalties	6,227	-	2,669,011	2,675,238
Revenue from use of money and property	859,711	17,000	(15,577)	861,134
Aid from other governmental agencies	94,784,323	-	-	94,784,323
Charges for services	27,052,875	23,659	55,810	27,132,344
Other revenues	1,034,886	-	-	1,034,886
Total revenues	<u>154,246,822</u>	<u>40,659</u>	<u>2,709,244</u>	<u>156,996,725</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	6,649,389	27,849	-	6,677,238
Public protection	43,647,869	-	-	43,647,869
Public ways and facilities	32,114,876	-	10,063	32,124,939
Community infrastructure	2,471,233	-	-	2,471,233
Public assistance	10,408,510	-	-	10,408,510
Education	4,762,004	-	-	4,762,004
Parks and recreation	175,985	-	-	175,985
Capital outlay	25,388,243	-	135,458	25,523,701
<b>Debt service:</b>				
Principal	57,791	3,266,900	-	3,324,691
Interest and fiscal charges	97,365	5,684,818	-	5,782,183
Total expenditures	<u>127,540,888</u>	<u>8,979,567</u>	<u>145,521</u>	<u>136,665,976</u>
Excess (deficiency) of revenues over (under) expenditures	<u>26,705,934</u>	<u>(8,938,908)</u>	<u>2,563,723</u>	<u>20,330,749</u>
<b>Other financing sources (uses):</b>				
Transfers in	522,203	8,882,934	-	9,405,137
Transfers out	(16,666,575)	-	(142,758)	(16,809,333)
Total other financing sources (uses)	<u>(16,144,372)</u>	<u>8,882,934</u>	<u>(142,758)</u>	<u>(7,404,196)</u>
Net change in fund balances	10,561,562	(55,974)	2,420,965	12,926,553
Fund balances, beginning of year	213,970,641	9,185,951	15,880,012	239,036,604
Fund balances, end of year	<u>\$ 224,532,203</u>	<u>\$ 9,129,977</u>	<u>\$ 18,300,977</u>	<u>\$ 251,963,157</u>

### **Nonmajor 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, 2017**

	<u>Road</u>	<u>Fish and Game</u>	<u>County Facilities Fee Program</u>	<u>Special Districts Settlement Fund</u>
<b>ASSETS</b>				
Cash and investments:				
Pooled	\$ 29,534,350	\$ 175,355	\$ 24,033,137	\$ 579,188
Imprest cash	500	-	-	-
Accounts receivable	217,520	10,762	791,776	-
Taxes receivable	2,994,756	-	-	-
Interest receivable	70,575	349	64,566	1,535
Due from other agencies	2,590,266	-	-	-
Due from other funds	112,166	-	-	-
Advances to other funds	-	-	-	781,093
Loans receivable	-	-	-	-
Inventory	834,775	-	-	-
Other assets	-	-	-	-
Total assets	<u>\$ 36,354,908</u>	<u>\$ 186,466</u>	<u>\$ 24,889,479</u>	<u>\$ 1,361,816</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 4,445,386	\$ -	\$ -	\$ -
Accrued payroll	256,830	-	-	-
Due to other funds	363,151	-	-	-
Unearned revenues	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>5,065,367</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of resources:				
Unavailable revenue	2,675,090	-	-	-
Total deferred inflows of resources	<u>2,675,090</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	834,775	-	-	781,093
Restricted	27,779,676	186,466	24,889,479	580,723
Unassigned	-	-	-	-
Total fund balances (deficit)	<u>28,614,451</u>	<u>186,466</u>	<u>24,889,479</u>	<u>1,361,816</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 36,354,908</u>	<u>\$ 186,466</u>	<u>\$ 24,889,479</u>	<u>\$ 1,361,816</u>



**COUNTY OF SAN JOAQUIN  
COMBINING BALANCE SHEET (Continued)  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2017**

Work Incentive Act	Rabies Treatment	County Head Start	Road District #1	Road District #2	Road District #3	Road District #4
\$ -	\$ 83,348	\$ 45,215	\$ 2,151,901	\$ 1,068,314	\$ 1,488,891	\$ 6,359,793
250	-	-	-	-	-	-
116,630	6,448	-	-	-	-	-
-	-	-	26,990	18,418	23,361	148,176
-	-	-	5,522	2,761	3,820	16,557
464,553	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 581,433</u>	<u>\$ 89,796</u>	<u>\$ 45,215</u>	<u>\$ 2,184,413</u>	<u>\$ 1,089,493</u>	<u>\$ 1,516,072</u>	<u>\$ 6,524,526</u>
\$ 502,716	\$ -	\$ -	\$ 1,179	\$ 390	\$ 1,873	\$ 43,469
264,566	-	-	-	-	-	-
6,093	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>773,375</u>	<u>-</u>	<u>-</u>	<u>1,179</u>	<u>390</u>	<u>1,873</u>	<u>43,469</u>
-	-	-	23,933	16,335	20,692	131,311
-	-	-	23,933	16,335	20,692	131,311
-	-	-	-	-	-	-
-	89,796	45,215	2,159,301	1,072,768	1,493,507	6,349,746
(191,942)	-	-	-	-	-	-
<u>(191,942)</u>	<u>89,796</u>	<u>45,215</u>	<u>2,159,301</u>	<u>1,072,768</u>	<u>1,493,507</u>	<u>6,349,746</u>
<u>\$ 581,433</u>	<u>\$ 89,796</u>	<u>\$ 45,215</u>	<u>\$ 2,184,413</u>	<u>\$ 1,089,493</u>	<u>\$ 1,516,072</u>	<u>\$ 6,524,526</u>

**COUNTY OF SAN JOAQUIN  
COMBINING BALANCE SHEET (Continued)  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2017**

	Road District #5	County Library	District Attorney Narcotics Enforcement	Sheriff Narcotics Enforcement
<b>ASSETS</b>				
Cash and investments:				
Pooled	\$ 3,698,007	\$ 4,522,612	\$ 143,547	\$ 56,156
Imprest cash	-	-	-	7,500
Accounts receivable	-	114,798	268	-
Taxes receivable	52,598	254,492	-	-
Interest receivable	9,521	1,441	415	145
Due from other agencies	-	-	-	-
Due from other funds	-	-	-	-
Advances to other funds	-	-	-	-
Loans receivable	-	-	-	-
Inventory	-	-	-	-
Other assets	-	-	-	-
Total assets	<u>\$ 3,760,126</u>	<u>\$ 4,893,343</u>	<u>\$ 144,230</u>	<u>\$ 63,801</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 2,686	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>2,686</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of resources:				
Unavailable revenue	46,651	225,603	-	-
Total deferred inflows of resources	<u>46,651</u>	<u>225,603</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	3,710,789	4,667,740	144,230	63,801
Unassigned	-	-	-	-
Total fund balances (deficit)	<u>3,710,789</u>	<u>4,667,740</u>	<u>144,230</u>	<u>63,801</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,760,126</u>	<u>\$ 4,893,343</u>	<u>\$ 144,230</u>	<u>\$ 63,801</u>

**COUNTY OF SAN JOAQUIN  
COMBINING BALANCE SHEET (Continued)  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2017**

Justice Assistance Grant	Supplemental Local Law Enforcement Block Grant	Local Innovation Subaccount	Whole Person Care	Recorder's Equipment Automation	Child Support
\$ 91,047	\$ -	\$ 151,160	\$ 1,725,699	\$ 4,928,259	\$ 245,731
-	-	-	-	-	25,400
-	-	-	-	7,342	140,965
-	-	-	-	-	-
139	-	389	4,266	13,100	6,111
21,205	-	-	-	-	-
-	-	-	-	98,544	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 112,391</u>	<u>\$ -</u>	<u>\$ 151,549</u>	<u>\$ 1,729,965</u>	<u>\$ 5,047,245</u>	<u>\$ 418,207</u>
\$ -	\$ -	\$ -	\$ -	\$ 20,364	\$ 60,092
-	-	-	-	-	164,937
-	-	-	-	169,566	55,972
-	-	-	-	-	258,807
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>189,930</u>	<u>539,808</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
112,391	-	151,549	1,729,965	4,857,315	-
-	-	-	-	-	(121,601)
<u>112,391</u>	<u>-</u>	<u>151,549</u>	<u>1,729,965</u>	<u>4,857,315</u>	<u>(121,601)</u>
<u>\$ 112,391</u>	<u>\$ -</u>	<u>\$ 151,549</u>	<u>\$ 1,729,965</u>	<u>\$ 5,047,245</u>	<u>\$ 418,207</u>

**COUNTY OF SAN JOAQUIN  
COMBINING BALANCE SHEET (Continued)  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2017**

	<b>Community Infrastructure</b>	<b>Public Works Special Accounts</b>	<b>AB 109 Trial Court Security</b>	<b>AB 109 District Attorney - Public Defender</b>
<b>ASSETS</b>				
Cash and investments:				
Pooled	\$ 21,770,180	\$ 3,863,362	\$ 7,829,194	\$ 2,430,586
Imprest cash	-	-	-	-
Accounts receivable	221,401	32,262	-	-
Taxes receivable	-	-	-	-
Interest receivable	56,825	9,863	21,471	6,073
Due from other agencies	-	-	497,639	539,671
Due from other funds	-	-	807	-
Advances to other funds	-	-	-	-
Loans receivable	-	-	-	-
Inventory	-	-	-	-
Other assets	-	-	-	-
Total assets	<u>\$ 22,048,406</u>	<u>\$ 3,905,487</u>	<u>\$ 8,349,111</u>	<u>\$ 2,976,330</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 13,197	\$ 1,828	\$ 181,529	\$ -
Accrued payroll	-	-	25,272	-
Due to other funds	28,264	-	3,732	526,728
Unearned revenues	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>41,461</u>	<u>1,828</u>	<u>210,533</u>	<u>526,728</u>
Deferred Inflows of resources:				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	22,006,945	3,903,659	8,138,578	2,449,602
Unassigned	-	-	-	-
Total fund balances (deficit)	<u>22,006,945</u>	<u>3,903,659</u>	<u>8,138,578</u>	<u>2,449,602</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 22,048,406</u>	<u>\$ 3,905,487</u>	<u>\$ 8,349,111</u>	<u>\$ 2,976,330</u>

**COUNTY OF SAN JOAQUIN  
COMBINING BALANCE SHEET (Continued)  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2017**

AB 118 Local Community Corrections Fund	Industrial Revolving Loan Fund	Home Investment Trust Local Account	Rehabilitation Loan Program	Disaster Recovery Initiative Program	Neighborhood Stabilization Revolving Loan Program
\$ 24,438,119	\$ 3,584,692	\$ 3,217,288	\$ 6,222,432	\$ 157,118	\$ 3,452,351
-	-	-	-	-	-
4,046	-	40,000	-	-	-
-	-	-	-	-	-
63,883	3,592	7,040	16,585	404	-
3,160,540	-	13,896	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	3,266,227	20,329,625	8,402,957	286,770	7,092,494
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 27,666,588</u>	<u>\$ 6,854,511</u>	<u>\$ 23,607,849</u>	<u>\$ 14,641,974</u>	<u>\$ 444,292</u>	<u>\$ 10,544,845</u>
\$ 391,883	\$ -	\$ 8,037	\$ 15,398	\$ -	\$ 2,500
114,428	-	-	-	-	-
419,370	-	-	3,109	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>925,681</u>	<u>-</u>	<u>8,037</u>	<u>18,507</u>	<u>-</u>	<u>2,500</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
26,740,907	6,854,511	23,599,812	14,623,467	444,292	10,542,345
-	-	-	-	-	-
<u>26,740,907</u>	<u>6,854,511</u>	<u>23,599,812</u>	<u>14,623,467</u>	<u>444,292</u>	<u>10,542,345</u>
<u>\$ 27,666,588</u>	<u>\$ 6,854,511</u>	<u>\$ 23,607,849</u>	<u>\$ 14,641,974</u>	<u>\$ 444,292</u>	<u>\$ 10,544,845</u>

