

COUNTY OF SAN JOAQUIN, CALIFORNIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2018

**COUNTY OF SAN JOAQUIN
ANNUAL FINANCIAL REPORT
JUNE 30, 2018**

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

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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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 represents 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements, the County adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statements No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, and No. 85, *Omnibus 2017*, effective July 1, 2017. 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 schedule of the County's proportionate share of the net pension liability, the schedules of County contributions, the schedule of changes in total OPEB liability and related notes, and the budgetary comparison information for the General Fund and the major special revenue fund on pages 81-87, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2019, 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 solely 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 the effectiveness of the County's 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

March 22, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

**COUNTY OF SAN JOAQUIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

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, 2018. 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 2017-18 fiscal year by \$326 million, which is referred to as net position. Of this amount, \$649.4 million was invested in capital assets, \$525.7 million is restricted and limited to specific purposes, while the remaining amount classified as a deficit in the amount of \$849.1 million.
- The County's total net position increased by \$88.2 million during the year. Governmental activities increased the County's net position by \$71.6 million, and business-type activities increased the County's net position by \$16.6 million.
- As of June 30, 2018, the County governmental funds reported combined fund balances of \$777.8 million, which is an increase of \$97.4 million from last year's fund balance. Of the combined fund balances, \$482.9 million is nonspendable or restricted funds, while \$294.9 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, 2018, the unrestricted fund balance for the General Fund was \$219.6 million, or approximately 28% of the total General Fund operating expenditures.
- The County's total long-term liabilities that are due beyond one year at June 30, 2018, were \$1,836.3 million, \$28.1 million lower than the prior year, primarily due to a decrease of \$63.8 million in net pension liability and a decrease of \$19.0 million in long-term claims liabilities and regularly scheduled debt payments, offset by an increase of \$49.5 million in the County's Other Post-Employment Benefits (OPEB) liability and an increase of \$6.2 million in claims liability.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The *statement of net position* presents information on all County assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that may result in cash flows in future fiscal periods.

**COUNTY OF SAN JOAQUIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

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), CSA 31 Sewer Enterprise Fund, 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, 2018**

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, CSA 31 Sewer 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 28-80 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.

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 \$326 million at the close of fiscal year 2017-18.

**COUNTY OF SAN JOAQUIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

Condensed Statement of Net Position (in 000's)

The largest portion of the County's net position in the amount of \$649.4 million, approximately 199 % 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, \$525.7 million or 161%, 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 -\$849.1 million, or (260%), 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 \$48.8 million compared to FY2016-17. Included in that increase is a combination of a (\$39.3 million) prior period adjustment, a \$155.0 million increase in revenues, and a \$104.2 million increase in expenses from the prior year.

	Governmental Activities		Business-Type Activities		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Assets:						
Current and other assets	\$ 1,035,700	\$ 958,262	\$ 385,322	\$ 383,051	\$ 1,421,022	\$ 1,341,313
Capital assets	608,933	591,259	168,705	137,438	777,638	728,697
Total assets	1,644,633	1,549,521	554,027	520,489	2,198,660	2,070,010
Deferred outflows of resources:						
Deferred gain on refunding	198	339	1,132	1,770	1,330	2,109
Deferred OPEB	6,573	-	1,939	-	8,512	-
Deferred pensions	168,517	268,554	66,437	72,267	234,954	340,821
Total deferred outflows	175,288	268,893	69,508	74,037	244,796	342,930
Liabilities:						
Current and other liabilities	107,541	114,512	121,717	119,805	229,258	234,317
Long-term liabilities	1,454,588	1,506,190	381,705	358,282	1,836,293	1,864,472
Total liabilities	1,562,129	1,620,702	503,422	478,087	2,065,551	2,098,789
Deferred inflows of resources:						
Deferred SCA	1,452	1,568	-	-	1,452	1,568
Deferred OPEB	4,049	-	1,195	-	5,244	-
Deferred pensions	40,709	29,799	4,