**COUNTY OF SAN JOAQUIN  
COMBINING BALANCE SHEET (Continued)  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2017**

	<b>Economic Development Association</b>	<b>Special Districts Under the Board</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments:			
Pooled	\$ 2,764,124	\$ 27,431,176	\$ 188,242,332
Imprest cash	-	-	33,650
Accounts receivable	-	345,661	2,049,879
Taxes receivable	-	106,380	3,625,171
Interest receivable	-	81,063	468,011
Due from other agencies	1,142	24,759	7,313,671
Due from other funds	-	3,205	214,722
Advances to other funds	-	-	781,093
Loans receivable	-	-	39,378,073
Inventory	-	-	834,775
Other assets	448	-	448
Total assets	<u>\$ 2,765,714</u>	<u>\$ 27,992,244</u>	<u>\$ 242,941,825</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 25,130	\$ 1,704,319	\$ 7,421,976
Accrued payroll	-	8,614	834,647
Due to other funds	-	373,924	1,949,909
Unearned revenues	-	-	258,807
Advances from other funds	-	4,686,991	4,686,991
Total liabilities	<u>25,130</u>	<u>6,773,848</u>	<u>15,152,330</u>
Deferred Inflows of resources:			
Unavailable revenue	-	117,677	3,257,292
Total deferred inflows of resources	<u>-</u>	<u>117,677</u>	<u>3,257,292</u>
Fund balances:			
Nonspendable	448	-	1,616,316
Restricted	2,740,136	23,384,301	225,513,012
Unassigned	-	(2,283,582)	(2,597,125)
Total fund balances (deficit)	<u>2,740,584</u>	<u>21,100,719</u>	<u>224,532,203</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,765,714</u>	<u>\$ 27,992,244</u>	<u>\$ 242,941,825</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, 2017**

	<u>Road</u>	<u>Fish and Game</u>	<u>County Facilities Fee Program</u>	<u>Special Districts Settlement Fund</u>
Revenues:				
Taxes	\$ 13,880,247	\$ -	\$ -	\$ -
Licenses, permits, and franchises	132,545	-	-	-
Fines, forfeitures, and penalties	-	6,227	-	-
Revenue from use of money and property	52,419	76	61,633	7,959
Aid from other governmental agencies	18,993,165	17,640	-	-
Charges for services	1,368,155	-	4,214,255	-
Other revenues	362,825	-	-	-
Total revenues	<u>34,789,356</u>	<u>23,943</u>	<u>4,275,888</u>	<u>7,959</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public protection	-	38,775	-	-
Public ways and facilities	15,904,907	-	-	-
Community infrastructure	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	24,762,561	-	-	-
Debt service:				
Principal	57,791	-	-	-
Interest and fiscal charges	3,207	-	-	-
Total expenditures	<u>40,728,466</u>	<u>38,775</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,939,110)</u>	<u>(14,832)</u>	<u>4,275,888</u>	<u>7,959</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(965,714)	(9,550)	(1,402,307)	-
Total other financing sources (uses)	<u>(965,714)</u>	<u>(9,550)</u>	<u>(1,402,307)</u>	<u>-</u>
Net change in fund balances	(6,904,824)	(24,382)	2,873,581	7,959
Fund balances (deficit), beginning of year	<u>35,519,275</u>	<u>210,848</u>	<u>22,015,898</u>	<u>1,353,857</u>
Fund balances (deficit), end of year	<u>\$ 28,614,451</u>	<u>\$ 186,466</u>	<u>\$ 24,889,479</u>	<u>\$ 1,361,816</u>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (Continued)  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

Work Incentive Act	Rabies Treatment	County Head Start	Road District #1	Road District #2	Road District #3	Road District #4
\$ -	\$ -	\$ -	\$ 685,254	\$ 468,925	\$ 739,999	\$ 3,738,613
-	58,108	-	-	-	-	-
-	-	-	-	-	-	-
214	(431)	(481)	3,991	1,827	2,317	9,082
8,096,393	-	-	6,179	4,212	5,379	34,028
382,685	-	-	-	-	-	500
303,930	50	-	-	-	-	-
<u>8,783,222</u>	<u>57,727</u>	<u>(481)</u>	<u>695,424</u>	<u>474,964</u>	<u>747,695</u>	<u>3,782,223</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	224,484	201,161	555,515	2,671,026
-	-	-	-	-	-	-
9,577,959	-	496	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>9,577,959</u>	<u>-</u>	<u>496</u>	<u>224,484</u>	<u>201,161</u>	<u>555,515</u>	<u>2,671,026</u>
<u>(794,737)</u>	<u>57,727</u>	<u>(977)</u>	<u>470,940</u>	<u>273,803</u>	<u>192,180</u>	<u>1,111,197</u>
-	-	-	-	-	-	-
<u>(175,115)</u>	<u>-</u>	<u>(60,653)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(175,115)</u>	<u>-</u>	<u>(60,653)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(969,852)	57,727	(61,630)	470,940	273,803	192,180	1,111,197
777,910	32,069	106,845	1,688,361	798,965	1,301,327	5,238,549
<u>\$ (191,942)</u>	<u>\$ 89,796</u>	<u>\$ 45,215</u>	<u>\$ 2,159,301</u>	<u>\$ 1,072,768</u>	<u>\$ 1,493,507</u>	<u>\$ 6,349,746</u>



**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (Continued)  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

	Road District #5	County Library	District Attorney Narcotics Enforcement	Sheriff Narcotics Enforcement
Revenues:				
Taxes	\$ 1,361,829	\$ 6,699,849	\$ -	\$ -
Licenses, permits, and franchises	-	-	-	-
Fines, forfeitures, and penalties	-	-	-	-
Revenue from use of money and property	6,508	(19,105)	381	157
Aid from other governmental agencies	12,027	163,492	-	-
Charges for services	-	236,659	-	-
Other revenues	-	-	60,760	(6,834)
Total revenues	<u>1,380,364</u>	<u>7,080,895</u>	<u>61,141</u>	<u>(6,677)</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public protection	-	-	6,094	2,546
Public ways and facilities	479,999	-	-	-
Community infrastructure	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	4,762,004	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>479,999</u>	<u>4,762,004</u>	<u>6,094</u>	<u>2,546</u>
Excess (deficiency) of revenues over (under) expenditures	<u>900,365</u>	<u>2,318,891</u>	<u>55,047</u>	<u>(9,223)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(27,500)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(27,500)</u>	<u>-</u>
Net change in fund balances	900,365	2,318,891	27,547	(9,223)
Fund balances (deficit), beginning of year	<u>2,810,424</u>	<u>2,348,849</u>	<u>116,683</u>	<u>73,024</u>
Fund balances (deficit), end of year	<u>\$ 3,710,789</u>	<u>\$ 4,667,740</u>	<u>\$ 144,230</u>	<u>\$ 63,801</u>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (Continued)  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

Justice Assistance Grant	Supplemental Local Law Enforcement Block Grant	Local Innovation Subaccount	Whole Person Care	Recorder's Equipment Automation	Child Support
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
(98)	(48)	(342)	(2,412)	13,403	12,465
245,769	-	-	3,500,000	-	15,200,430
-	-	-	-	977,831	-
-	-	-	-	-	62,816
<u>245,671</u>	<u>(48)</u>	<u>(342)</u>	<u>3,497,588</u>	<u>991,234</u>	<u>15,275,711</u>
-	-	-	-	-	-
167,710	-	-	-	634,307	14,254,721
-	-	-	-	-	-
-	-	-	1,767,623	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	76,766	145,429
-	-	-	-	-	-
<u>167,710</u>	<u>-</u>	<u>-</u>	<u>1,767,623</u>	<u>711,073</u>	<u>14,400,150</u>
<u>77,961</u>	<u>(48)</u>	<u>(342)</u>	<u>1,729,965</u>	<u>280,161</u>	<u>875,561</u>
-	-	151,891	-	-	-
(1,776)	-	-	-	(71,022)	(536,089)
<u>(1,776)</u>	<u>-</u>	<u>151,891</u>	<u>-</u>	<u>(71,022)</u>	<u>(536,089)</u>
76,185	(48)	151,549	1,729,965	209,139	339,472
<u>36,206</u>	<u>48</u>	<u>-</u>	<u>-</u>	<u>4,648,176</u>	<u>(461,073)</u>
<u>\$ 112,391</u>	<u>\$ -</u>	<u>\$ 151,549</u>	<u>\$ 1,729,965</u>	<u>\$ 4,857,315</u>	<u>\$ (121,601)</u>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (Continued)  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

	Community Infrastructure	Public Works Special Accounts	AB 109 Trial Court Security	AB 109 District Attorney - Public Defender
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and franchises	-	-	-	-
Fines, forfeitures, and penalties	-	-	-	-
Revenue from use of money and property	62,103	9,461	20,244	4,491
Aid from other governmental agencies	-	-	12,799,933	4,556,758
Charges for services	2,280,884	119,924	-	-
Other revenues	-	24,209	-	-
Total revenues	<u>2,342,987</u>	<u>153,594</u>	<u>12,820,177</u>	<u>4,561,249</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	-	-	-	-
Public protection	-	-	2,987,525	70,618
Public ways and facilities	-	3	-	-
Community infrastructure	2,471,233	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	13,693	-
<b>Debt service:</b>				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>2,471,233</u>	<u>3</u>	<u>3,001,218</u>	<u>70,618</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(128,246)</u>	<u>153,591</u>	<u>9,818,959</u>	<u>4,490,631</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	(8,628,848)	(3,767,271)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(8,628,848)</u>	<u>(3,767,271)</u>
Net change in fund balances	(128,246)	153,591	1,190,111	723,360
Fund balances (deficit), beginning of year	<u>22,135,191</u>	<u>3,750,068</u>	<u>6,948,467</u>	<u>1,726,242</u>
Fund balances (deficit), end of year	<u>\$ 22,006,945</u>	<u>\$ 3,903,659</u>	<u>\$ 8,138,578</u>	<u>\$ 2,449,602</u>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (Continued)  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

AB 118 Local Community Corrections Fund	Industrial Revolving Loan Fund	Home Investment Trust Local Account	Rehabilitation Loan Program	Disaster Recovery Initiative Program	Neighborhood Stabilization Revolving Loan Program
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
51,085	200,877	116,539	142,401	403	4,911
25,736,863		3,969,701	1,168,047	-	-
-	-	2,190	7,670	-	952
-	23,537	120,000	4,287	-	22,825
<u>25,787,948</u>	<u>224,414</u>	<u>4,208,430</u>	<u>1,322,405</u>	<u>403</u>	<u>28,688</u>
-	182,374	4,542,274	1,809,063	104,854	10,824
19,117,407	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
127,953	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>19,245,360</u>	<u>182,374</u>	<u>4,542,274</u>	<u>1,809,063</u>	<u>104,854</u>	<u>10,824</u>
6,542,588	42,040	(333,844)	(486,658)	(104,451)	17,864
-	-	-	-	-	-
(114,291)	-	-	-	-	-
(114,291)	-	-	-	-	-
6,428,297	42,040	(333,844)	(486,658)	(104,451)	17,864
20,312,610	6,812,471	23,933,656	15,110,125	548,743	10,524,481
<u>\$ 26,740,907</u>	<u>\$ 6,854,511</u>	<u>\$ 23,599,812</u>	<u>\$ 14,623,467</u>	<u>\$ 444,292</u>	<u>\$ 10,542,345</u>

**COUNTY OF SAN JOAQUIN  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL DISTRICTS GOVERNED BY  
NONMAJOR SPECIAL REVENUE FUNDS JUNE 30, 2017**

	<b>Economic Development Association</b>	<b>Special Districts Under the Board</b>	<b>Total</b>
<b>Revenues:</b>			
Taxes	\$ -	\$ 2,743,431	\$ 30,318,147
Licenses, permits, and franchises	-	-	190,653
Fines, forfeitures, and penalties	-	-	6,227
Revenue from use of money and property	142	97,539	859,711
Aid from other governmental agencies	45,000	229,307	94,784,323
Charges for services	-	17,461,170	27,052,875
Other revenues	235	56,246	1,034,886
Total revenues	<u>45,377</u>	<u>20,587,693</u>	<u>154,246,822</u>
<b>Expenditures:</b>			
<b>Current:</b>			
General government	-	-	6,649,389
Public protection	-	6,368,166	43,647,869
Public ways and facilities	-	12,077,781	32,114,876
Community infrastructure	-	-	2,471,233
Health and sanitation	-	-	1,767,623
Public assistance	418,541	411,514	10,408,510
Education	-	-	4,762,004
Parks and recreation	-	175,985	175,985
Capital outlay	-	261,841	25,388,243
<b>Debt service:</b>			
Principal	-	-	57,791
Interest and fiscal charges	-	94,158	97,365
Total expenditures	<u>418,541</u>	<u>19,389,445</u>	<u>127,540,888</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(373,164)</u>	<u>1,198,248</u>	<u>26,705,934</u>
<b>Other financing sources (uses):</b>			
Transfers in	-	370,312	522,203
Transfers out	-	(906,439)	(16,666,575)
Total other financing sources (uses)	<u>-</u>	<u>(536,127)</u>	<u>(16,144,372)</u>
Net change in fund balances	(373,164)	662,121	10,561,562
Fund balances (deficit), beginning of year	<u>3,113,748</u>	<u>20,438,598</u>	<u>213,970,641</u>
Fund balances (deficit), end of year	<u>\$ 2,740,584</u>	<u>\$ 21,100,719</u>	<u>\$ 224,532,203</u>

**COUNTY OF SAN JOAQUIN  
COMBINING BALANCE SHEET (Continued)  
NONMAJOR SPECIAL DISTRICTS GOVERNED BY  
THE BOARD OF SUPERVISORS – SPECIAL REVENUE FUNDS  
JUNE 30, 2017**

	Lighting Districts	Service Areas	Maintenance Districts	Flood Control District
<b>ASSETS</b>				
Cash and investments:				
Pooled	\$ 1,153,007	\$ 7,767,108	\$ 12,197,444	\$ 3,927,886
Accounts receivable	-	47,724	27,681	264,401
Taxes receivable	8,877	7,524	17,835	72,059
Interest receivable	3,260	24,244	35,458	13,624
Due from other agencies	-	-	-	24,759
Due from other funds	-	-	-	3,205
Total assets	<u>\$ 1,165,144</u>	<u>\$ 7,846,600</u>	<u>\$ 12,278,418</u>	<u>\$ 4,305,934</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 8	\$ 400,161	\$ 355,933	\$ 111,093
Accrued payroll	-	-	-	-
Due to other funds	-	67,216	423	290,175
Advances from other funds	-	1,201,704	-	-
Total liabilities	<u>8</u>	<u>1,669,081</u>	<u>356,356</u>	<u>401,268</u>
Deferred Inflows of resources:				
Unavailable revenue	7,869	11,713	19,960	78,060
Total deferred inflows of resources	<u>7,869</u>	<u>11,713</u>	<u>19,960</u>	<u>78,060</u>
Fund balances:				
Restricted	1,157,267	6,165,806	11,902,102	3,826,606
Unassigned	-	-	-	-
Total fund balances (deficit)	<u>1,157,267</u>	<u>6,165,806</u>	<u>11,902,102</u>	<u>3,826,606</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,165,144</u>	<u>\$ 7,846,600</u>	<u>\$ 12,278,418</u>	<u>\$ 4,305,934</u>

<u>Water District</u>	<u>North Eastern San Joaquin Ground Water Banking Authority</u>	<u>Mokelumne Water and Power Authority</u>	<u>Improvement Districts</u>	<u>IHSS Public Authority</u>	<u>Total</u>
\$ 169,585	\$ 554,566	\$ 788,040	\$ 129,057	\$ 744,483	\$ 27,431,176
4,787	-	-	-	1,068	345,661
85	-	-	-	-	106,380
459	1,645	2,043	330	-	81,063
-	-	-	-	-	24,759
-	-	-	-	-	3,205
<u>\$ 174,916</u>	<u>\$ 556,211</u>	<u>\$ 790,083</u>	<u>\$ 129,387</u>	<u>\$ 745,551</u>	<u>\$ 27,992,244</u>
\$ 6,948	\$ -	\$ 6,500	\$ -	\$ 823,676	\$ 1,704,319
-	-	-	-	8,614	8,614
126	11,676	-	-	4,308	373,924
-	509,169	2,976,118	-	-	4,686,991
<u>7,074</u>	<u>520,845</u>	<u>2,982,618</u>	<u>-</u>	<u>836,598</u>	<u>6,773,848</u>
75	-	-	-	-	117,677
<u>75</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,677</u>
167,767	35,366	-	129,387	-	23,384,301
-	-	(2,192,535)	-	(91,047)	(2,283,582)
<u>167,767</u>	<u>35,366</u>	<u>(2,192,535)</u>	<u>129,387</u>	<u>(91,047)</u>	<u>21,100,719</u>
<u>\$ 174,916</u>	<u>\$ 556,211</u>	<u>\$ 790,083</u>	<u>\$ 129,387</u>	<u>\$ 745,551</u>	<u>\$ 27,992,244</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, 2017**

	<b>Lighting Districts</b>	<b>Service Areas</b>	<b>Maintenance Districts</b>	<b>Flood Control District</b>
Revenues:				
Taxes	\$ 223,565	\$ 197,647	\$ 460,264	\$ 1,859,735
Revenue from use of money and property	3,161	43,621	34,607	15,627
Aid from other governmental agencies	2,036	45,271	4,091	177,890
Charges for services	280,340	4,951,484	7,629,024	4,492,464
Other revenues	9,043	8,161	21,065	17,952
Total revenues	<u>518,145</u>	<u>5,246,184</u>	<u>8,149,051</u>	<u>6,563,668</u>
Expenditures:				
Current:				
Public protection	-	-	-	6,368,166
Public ways and facilities	411,239	3,678,027	7,565,830	-
Public assistance	-	-	-	-
Parks and recreation	-	175,985	-	-
Capital outlay	100	150,181	111,560	-
Debt service:				
Interest and fiscal charges	-	66,246	-	-
Total expenditures	<u>411,339</u>	<u>4,070,439</u>	<u>7,677,390</u>	<u>6,368,166</u>
Excess (deficiency) of revenues over (under) expenditures	<u>106,806</u>	<u>1,175,745</u>	<u>471,661</u>	<u>195,502</u>
Other financing sources (uses):				
Transfers in	-	70,312	-	-
Transfers out	-	(606,439)	-	(300,000)
Total other financing sources (uses)	<u>-</u>	<u>(536,127)</u>	<u>-</u>	<u>(300,000)</u>
Net change in fund balances	106,806	639,618	471,661	(104,498)
Fund balances (deficit), beginning of year	<u>1,050,461</u>	<u>5,526,188</u>	<u>11,430,441</u>	<u>3,931,104</u>
Fund balances (deficit), end of year	<u>\$ 1,157,267</u>	<u>\$ 6,165,806</u>	<u>\$ 11,902,102</u>	<u>\$ 3,826,606</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, 2017**

Water District	North Eastern San Joaquin Ground Water Banking Authority	Mokelumne Water and Power Authority	Improvement Districts	IHSS Public Authority	Total
\$ 2,220	\$ -	\$ -	\$ -	\$ -	\$ 2,743,431
358	2,075	2,036	325	(4,271)	97,539
19	-	-	-	-	229,307
107,858	-	-	-	-	17,461,170
-	-	-	-	25	56,246
<u>110,455</u>	<u>2,075</u>	<u>2,036</u>	<u>325</u>	<u>(4,246)</u>	<u>20,587,693</u>
-	-	-	-	-	6,368,166
67,257	275,777	79,651	-	-	12,077,781
-	-	-	-	411,514	411,514
-	-	-	-	-	175,985
-	-	-	-	-	261,841
-	4,186	23,726	-	-	94,158
<u>67,257</u>	<u>279,963</u>	<u>103,377</u>	<u>-</u>	<u>411,514</u>	<u>19,389,445</u>
<u>43,198</u>	<u>(277,888)</u>	<u>(101,341)</u>	<u>325</u>	<u>(415,760)</u>	<u>1,198,248</u>
-	200,000	100,000	-	-	370,312
-	-	-	-	-	(906,439)
-	200,000	100,000	-	-	(536,127)
43,198	(77,888)	(1,341)	325	(415,760)	662,121
124,569	113,254	(2,191,194)	129,062	324,713	20,438,598
<u>\$ 167,767</u>	<u>\$ 35,366</u>	<u>\$ (2,192,535)</u>	<u>\$ 129,387</u>	<u>\$ (91,047)</u>	<u>\$ 21,100,719</u>

### **Nonmajor 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, 2017**

	<b>1993 Capital Facility Project</b>	<b>Maintenance District Shaded Terrace</b>	<b>Maintenance District Sunnyside</b>	<b>Flag City</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and investments:					
Pooled	\$ -	\$ 38,926	\$ 9,115	\$ -	\$ 48,041
Interest receivable	-	119	29	-	148
Restricted assets:					
Restricted cash and investments	8,500,874	-	-	608,317	9,109,191
Total assets	<u>\$ 8,500,874</u>	<u>\$ 39,045</u>	<u>\$ 9,144</u>	<u>\$ 608,317</u>	<u>\$ 9,157,380</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ -	\$ 27,403	\$ -	\$ -	\$ 27,403
Total liabilities	<u>-</u>	<u>27,403</u>	<u>-</u>	<u>-</u>	<u>27,403</u>
Fund balances:					
Restricted	-	11,642	9,144	608,317	629,103
Assigned	8,500,874	-	-	-	8,500,874
Total fund balances	<u>8,500,874</u>	<u>11,642</u>	<u>9,144</u>	<u>608,317</u>	<u>9,129,977</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,500,874</u>	<u>\$ 39,045</u>	<u>\$ 9,144</u>	<u>\$ 608,317</u>	<u>\$ 9,157,380</u>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR DEBT SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

	1993 Capital Facility Project	Maintenance District Shaded Terrace	Maintenance District Sunnyside	Flag City	Total
Revenues:					
Revenue from use of money and property	\$ 16,574	\$ 125	\$ 30	\$ 271	\$ 17,000
Charges for services	-	18,220	5,439	-	23,659
Total revenues	<u>16,574</u>	<u>18,345</u>	<u>5,469</u>	<u>271</u>	<u>40,659</u>
Expenditures:					
Current:					
General Government	-	27,690	159	-	27,849
Debt service:					
Principal	3,085,000	5,000	1,900	175,000	3,266,900
Interest and fiscal charges	<u>5,237,375</u>	<u>12,454</u>	<u>3,546</u>	<u>431,443</u>	<u>5,684,818</u>
Total expenditures	<u>8,322,375</u>	<u>45,144</u>	<u>5,605</u>	<u>606,443</u>	<u>8,979,567</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,305,801)</u>	<u>(26,799)</u>	<u>(136)</u>	<u>(606,172)</u>	<u>(8,938,908)</u>
Other financing sources (uses):					
Transfers in	<u>8,276,495</u>	-	-	<u>606,439</u>	<u>8,882,934</u>
Net change in fund balances	(29,306)	(26,799)	(136)	267	(55,974)
Fund balances, beginning of year	<u>8,530,180</u>	<u>38,441</u>	<u>9,280</u>	<u>608,050</u>	<u>9,185,951</u>
Fund balances, end of year	<u>\$ 8,500,874</u>	<u>\$ 11,642</u>	<u>\$ 9,144</u>	<u>\$ 608,317</u>	<u>\$ 9,129,977</u>

### **Nonmajor 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, 2017**

	<u>Courthouse Construction</u>	<u>Criminal Justice Construction</u>	<u>Airport East Construction</u>
<b>ASSETS</b>			
Cash and investments:			
Pooled	\$ 6,192,437	\$ 4,990,032	\$ 6,739,029
Accounts receivable	182,119	37,746	-
Interest receivable	15,378	12,680	-
Total assets	<u>\$ 6,389,934</u>	<u>\$ 5,040,458</u>	<u>\$ 6,739,029</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 9,970
Advances from other funds	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>9,970</u>
Fund balances:			
Restricted	6,389,934	5,040,458	-
Assigned	-	-	6,729,059
Unassigned	-	-	-
Total fund balances (deficit)	<u>6,389,934</u>	<u>5,040,458</u>	<u>6,729,059</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,389,934</u>	<u>\$ 5,040,458</u>	<u>\$ 6,739,029</u>

**COUNTY OF SAN JOAQUIN  
 COMBINING BALANCE SHEET (Continued)  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2017**

<u>MG Golf Course Capital Improvement Trust</u>	<u>Public Health Construction</u>	<u>Special Districts Governed by the Board of Supervisors</u>	<u>Total</u>
\$ 135,516	\$ 1,326,055	\$ 445,320	\$ 19,828,389
-	-	27,403	247,268
313	3,413	1,216	33,000
<u>\$ 135,829</u>	<u>\$ 1,329,468</u>	<u>\$ 473,939</u>	<u>\$ 20,108,657</u>
\$ -	\$ -	\$ -	\$ 9,970
-	-	1,797,710	1,797,710
-	-	1,797,710	1,807,680
-	-	473,938	11,904,330
135,829	1,329,468	-	8,194,356
-	-	(1,797,709)	(1,797,709)
<u>135,829</u>	<u>1,329,468</u>	<u>(1,323,771)</u>	<u>18,300,977</u>
<u>\$ 135,829</u>	<u>\$ 1,329,468</u>	<u>\$ 473,939</u>	<u>\$ 20,108,657</u>

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Courthouse Construction</u>	<u>Criminal Justice Construction</u>	<u>Airport East Construction</u>
Revenues:			
Fines, forfeitures, and penalties	\$ 2,304,407	\$ 364,604	\$ -
Revenue from use of money and property	12,033	11,814	(38,793)
Charges for services	-	-	-
Total revenues	<u>2,316,440</u>	<u>376,418</u>	<u>(38,793)</u>
Expenditures:			
Current:			
Public ways and facilities	-	-	9,969
Capital outlay	-	-	135,458
Total expenditures	<u>-</u>	<u>-</u>	<u>145,427</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,316,440</u>	<u>376,418</u>	<u>(184,220)</u>
Other financing sources (uses):			
Transfers out	<u>(142,758)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	2,173,682	376,418	(184,220)
Fund balances (deficit), beginning of year	<u>4,216,252</u>	<u>4,664,040</u>	<u>6,913,279</u>
Fund balances (deficit), end of year	<u>\$ 6,389,934</u>	<u>\$ 5,040,458</u>	<u>\$ 6,729,059</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, 2017**

<b>MG Golf Course Capital Improvement Trust</b>	<b>Public Health Construction</b>	<b>Special Districts Governed by the Board of Supervisors</b>	<b>Total</b>
\$ -	\$ -	\$ -	\$ 2,669,011
176	3,419	(4,226)	(15,577)
<u>28,407</u>	<u>-</u>	<u>27,403</u>	<u>55,810</u>
<u>28,583</u>	<u>3,419</u>	<u>23,177</u>	<u>2,709,244</u>
-	-	94	10,063
<u>-</u>	<u>-</u>	<u>-</u>	<u>135,458</u>
<u>-</u>	<u>-</u>	<u>94</u>	<u>145,521</u>
<u>28,583</u>	<u>3,419</u>	<u>23,083</u>	<u>2,563,723</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(142,758)</u>
28,583	3,419	23,083	2,420,965
<u>107,246</u>	<u>1,326,049</u>	<u>(1,346,854)</u>	<u>15,880,012</u>
<u>\$ 135,829</u>	<u>\$ 1,329,468</u>	<u>\$ (1,323,771)</u>	<u>\$ 18,300,977</u>

**COUNTY OF SAN JOAQUIN  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL DISTRICTS GOVERNED BY  
 THE BOARD OF SUPERVISORS – CAPITAL PROJECTS FUNDS  
 JUNE 30, 2017**

	<u>Improvement Districts</u>	<u>Maintenance Districts</u>	<u>County Service Areas</u>
<b>ASSETS</b>			
Cash and investments:			
Pooled	\$ 472,590	\$ (27,271)	\$ 1
Accounts receivable	-	27,403	-
Interest receivable	1,216	-	-
	<u>473,806</u>	<u>132</u>	<u>1</u>
Total assets	<u>\$ 473,806</u>	<u>\$ 132</u>	<u>\$ 1</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Advances from other funds	\$ -	\$ -	\$ 1,797,710
Total liabilities	<u>-</u>	<u>-</u>	<u>1,797,710</u>
Fund balances:			
Restricted	473,806	132	-
Unassigned	-	-	(1,797,709)
Total fund balances (deficit)	<u>473,806</u>	<u>132</u>	<u>(1,797,709)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 473,806</u>	<u>\$ 132</u>	<u>\$ 1</u>

**COUNTY OF SAN JOAQUIN**  
**COMBINING BALANCE SHEET (Continued)**  
**NONMAJOR SPECIAL DISTRICTS GOVERNED BY**  
**THE BOARD OF SUPERVISORS – CAPITAL PROJECTS FUNDS**  
**JUNE 30, 2017**

Flood Control	Total
\$ -	\$ 445,320
-	27,403
-	1,216
\$ -	\$ 473,939
\$ -	\$ 1,797,710
-	1,797,710
-	473,938
-	(1,797,709)
-	(1,323,771)
\$ -	\$ 473,939

**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, 2017**

	<u>Improvement Districts</u>	<u>Maintenance Districts</u>	<u>County Service Areas</u>
Revenues:			
Revenue from use of money and property	\$ 1,218	\$ 156	\$ (5,600)
Charges for services		27,403	-
Total revenues	<u>1,218</u>	<u>27,559</u>	<u>(5,600)</u>
Expenditures:			
Current:			
Public ways and facilities	94	-	-
Total expenditures	<u>94</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,124	27,559	(5,600)
Fund balances (deficit), beginning of year	<u>472,682</u>	<u>(27,427)</u>	<u>(1,792,109)</u>
Fund balances (deficit), end of year	<u>\$ 473,806</u>	<u>\$ 132</u>	<u>\$ (1,797,709)</u>

**COUNTY OF SAN JOAQUIN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (Continued)**  
**NONMAJOR SPECIAL DISTRICTS GOVERNED BY**  
**THE BOARD OF SUPERVISORS – CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

<u>Flood Control</u>	<u>Total</u>
\$ -	\$ (4,226)
-	27,403
-	23,177
-	94
-	94
-	23,083
-	(1,346,854)
<u>\$ -</u>	<u>\$ (1,323,771)</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, 2017**

	Fleet Services	Office Automation	Central Telephone	Radio Communications	Southern Water System
<b>ASSETS</b>					
Current assets:					
Cash and investments:					
Pooled	\$ 15,722,965	\$ 318,178	\$ 536,075	\$ 1,003,309	\$ 479,637
Imprest	40	-	-	-	-
Prepaid expenses	-	40,130	-	-	-
Accounts receivable, net	39,935	881	6,864	833	52,426
Interest receivable	41,376	646	1,388	1,649	1,379
Due from other funds	982,075	125,812	352,345	-	-
Inventories	586,861	-	15,000	-	-
Total current assets	<u>17,373,252</u>	<u>485,647</u>	<u>911,672</u>	<u>1,005,791</u>	<u>533,442</u>
Noncurrent assets:					
Capital assets:					
Non-depreciable	-	-	-	-	17,481
Depreciable, net	11,227,136	2,374,294	1,781,807	7,288,882	-
Total noncurrent assets	<u>11,227,136</u>	<u>2,374,294</u>	<u>1,781,807</u>	<u>7,288,882</u>	<u>17,481</u>
Total assets	<u>28,600,388</u>	<u>2,859,941</u>	<u>2,693,479</u>	<u>8,294,673</u>	<u>550,923</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to pensions	<u>1,879,349</u>	<u>-</u>	<u>760,719</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	463,569	373,341	282,435	303,237	-
Accrued payroll	47,281	-	23,307	-	-
Due to other funds	-	7,614	59,869	42,756	-
Interest payable	960	8,801	3,782	9,786	-
Current portion:					
Notes payable	-	-	-	-	-
Capital leases	322,209	1,066,868	146,341	879,305	-
Compensated absences	218,363	-	92,203	-	-
Total current liabilities	<u>1,052,382</u>	<u>1,456,624</u>	<u>607,937</u>	<u>1,235,084</u>	<u>-</u>
Noncurrent liabilities:					
Notes payable	-	-	-	-	-
Capital leases	182,277	1,593,194	926,180	3,082,628	-
Compensated absences	2,584	-	-	-	-
Claims liability	-	-	-	-	-
Net pension liability	6,758,707	-	3,567,399	-	-
Other post employment benefits liability	561,696	-	182,759	-	-
Total noncurrent liabilities	<u>7,505,264</u>	<u>1,593,194</u>	<u>4,676,338</u>	<u>3,082,628</u>	<u>-</u>
Total liabilities	<u>8,557,646</u>	<u>3,049,818</u>	<u>5,284,275</u>	<u>4,317,712</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to pensions	<u>123,626</u>	<u>-</u>	<u>65,253</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>					
Net investment in capital assets	10,722,650	(285,768)	709,286	3,326,949	17,481
Unrestricted	11,075,815	95,891	(2,604,616)	650,012	533,442
Total net position (Deficit)	<u>\$ 21,798,465</u>	<u>\$ (189,877)</u>	<u>\$ (1,895,330)</u>	<u>\$ 3,976,961</u>	<u>\$ 550,923</u>

**COUNTY OF SAN JOAQUIN  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2017**

<u>Purchasing ISF</u>	<u>Health Insurance</u>	<u>Dental Insurance</u>	<u>Medical Malpractice Insurance</u>	<u>Casualty Insurance</u>	<u>Worker's Comp Insurance</u>	<u>Unemployment Insurance</u>	<u>Total</u>
\$ 1,875,395	\$ 29,684,816	\$ 4,514,496	\$ 11,431,819	\$ 20,201,809	\$ 47,383,819	\$ 5,940,373	\$ 139,092,691
-	-	-	-	-	-	-	40
-	-	-	-	-	250,000	-	290,130
4,692	483,221	77,733	-	107,804	8,598	18,865	801,852
4,783	81,013	11,937	30,835	55,869	128,047	15,227	374,149
60,708	-	-	-	-	-	-	1,520,940
-	-	-	-	-	-	-	601,861
<u>1,945,578</u>	<u>30,249,050</u>	<u>4,604,166</u>	<u>11,462,654</u>	<u>20,365,482</u>	<u>47,770,464</u>	<u>5,974,465</u>	<u>142,681,663</u>
-	-	-	-	-	-	-	17,481
-	-	-	-	-	-	-	22,672,119
-	-	-	-	-	-	-	22,689,600
<u>1,945,578</u>	<u>30,249,050</u>	<u>4,604,166</u>	<u>11,462,654</u>	<u>20,365,482</u>	<u>47,770,464</u>	<u>5,974,465</u>	<u>165,371,263</u>
-	-	-	-	-	-	-	2,640,068
1,461,458	3,942,970	507,950	110,660	454,831	288,592	-	8,189,043
-	-	-	-	-	-	-	70,588
-	-	-	-	649,415	-	-	759,654
-	-	-	-	51,046	-	-	74,375
-	-	-	-	76,429	-	-	76,429
-	-	-	-	-	-	-	2,414,723
-	-	-	-	-	-	-	310,566
<u>1,461,458</u>	<u>3,942,970</u>	<u>507,950</u>	<u>110,660</u>	<u>1,231,721</u>	<u>288,592</u>	<u>-</u>	<u>11,895,378</u>
-	-	-	-	1,218,606	-	-	1,218,606
-	-	-	-	-	-	-	5,784,279
-	-	-	-	-	-	-	2,584
-	6,105,142	278,958	4,489,000	10,546,000	33,319,000	272,126	55,010,226
-	-	-	-	-	-	-	10,326,106
-	-	-	-	-	-	-	744,455
-	6,105,142	278,958	4,489,000	11,764,606	33,319,000	272,126	73,086,256
<u>1,461,458</u>	<u>10,048,112</u>	<u>786,908</u>	<u>4,599,660</u>	<u>12,996,327</u>	<u>33,607,592</u>	<u>272,126</u>	<u>84,981,634</u>
-	-	-	-	-	-	-	188,879
-	-	-	-	-	-	-	14,490,598
484,120	20,200,938	3,817,258	6,862,994	7,369,155	14,162,872	5,702,339	68,350,220
<u>\$ 484,120</u>	<u>\$ 20,200,938</u>	<u>\$ 3,817,258</u>	<u>\$ 6,862,994</u>	<u>\$ 7,369,155</u>	<u>\$ 14,162,872</u>	<u>\$ 5,702,339</u>	<u>\$ 82,840,818</u>



**COUNTY OF SAN JOAQUIN  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2017**

	<u>Fleet Services</u>	<u>Office Automation</u>	<u>Central Telephone</u>	<u>Radio Communications</u>	<u>Southern Water System</u>
Operating revenues:					
Charges for services:	\$ 1,096,567	\$ 196,997	\$ 4,830,475	\$ 2,462,579	\$ 52,426
Concessions and rentals	9,683,197	1,653,126	195,153	35,422	-
Miscellaneous	249,587	-	11	-	-
Total operating revenues	<u>11,029,351</u>	<u>1,850,123</u>	<u>5,025,639</u>	<u>2,498,001</u>	<u>52,426</u>
Operating expenses:					
Salaries and benefits	3,693,504	-	1,831,100	-	-
Services and supplies	4,427,245	491,366	3,480,706	2,461,378	-
Liability claims and loss adjustments	-	-	-	-	-
Insurance	364,279	23	9,214	497	-
Depreciation and amortization	2,447,660	1,356,852	362,414	1,391,670	-
Miscellaneous	14,615	-	-	-	-
Total operating expenses	<u>10,947,303</u>	<u>1,848,241</u>	<u>5,683,434</u>	<u>3,853,545</u>	<u>-</u>
Operating income (loss)	<u>82,048</u>	<u>1,882</u>	<u>(657,795)</u>	<u>(1,355,544)</u>	<u>52,426</u>
Nonoperating revenues (expenses):					
Gain (loss) on sale of asset	63,432	-	-	-	-
Interest income	43,278	(181)	474	2,149	1,657
Interest expense	(16,613)	(63,822)	(11,599)	(87,783)	(2,028)
Insurance recovery	48,975	-	-	-	-
Total nonoperating revenues (expenses)	<u>139,072</u>	<u>(64,003)</u>	<u>(11,125)</u>	<u>(85,634)</u>	<u>(371)</u>
Income (loss) before contributions and transfers	221,120	(62,121)	(668,920)	(1,441,178)	52,055
Capital grants	3,868	-	-	-	-
Transfers in	132,907	-	-	-	-
Change in net position	357,895	(62,121)	(668,920)	(1,441,178)	52,055
Total net position (deficit), beginning of year	<u>21,440,570</u>	<u>(127,756)</u>	<u>(1,226,410)</u>	<u>5,418,139</u>	<u>498,868</u>
Total net position (deficit), end of year	<u>\$ 21,798,465</u>	<u>\$ (189,877)</u>	<u>\$ (1,895,330)</u>	<u>\$ 3,976,961</u>	<u>\$ 550,923</u>

**COUNTY OF SAN JOAQUIN  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION (Continued)  
INTERNAL SERVICE FUNDS  
JUNE 30, 2017**

<u>Purchasing ISF</u>	<u>Health Insurance</u>	<u>Dental Insurance</u>	<u>Medical Malpractice Insurance</u>	<u>Casualty Insurance</u>	<u>Worker's Comp Insurance</u>	<u>Unemployment Insurance</u>	<u>Total</u>
\$ 7,034,125	\$ 34,057,999	\$ 5,348,174	\$ 1,251,546	\$ 6,829,117	\$ 12,160,000	\$ 1,334,209	\$ 76,654,214
-	-	-	-	-	-	-	11,566,898
31,409	-	-	-	707,601	20,077	-	1,008,685
<u>7,065,534</u>	<u>34,057,999</u>	<u>5,348,174</u>	<u>1,251,546</u>	<u>7,536,718</u>	<u>12,180,077</u>	<u>1,334,209</u>	<u>89,229,797</u>
-	-	-	-	-	-	-	5,524,604
7,071,437	930,435	105,594	121,398	2,377,304	2,788,620	4,246	24,259,729
-	38,881,683	5,354,221	989,417	2,304,910	7,198,802	1,013,484	55,742,517
-	2,122,624	-	1,130,033	2,322,975	1,433,723	-	7,383,368
-	-	-	-	-	-	-	5,558,596
-	124,463	-	-	15,085	11,275	-	165,438
<u>7,071,437</u>	<u>42,059,205</u>	<u>5,459,815</u>	<u>2,240,848</u>	<u>7,020,274</u>	<u>11,432,420</u>	<u>1,017,730</u>	<u>98,634,252</u>
<u>(5,903)</u>	<u>(8,001,206)</u>	<u>(111,641)</u>	<u>(989,302)</u>	<u>516,444</u>	<u>747,657</u>	<u>316,479</u>	<u>(9,404,455)</u>
-	-	-	-	-	-	-	63,432
5,903	99,194	12,786	37,489	52,604	162,804	14,622	432,779
-	-	-	-	(55,948)	-	-	(237,793)
-	-	-	-	-	-	-	48,975
<u>5,903</u>	<u>99,194</u>	<u>12,786</u>	<u>37,489</u>	<u>(3,344)</u>	<u>162,804</u>	<u>14,622</u>	<u>307,393</u>
-	(7,902,012)	(98,855)	(951,813)	513,100	910,461	331,101	(9,097,062)
-	-	-	-	-	-	-	3,868
<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>142,907</u>
10,000	(7,902,012)	(98,855)	(951,813)	513,100	910,461	331,101	(8,950,287)
<u>474,120</u>	<u>28,102,950</u>	<u>3,916,113</u>	<u>7,814,807</u>	<u>6,856,055</u>	<u>13,252,411</u>	<u>5,371,238</u>	<u>91,791,105</u>
<u>\$ 484,120</u>	<u>\$ 20,200,938</u>	<u>\$ 3,817,258</u>	<u>\$ 6,862,994</u>	<u>\$ 7,369,155</u>	<u>\$ 14,162,872</u>	<u>\$ 5,702,339</u>	<u>\$ 82,840,818</u>

**COUNTY OF SAN JOAQUIN  
STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
JUNE 30, 2017**

	<u>Fleet Services</u>	<u>Office Automation</u>	<u>Central Telephone</u>	<u>Radio Communications</u>	<u>Southern Water System</u>
Cash flows from operating activities:					
Cash received from customers	\$ 10,719,210	\$ 1,775,863	\$ 5,072,412	\$ 2,621,297	\$ -
Cash payments to suppliers for goods and services	(3,964,704)	(263,237)	(2,753,885)	(1,780,596)	-
Cash payments to other departments for goods and services	(773,081)	(165,645)	(665,109)	(469,262)	-
Cash payments to employees for services	(3,403,135)	-	(1,697,466)	-	-
Other operating revenues	249,587	74,292	-	-	-
Net cash provided by (used for) operating activities	<u>2,827,877</u>	<u>1,421,273</u>	<u>(44,048)</u>	<u>371,439</u>	<u>-</u>
Cash flows from noncapital financing activities:					
Transfers in	132,906	-	-	-	-
State and Federal grant receipts	3,868	-	-	-	-
Net cash provided by (used for) noncapital financing activities	<u>136,774</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(2,986,024)	-	(108,654)	(10,454)	-
Insurance recovery	48,975	-	-	-	-
Loss from sale of property and equipment	(1,927)	-	-	-	-
Principal payment on debts	(434,587)	(1,359,618)	(35,947)	(687,407)	(55,307)
Interest payments on debts	(17,904)	(65,557)	(7,818)	(83,809)	(2,028)
Net cash provided by (used for) capital and related financing activities	<u>(3,391,467)</u>	<u>(1,425,175)</u>	<u>(152,419)</u>	<u>(781,670)</u>	<u>(57,335)</u>
Cash flows from investing activities:					
Interest on investments and note receivable	24,208	(309)	1,275	1,928	1,136
Net increase (decrease) in cash and cash equivalents	<u>(402,608)</u>	<u>(4,211)</u>	<u>(195,192)</u>	<u>(408,303)</u>	<u>(56,199)</u>
Cash and cash equivalents, beginning of year	16,125,613	322,389	731,267	1,411,612	535,836
Cash and cash equivalents, end of year	<u>\$ 15,723,005</u>	<u>\$ 318,178</u>	<u>\$ 536,075</u>	<u>\$ 1,003,309</u>	<u>\$ 479,637</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ 82,048	\$ 1,882	\$ (657,795)	\$ (1,355,544)	\$ 52,426
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation/amortization expense	2,447,660	1,356,852	362,414	1,391,670	-
(Increase) / decrease in receivables	(60,554)	32	46,773	123,295	(52,426)
(Increase) / decrease in inventories	(4,829)	-	-	-	-
Increase / (decrease) in payables	363,552	62,507	204,560	212,018	-
Increase / (decrease) in claims liabilities	-	-	-	-	-
Net cash provided by (used for) operating activities	<u>\$ 2,827,877</u>	<u>\$ 1,421,273</u>	<u>\$ (44,048)</u>	<u>\$ 371,439</u>	<u>\$ -</u>
Noncash investing, capital and financing activities:					
Lease agreements	\$ -	\$ 1,270,962	\$ 1,108,468	\$ 1,578,772	\$ -

**COUNTY OF SAN JOAQUIN  
STATEMENT OF CASH FLOWS (Continued)  
INTERNAL SERVICE FUNDS  
JUNE 30, 2017**

<u>Purchasing ISF</u>	<u>Health Insurance</u>	<u>Dental Insurance</u>	<u>Medical Malpractice Insurance</u>	<u>Casualty Insurance</u>	<u>Worker's Comp Insurance</u>	<u>Unemployment Insurance</u>	<u>Total</u>
\$ 7,231,659	\$ 35,373,543	\$ 5,470,456	\$ 1,251,546	\$ 6,829,117	\$ 12,160,000	\$ 1,376,414	\$ 89,881,517
(6,699,966)	(40,781,256)	(5,384,122)	(2,766,184)	(5,899,220)	(11,791,137)	(947,725)	(83,032,032)
(760,950)	(731,506)	(105,594)	(121,287)	(1,543,463)	(1,610,230)	4,754	(6,941,373)
-	-	-	-	-	-	-	(5,100,601)
-	1,939,488	-	-	1,625,672	568,703	-	4,457,742
<u>(229,257)</u>	<u>(4,199,731)</u>	<u>(19,260)</u>	<u>(1,635,925)</u>	<u>1,012,106</u>	<u>(672,664)</u>	<u>433,443</u>	<u>(734,747)</u>
10,000	-	-	-	-	-	-	142,906
-	-	-	-	-	-	-	3,868
<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>146,774</u>
-	-	-	-	-	-	-	(3,105,132)
-	-	-	-	-	-	-	48,975
-	-	-	-	-	-	-	(1,927)
-	-	-	-	(73,278)	-	-	(2,646,144)
-	-	-	-	(58,837)	-	-	(235,953)
-	-	-	-	(132,115)	-	-	(5,940,181)
3,771	72,943	7,910	24,716	26,299	107,899	7,428	279,204
(215,486)	(4,126,788)	(11,350)	(1,611,209)	906,290	(564,765)	440,871	(6,248,950)
<u>2,090,881</u>	<u>33,811,604</u>	<u>4,525,846</u>	<u>13,043,028</u>	<u>19,295,519</u>	<u>47,948,584</u>	<u>5,499,502</u>	<u>145,341,681</u>
<u>\$ 1,875,395</u>	<u>\$ 29,684,816</u>	<u>\$ 4,514,496</u>	<u>\$ 11,431,819</u>	<u>\$ 20,201,809</u>	<u>\$ 47,383,819</u>	<u>\$ 5,940,373</u>	<u>\$ 139,092,731</u>
\$ (5,903)	\$ (8,001,206)	\$ (111,641)	\$ (989,302)	\$ 516,444	\$ 747,657	\$ 316,479	\$ (9,404,455)
-	-	-	-	-	-	-	5,558,596
164,193	1,503,404	122,281	-	917,287	(8,298)	42,205	2,798,192
-	-	-	-	-	-	-	(4,829)
(387,547)	1,570,972	(37,827)	88,377	229,375	(666,023)	-	1,639,964
-	727,099	7,927	(735,000)	(651,000)	(746,000)	74,759	(1,322,215)
<u>\$ (229,257)</u>	<u>\$ (4,199,731)</u>	<u>\$ (19,260)</u>	<u>\$ (1,635,925)</u>	<u>\$ 1,012,106</u>	<u>\$ (672,664)</u>	<u>\$ 433,443</u>	<u>\$ (734,747)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,958,202

## **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  
ALL AGENCY FUNDS  
JUNE 30, 2017**

<b><u>ASSESSMENT DISTRICTS FUND</u></b>	<b>Balance Beginning of Fiscal Year</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance End of Fiscal Year</b>
<b>ASSETS</b>				
Cash and investments - pooled	\$ 53,650,085	\$ 595,638,491	\$ 601,044,633	\$ 48,243,943
Cash and investments held by others	3,172,317	30,674,438	29,802,956	4,043,799
Loans receivable	-	-	-	-
Other receivables	68,770,254	27,825,217	68,770,254	27,825,217
Other assets	3,338	-	-	3,338
Total assets	<u>\$ 125,595,994</u>	<u>\$ 654,138,146</u>	<u>\$ 699,617,843</u>	<u>\$ 80,116,297</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 62,417,511	\$ 26,757,676	\$ 62,417,511	\$ 26,757,676
Loans payable	20,000	-	-	20,000
Due to bondholders	63,158,483	647,555,568	657,375,430	53,338,621
Total liabilities	<u>\$ 125,595,994</u>	<u>\$ 674,313,244</u>	<u>\$ 719,792,941</u>	<u>\$ 80,116,297</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, 2017**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments:	
Pooled	\$ 536,551
Accounts receivable, net	7,525
Interest receivable	1,884
Restricted assets:	
Cash and investments	608,317
Capital assets:	
Depreciable, net	4,992,578
Total assets	6,146,855
 <b>LIABILITIES</b>	
Accounts payable	68,631
Accrued interest	204,880
Advances from other County funds	1,101,767
Long-term liabilities:	
Due within one year	185,000
Due beyond one year	6,997,311
Total liabilities	8,557,589
 <b>NET POSITION</b>	
Net investment in capital assets	(1,581,417)
Restricted for:	
Debt service	631,140
Unrestricted	(1,460,457)
Total net position (deficit)	\$ (2,410,734)



**COUNTY OF SAN JOAQUIN  
STATEMENT OF ACTIVITIES  
COUNTY SERVICE AREA NO. 31 – FLAG CITY  
FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Governmental Activities</b>
<b>Program Expenses:</b>	
Professional services	\$ 224,725
Utilities	260,054
Communication	200
Office expenses	173
Special expenses	4,321
Maintenance	4,715
Insurance	16,072
Miscellaneous	3,319
Depreciation	311,678
Interest on long-term debt	496,510
Total program expenses	1,321,767
<b>Program Revenues:</b>	
Charges for services	1,359,443
Total program revenues	1,359,443
<b>General Revenues:</b>	
Use of money and property	511
Total general revenues	511
Change in Net Position	38,187
Net Position (deficit), Beginning of year	(2,448,921)
Net Position (deficit), End of Year	\$ (2,410,734)

**COUNTY OF SAN JOAQUIN  
COMBINING BALANCE SHEET  
COUNTY SERVICE AREA NO. 31 – FLAG CITY  
ALL GOVERNMENTAL FUNDS  
JUNE 30, 2017**

	<u>Special Revenue Funds</u>			<b>Total Governmental Funds</b>
	<b>Operating Fund</b>	<b>Sewer Service Fund</b>	<b>Debt Service Fund</b>	
<b>ASSETS</b>				
Cash and investments:				
Pooled	\$ 536,551	\$ -	\$ -	\$ 536,551
Accounts receivable, net	268,591	-	-	268,591
Interest receivable	1,884	-	-	1,884
Restricted assets:				
Restricted cash and investments	-	-	608,317	608,317
Total assets	<u>\$ 807,026</u>	<u>\$ -</u>	<u>\$ 608,317</u>	<u>\$ 1,415,343</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 12,779	\$ 316,918	\$ -	\$ 329,697
Advances from other County funds	-	1,101,767	-	1,101,767
Total liabilities	<u>12,779</u>	<u>1,418,685</u>	<u>-</u>	<u>1,431,464</u>
Fund balances:				
Unassigned	<u>794,247</u>	<u>(1,418,685)</u>	<u>608,317</u>	<u>(16,121)</u>
Total fund balances (deficit)	<u>794,247</u>	<u>(1,418,685)</u>	<u>608,317</u>	<u>(16,121)</u>
Total liabilities and fund balances	<u>\$ 807,026</u>	<u>\$ -</u>	<u>\$ 608,317</u>	<u>\$ 1,415,343</u>

**Fund balances - total governmental funds** \$ (16,121)

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. 4,992,578

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	\$ (7,182,311)	
Accrued interest payable	(204,880)	
	<u>(7,387,191)</u>	

**Net position of governmental activities** \$ (2,410,734)

**COUNTY OF SAN JOAQUIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
COUNTY SERVICE AREA NO. 31 – FLAG CITY  
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Special Revenue Funds</u>			<b>Total Governmental Funds</b>
	<u>Operating Fund</u>	<u>Sewer Service Fund</u>	<u>Debt Service Fund</u>	
Revenues:				
Revenue from use of money and property	\$ 1,726	\$ (1,486)	\$ 271	\$ 511
Charges for services	312,421	1,047,022	-	1,359,443
Total revenues	<u>314,147</u>	<u>1,045,536</u>	<u>271</u>	<u>1,359,954</u>
Expenditures:				
Current:				
Public ways and facilities:				
Professional services	148,293	76,432	-	224,725
Utilities	20,131	239,923	-	260,054
Communication	-	200	-	200
Office expenses	173	-	-	173
Special expenses	2,233	2,088	-	4,321
Maintenance	3,190	1,525	-	4,715
Insurance	9,944	6,128	-	16,072
Miscellaneous	10	3,309	-	3,319
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	65,425	606,443	671,868
Total expenditures	<u>183,974</u>	<u>395,030</u>	<u>606,443</u>	<u>1,185,447</u>
Excess (deficiency) of revenues over (under) expenditures	<u>130,173</u>	<u>650,506</u>	<u>(606,172)</u>	<u>174,507</u>
Other financing sources (uses):				
Transfers in	-	-	606,439	606,439
Transfers out	-	(606,439)	-	(606,439)
Total other financing sources (uses)	<u>-</u>	<u>(606,439)</u>	<u>606,439</u>	<u>-</u>
Net change in fund balances	130,173	44,067	267	174,507
Fund balances (deficit), beginning of year, as restated	664,074	(1,462,752)	608,050	(190,628)
Fund balances (deficit), end of year	<u>\$ 794,247</u>	<u>\$ (1,418,685)</u>	<u>\$ 608,317</u>	<u>\$ (16,121)</u>

**COUNTY OF SAN JOAQUIN  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
GOVERNMENT-WID STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES  
COUNTY SERVICE AREA NO. 31 – FLAG CITY  
FOR THE YEAR ENDED JUNE 30, 2017**

**Net change in fund balances - total governmental funds** \$ 174,507

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.

Depreciation expense (311,678)

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 175,358

**Change in net position of governmental activities** \$ 38,187

**STATISTICAL SECTION –  
FINANCIAL ONLY**

**COUNTY OF SAN JOAQUIN  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
FOR THE YEAR ENDED JUNE 30, 2017**

	2016-17	2015-16	2014-15	2013-14
<b>Expenses:</b>				
Governmental activities:				
General government	\$ 63,018,341	\$ 49,918,281	\$ 44,119,254	\$ 40,145,573
Public protection	360,538,096	345,476,305	312,319,279	288,441,086
Public ways and facilities & community infrastructure program	53,695,174	47,127,584	50,196,703	46,689,698
Health and sanitation	193,539,758	154,530,839	159,487,254	148,701,302
Public assistance	383,285,382	385,943,253	385,698,364	346,006,741
Education	5,297,276	7,179,454	6,320,057	5,796,673
Culture and recreation	7,481,899	7,379,067	7,207,270	7,353,381
Interest on long-term debt	5,923,999	6,083,251	6,332,101	8,103,411
Total governmental activities expenses	<u>1,072,779,925</u>	<u>1,003,638,034</u>	<u>971,680,282</u>	<u>891,237,865</u>
Business-type activities:				
Solid Waste	28,754,059	20,263,809	17,431,399	19,959,897
Hospital	331,413,438	283,324,566	244,964,002	231,019,266
Airport	4,794,758	4,898,600	4,609,485	4,225,330
Total business-type activities expenses	<u>364,962,255</u>	<u>308,486,975</u>	<u>267,004,886</u>	<u>255,204,493</u>
Total primary government expenses	<u>1,437,742,180</u>	<u>1,312,125,009</u>	<u>1,238,685,168</u>	<u>1,146,442,358</u>
<b>Program Revenues:</b>				
Governmental activities:				
Charges for services				
General government	27,326,551	18,571,496	16,701,740	16,110,539
Public protection	42,932,095	45,619,618	42,655,237	42,130,757
Public ways and facilities	15,206,628	14,114,982	13,322,768	12,920,671
Community infrastructure program	2,152,408	921,050	1,861,840	2,437,929
Health & sanitation	68,877,673	68,382,810	60,648,994	46,529,972
Children & families act program	--	--	5,665	2,958
Public assistance	1,078,644	1,056,042	1,424,032	1,574,045
Education	236,659	463,913	288,385	149,422
Recreation	2,318,728	2,478,973	2,438,641	2,357,105
Operating grants and contribution	618,757,138	584,689,938	615,371,916	572,068,307
Capital grants and contribution	5,932,920	6,221,372	8,108,454	2,998,899
Total governmental activities revenues	<u>784,819,444</u>	<u>742,520,194</u>	<u>762,827,672</u>	<u>699,280,604</u>
Business-type activities:				
Charges for services				
Solid Waste	28,701,130	24,528,973	21,523,626	20,028,217
Hospital	359,381,771	260,628,848	318,448,623	251,158,643
Airport	4,137,658	2,480,868	2,208,655	1,782,589
Operating grants and contribution	372,862	633,507	321,377	257,212
Capital grants and contribution	3,071,900	978,749	4,443,668	8,603
Total business-type activities revenues	<u>395,665,321</u>	<u>289,250,945</u>	<u>346,945,949</u>	<u>273,235,264</u>
Total primary government revenues	<u>1,180,484,765</u>	<u>1,031,771,139</u>	<u>1,109,773,621</u>	<u>972,515,868</u>
<b>Net(expense)/revenue:</b>				
Governmental activities	(287,960,481)	(261,117,840)	(208,852,610)	(191,957,261)
Business-type activities	30,703,066	(19,236,030)	79,941,063	18,030,771
Total primary government net expense	<u>\$ (257,257,415)</u>	<u>\$ (280,353,870)</u>	<u>\$ (128,911,547)</u>	<u>\$ (173,926,490)</u>

2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
\$ 38,900,374	\$ 30,511,256	\$ 27,299,881	\$ 31,744,678	\$ 38,743,985	\$ 31,655,441
284,684,621	282,264,243	279,598,113	297,252,562	303,010,545	277,183,027
46,045,758	45,940,486	43,102,885	45,259,734	41,407,882	49,711,444
131,895,213	124,500,788	120,331,660	123,196,211	135,808,377	133,879,694
328,782,573	331,193,491	351,331,147	355,702,274	344,216,452	332,367,831
5,466,702	6,026,990	6,055,394	5,921,627	6,724,552	7,010,323
6,068,176	7,145,530	9,054,852	9,956,704	9,069,181	7,377,767
7,262,275	7,076,149	7,506,293	7,311,782	8,424,991	11,684,229
<u>849,105,692</u>	<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>
19,261,618	20,149,471	16,373,498	19,748,649	20,980,240	19,682,725
218,810,095	220,561,110	206,416,196	204,730,696	203,675,658	204,207,568
3,958,205	3,827,559	4,304,072	4,024,516	3,813,218	3,915,507
<u>242,029,918</u>	<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>1,091,135,610</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>
18,713,432	14,987,471	17,166,522	16,002,101	20,891,343	20,878,702
36,530,250	33,921,623	42,841,343	44,575,946	46,309,079	46,128,760
12,355,712	12,070,414	11,088,079	10,876,151	10,333,240	10,970,609
2,327,150	2,880,231	1,194,635	933,701	1,344,892	3,564,809
44,996,442	40,191,296	36,338,946	38,321,000	34,934,714	33,600,035
--	1,220	975	750	574	1,000
1,556,354	1,756,149	1,152,025	2,775,286	2,166,674	1,329,035
125,154	165,905	250,865	297,122	274,717	157,664
2,232,119	2,459,005	2,219,648	2,293,085	1,885,727	1,588,227
553,220,285	504,564,328	531,236,543	524,926,700	481,756,701	517,574,981
5,917,695	6,029,847	11,548,756	17,920,366	21,311,899	15,098,553
<u>677,974,593</u>	<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>
18,938,096	18,211,174	18,459,508	17,316,220	16,274,245	17,678,924
211,715,269	199,321,051	219,637,752	171,129,885	169,748,603	166,670,823
1,659,160	1,717,973	1,856,887	1,715,024	1,576,065	1,664,750
278,645	1,454,441	5,475,622	788,008	974,955	1,715,573
276,796	--	--	--	--	--
<u>232,867,966</u>	<u>220,704,639</u>	<u>245,429,769</u>	<u>190,949,137</u>	<u>188,573,868</u>	<u>187,730,070</u>
<u>910,842,559</u>	<u>839,732,128</u>	<u>900,468,106</u>	<u>849,871,345</u>	<u>809,783,428</u>	<u>838,622,445</u>
(171,131,099)	(215,631,444)	(189,241,888)	(217,423,364)	(266,196,405)	(199,977,381)
(9,161,952)	(23,833,501)	18,336,003	(37,554,724)	(39,895,248)	(40,075,730)
<u>\$ (180,293,051)</u>	<u>\$ (239,464,945)</u>	<u>\$ (170,905,885)</u>	<u>\$ (254,978,088)</u>	<u>\$ (306,091,653)</u>	<u>\$ (240,053,111)</u>

**COUNTY OF SAN JOAQUIN  
CHANGES IN NET POSITION (Continued)  
LAST TEN FISCAL YEARS  
FOR THE YEAR ENDED JUNE 30, 2017**

	2016-17	2015-16	2014-15	2013-14
<b>General revenues and other changes in net position:</b>				
Governmental activities:				
Property taxes	\$ 233,277,751	\$ 229,416,359	\$ 187,329,552	\$ 190,657,357
Sales taxes	37,807,012	35,938,618	32,951,657	30,750,927
Motor vehicle and other in lieu taxes	4,331,282	4,055,867	3,835,878	3,009,443
Tobacco settlement proceeds	6,075,129	5,906,995	5,973,943	6,051,379
Other	3,320,046	3,411,025	3,311,445	5,662,160
Investment earnings	4,770,199	6,610,963	3,617,995	3,446,408
Miscellaneous	3,156,540	3,173,467	3,134,692	1,136,688
Transfers	(10,690,177)	(13,755,900)	(16,245,774)	(15,422,000)
Prior period adjustments (1)		46,035,339	(904,616,146)	(120,400)
Total governmental activities	<u>282,047,782</u>	<u>320,792,733</u>	<u>(680,706,758)</u>	<u>225,171,962</u>
Business-type activities				
Property taxes	--	378,082	439,265	452,344
Investment earnings	1,867,132	1,127,677	449,516	238,142
Other	--	54,323,571	--	--
Transfers	10,690,177	13,755,900	16,245,774	15,422,000
Total business-type activities	<u>12,557,309</u>	<u>69,585,230</u>	<u>17,134,555</u>	<u>16,112,486</u>
Total primary government	<u>\$ 294,605,091</u>	<u>\$ 390,377,963</u>	<u>\$ (864,283,285)</u>	<u>\$ 243,238,818</u>
<b>Changes in net position:</b>				
Governmental activities	\$ (5,912,699)	\$ 59,674,893	\$ (954,053,903)	\$ 16,319,352
Business-type activities	43,260,375	50,349,200	97,075,618	34,143,257
Prior period adjustments (2)	(15,083,115)	4,110,684	(200,711,082)	1,954,370
Total primary government	<u>\$ 37,347,676</u>	<u>\$ 110,024,093</u>	<u>\$ (1,146,968,335)</u>	<u>\$ 52,416,979</u>

(1) & (2) = 2006-07 - Reflect deduction of the infrastructure transferred by the developers to the Mountain House Service District in prior years as a result of the Final Deduction accepted in August 2007. It also reflects the reduction of the revenue liability as the development fees were collected by the developers without being recorded in the pledged utility funds.

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

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

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

(1) = 2015-16 - Reflect change in component unit reporting per GASB 80 "Blending Requirements for Certain Component Units" and record pension liability for miscellaneous non-safety CALPERS retirement plan per GASB 68 "Accounting and Financial Reporting for Pensions".

(2) = 2015-16 - Reflect correction in prior year reporting of Hospital capital assets and deferred inflows from grantors.

(2) = 2016-17 - Reflect correction in prior year reporting of Hospital contractual allowances.



2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
\$ 194,307,507	\$ 181,691,758	\$ 197,588,751	\$ 194,019,051	\$ 228,875,556	\$ 234,895,057
25,582,091	25,234,396	22,201,894	21,314,504	22,034,677	26,759,854
3,315,816	3,085,571	4,209,020	2,742,578	4,383,463	4,804,452
9,179,197	6,090,538	5,972,551	5,708,772	6,849,537	6,230,445
5,461,138	4,921,777	2,477,535	4,950,211	5,440,246	6,258,720
3,330,203	3,404,414	3,240,049	4,632,198	15,167,101	27,198,618
2,748,878	179,010	854,293	80,523	(116,862)	83,414
(16,484,352)	(21,219,699)	(18,439,088)	(31,217,716)	(26,006,773)	(47,806,151)
26,165,848	--	--	3,615,017	(78,007,878)	--
<u>253,606,326</u>	<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>
404,271	440,546	412,356	495,249	624,866	486,589
208,841	543,366	576,172	590,015	1,407,937	1,701,493
--	--	--	--	--	2,444,975
<u>16,484,352</u>	<u>21,219,699</u>	<u>18,439,088</u>	<u>31,217,716</u>	<u>26,006,773</u>	<u>47,806,151</u>
<u>17,097,464</u>	<u>22,203,611</u>	<u>19,427,616</u>	<u>32,302,980</u>	<u>28,039,576</u>	<u>52,439,208</u>
<u>\$ 270,703,790</u>	<u>\$ 225,591,376</u>	<u>\$ 237,532,621</u>	<u>\$ 237,572,181</u>	<u>\$ 230,233,721</u>	<u>\$ 310,863,617</u>
\$ 61,649,065	\$ 32,256,666	\$ 2,473,561	\$ 16,603,250	\$ (38,804,297)	\$ (7,771,996)
7,935,512	(1,629,890)	37,763,619	(5,251,744)	(11,855,672)	12,363,478
--	--	--	(575,937)	23,575,078	--
<u>\$ 96,777,300</u>	<u>\$ 45,298,325</u>	<u>\$ (1,932,324)</u>	<u>\$ 66,666,296</u>	<u>\$ (24,744,367)</u>	<u>\$ 4,771,964</u>

**COUNTY OF SAN JOAQUIN  
FUND BALANCES – GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
AS OF JUNE 30, 2017**

General fund:  
    Reserved  
    Unreserved  
Total general fund

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

Total, all governmental funds

	2016-17	2015-16	2014-15	2013-14
General fund:				
Nonspendable	\$ 6,694,357	\$ 6,967,694	\$ 7,643,013	\$ 7,484,489
Restricted	65,261,426	63,448,008	48,549,323	43,080,110
Committed	21,995,971	10,011,998	10,003,085	10,003,085
Assigned	62,581,180	39,901,829	31,497,014	25,806,721
Unassigned	86,825,065	92,364,415	101,867,252	85,391,987
Total general fund	243,357,999	212,693,944	199,559,687	171,766,392
All Other Governmental Funds				
Nonspendable	1,831,158	1,616,154	1,759,290	1,669,154
Restricted	357,949,255	334,575,218	238,992,643	216,181,366
Committed	-	-	-	-
Assigned	80,895,279	81,466,303	76,886,985	65,338,370
Unassigned	(4,394,834)	(4,471,803)	(4,557,836)	(4,210,127)
Total all other governmental funds	436,280,858	413,185,872	313,081,082	278,978,763
Total - all governmental funds	\$ 679,638,857	\$ 625,879,816	\$ 512,640,769	\$ 450,745,155

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

	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
	\$ 17,422,015	\$ 21,134,010	\$ 21,001,803
	<u>71,115,787</u>	<u>71,447,235</u>	<u>47,908,310</u>
	<u>88,537,802</u>	<u>92,581,245</u>	<u>68,910,113</u>
	93,677,487	121,178,489	207,438,037
	136,683,212	103,502,191	106,034,209
	<u>23,212,463</u>	<u>12,060,452</u>	<u>14,278,900</u>
	<u>253,573,162</u>	<u>236,741,132</u>	<u>327,751,146</u>
	<u>\$ 342,110,964</u>	<u>\$ 329,322,377</u>	<u>\$ 396,661,259</u>
	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11 (1)</u>
	\$ 7,700,730	\$ 7,898,238	\$ 8,094,729
	37,762,674	35,416,191	35,245,339
	10,003,085	10,003,085	10,006,276
	18,458,934	14,497,524	29,889,700
	<u>85,501,042</u>	<u>38,438,402</u>	<u>44,315,708</u>
	<u>159,426,465</u>	<u>106,253,440</u>	<u>127,551,752</u>
	1,607,496	1,498,955	1,491,076
	201,341,318	185,975,884	177,632,988
	-	-	-
	57,659,447	58,718,682	69,136,987
	<u>(4,056,889)</u>	<u>(4,193,090)</u>	<u>(3,092,040)</u>
	<u>256,551,372</u>	<u>242,000,431</u>	<u>245,169,011</u>
	<u>\$ 415,977,837</u>	<u>\$ 348,253,871</u>	<u>\$ 372,720,763</u>

**COUNTY OF SAN JOAQUIN  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
AS OF JUNE 30, 2017**

	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>
Debt Limit	\$ 845,897,094	\$ 801,117,815	\$ 754,692,239	\$ 692,834,021
Total net debt applicable to limit	--	--	--	--
Legal debt margin	845,897,094	801,117,815	754,692,239	692,834,021
Total net debt applicable to the limit as a percentage of debt limit	0.00%	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>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
\$ 659,393,352	\$ 659,802,311	\$ 685,383,938	\$ 647,943,721	\$ 730,992,679	\$ 746,277,606
--	--	--	--	--	--
659,393,352	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%	0.00%

**COUNTY OF SAN JOAQUIN  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
AS OF JUNE 30, 2017**

Governmental Activities				
Fiscal Year	Certificates of Participation	Capital Leases	Claims/Notes/ OPEB	Unpaid Compensated Absence
2017	\$ 115,171,518	\$ 8,336,235	\$ 128,637,022	\$ 31,252,247
2016	118,508,505	6,967,892	123,402,637	30,649,823
2015	121,655,492	7,672,933	116,094,540	30,651,703
2014	124,657,479	7,551,166	107,108,329	30,837,497
2013	127,469,364	6,406,147	108,271,699	30,162,762
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 TEN FISCAL YEARS  
AS OF JUNE 30, 2017**

Fiscal Year	Business-Type Activities				
	Certificates of Participation	Capital Leases	Claims/Notes/ OPEB	Unpaid Compensated Absence	Landfill Closure and Postclosure
2017	\$ 27,533,978	\$ 1,009,977	\$ 98,707,177	\$ 8,566,682	\$ 15,836,452
2016	35,534,774	664,506	55,452,658	7,611,792	12,726,754
2015	43,360,560	841,449	50,429,943	7,224,685	12,550,263
2014	51,721,834	555,367	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 TEN FISCAL YEARS  
AS OF JUNE 30, 2017**

<u>Fiscal Year</u>	<u>Total Primary Government</u>	<u>Per Capita</u>	<u>Population</u>
2017	\$ 435,051,288	\$ 583	746,868
2016	391,519,341	534	733,383
2015	390,481,568	543	719,511
2014	355,639,451	500	710,731
2013	360,034,258	511	703,919
2012	367,696,271	528	695,750
2011	382,038,260	551	693,589
2010	402,056,387	585	686,761
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 TEN YEARS  
AS OF JUNE 30, 2017**

	2016-17	2015-16	2014-15	2013-14
<b>REVENUES</b>				
Taxes	\$ 275,101,793	\$ 252,146,772	\$ 247,582,643	\$ 225,089,738
Licenses and permits	7,980,108	8,015,705	7,590,126	7,163,302
Fines, forfeits and penalties	12,694,533	13,209,993	11,828,420	13,570,298
Use of money and property	3,757,045	5,258,787	3,360,170	3,164,958
Aid from other governmental agenc	641,598,608	600,641,614	642,720,971	586,561,084
Charges for services	127,061,719	124,528,292	113,776,069	97,077,976
Miscellaneous	13,086,132	13,508,016	11,129,327	11,062,901
<b>TOTAL REVENUES</b>	<u>1,081,279,938</u>	<u>1,017,309,179</u>	<u>1,037,987,726</u>	<u>943,690,257</u>
<b>EXPENDITURES</b>				
Current:				
General government	56,297,295	44,334,867	46,234,075	45,914,928
Public safety	319,821,432	303,198,198	294,376,805	275,078,622
Public ways and facilities and community	34,655,634	28,389,407	33,942,012	30,863,647
Health & sanitation	178,226,120	141,857,452	157,673,353	146,876,715
Public assistance	371,023,833	371,191,938	378,902,622	342,306,189
Education	5,125,682	6,887,103	6,051,470	5,564,668
Recreation	5,903,386	5,265,902	5,342,397	5,466,274
Capital outlay	36,154,249	33,290,825	26,706,194	31,613,607
Debt service:				
Principal	3,339,201	3,171,745	3,104,997	3,341,418
Interest	5,783,337	5,935,543	6,085,105	6,297,634
Total expenditures	<u>1,016,330,169</u>	<u>943,522,980</u>	<u>958,419,030</u>	<u>893,323,702</u>
Excess (deficiency) of revenues over (under) expenditures	<u>64,949,769</u>	<u>73,786,199</u>	<u>79,568,696</u>	<u>50,366,555</u>
<b>OTHER FINANCING SOURCES(USES)</b>				
Transfers in	41,685,433	54,520,424	41,738,981	40,999,390
Transfers out	(52,518,517)	(68,591,905)	(59,412,063)	(56,478,391)
Issuance of loan	--	--	--	--
prior period adjustment	--	--	--	(120,236)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(10,833,084)</u>	<u>(14,071,481)</u>	<u>(17,673,082)</u>	<u>(15,599,237)</u>
<b>Net change in fund balances</b>	<u>\$ 54,116,685</u>	<u>\$ 59,714,718</u>	<u>\$ 61,895,614</u>	<u>\$ 34,767,318</u>

2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
\$ 212,056,460	\$ 203,474,641	\$ 219,624,042	\$ 233,592,658	\$ 262,120,999	\$ 227,076,417
7,065,578	5,709,247	5,283,279	4,521,601	4,909,610	6,659,886
14,086,309	11,425,041	10,588,072	14,505,266	17,169,243	17,348,913
3,285,935	3,150,330	2,809,953	4,078,513	12,190,863	22,631,106
566,196,112	517,253,471	548,416,708	548,283,284	511,206,416	540,440,978
95,469,119	87,814,747	94,099,700	91,896,037	91,461,555	101,260,527
14,647,259	12,373,135	13,778,568	14,088,618	13,211,719	14,508,125
<u>912,806,772</u>	<u>841,200,612</u>	<u>894,600,322</u>	<u>910,965,977</u>	<u>912,270,405</u>	<u>929,925,952</u>
50,085,753	42,206,047	41,693,019	44,619,907	48,006,592	51,768,284
268,176,699	264,428,919	262,078,856	273,632,785	276,607,702	263,415,264
31,141,322	31,340,126	28,526,930	31,022,376	28,236,546	35,818,333
128,532,481	119,911,230	115,529,363	118,662,033	130,599,944	131,038,122
324,020,734	325,912,140	345,624,849	349,477,812	337,562,155	328,313,700
5,266,189	5,641,949	5,663,467	5,848,898	6,646,636	6,927,513
5,404,618	6,018,841	5,917,793	6,222,469	6,369,288	5,468,614
32,288,100	29,264,625	30,061,521	27,526,391	99,541,241	122,920,479
2,883,548	2,658,191	3,150,239	2,593,667	6,397,785	13,690,137
6,711,246	6,543,010	6,933,924	7,152,094	7,936,181	10,593,228
<u>854,510,690</u>	<u>833,925,078</u>	<u>845,179,961</u>	<u>866,758,432</u>	<u>947,904,070</u>	<u>969,953,674</u>
58,296,082	7,275,534	49,420,361	44,207,545	(35,633,665)	(40,027,722)
64,860,509	51,360,280	40,993,376	27,741,949	57,611,137	61,170,226
(81,598,473)	(83,152,495)	(59,983,964)	(62,264,688)	(84,143,865)	(109,397,997)
--	49,789	180,026	317,604	790,682	9,525,359
--	--	--	--	--	--
<u>(16,737,964)</u>	<u>(31,742,426)</u>	<u>(18,810,562)</u>	<u>(34,205,135)</u>	<u>(25,742,046)</u>	<u>(38,702,412)</u>
<u>\$ 41,558,118</u>	<u>\$ (24,466,892)</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 TEN FISCAL YEARS  
AS OF JUNE 30, 2017**

	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>
<b>Governmental activities</b>				
Net investment in capital				
assets	\$ 479,182,110	\$ 472,053,779	\$ 463,486,189	\$ 462,765,546
Restricted	467,736,953	452,087,897	257,513,902	376,464,492
Unrestricted	(780,575,026)	(751,884,940)	(608,418,248)	162,911,173
Total governmental activities				
net position	<u>166,344,037</u>	<u>172,256,736</u>	<u>112,581,843</u>	<u>1,002,141,211</u>
<b>Business-type activities</b>				
Net investment in capital				
assets	108,594,961	82,290,076	67,100,975	48,767,460
Restricted	19,279,531	19,169,722	3,758,051	2,684,231
Unrestricted	(17,031,424)	(18,793,990)	(42,653,102)	80,389,697
Total business-type				
activities net position	<u>110,843,068</u>	<u>82,655,808</u>	<u>28,205,924</u>	<u>131,841,388</u>
<b>Primary government</b>				
Net investment in capital				
assets	587,777,071	554,343,855	530,587,164	511,533,006
Restricted	487,016,484	471,257,619	261,271,953	379,148,723
Unrestricted	(797,606,450)	(770,678,930)	(651,071,350)	243,300,870
Total primary government				
net position	<u>\$ 277,187,105</u>	<u>\$ 254,922,544</u>	<u>\$ 140,787,767</u>	<u>\$ 1,133,982,599</u>

<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
\$ 451,195,289	\$ 450,740,695	\$ 447,107,088	\$ 442,095,234	\$ 441,546,314	\$ 485,015,056
360,682,027	348,192,228	354,785,578	366,388,735	357,928,522	373,275,682
157,049,194	87,518,360	96,802,296	61,347,876	81,935,235	118,084,147
<u>968,926,510</u>	<u>886,451,283</u>	<u>898,694,962</u>	<u>869,831,845</u>	<u>881,410,071</u>	<u>976,374,885</u>
51,507,576	39,837,451	36,708,379	40,321,738	40,581,470	18,627,614
2,254,966	9,675,885	1,914,093	1,785,070	2,133,763	11,528,014
41,981,219	38,294,913	50,815,667	9,567,712	14,786,968	18,372,385
<u>95,743,761</u>	<u>87,808,249</u>	<u>89,438,139</u>	<u>51,674,520</u>	<u>57,502,201</u>	<u>48,528,013</u>
502,702,865	490,578,146	483,815,467	482,416,972	482,127,784	503,642,670
362,936,993	357,868,113	356,699,671	368,173,805	360,062,285	384,803,696
199,030,413	125,813,273	147,617,963	70,915,588	96,722,203	136,456,532
<u>\$ 1,064,670,271</u>	<u>\$ 974,259,532</u>	<u>\$ 988,133,101</u>	<u>\$ 921,506,365</u>	<u>\$ 938,912,272</u>	<u>\$ 1,024,902,898</u>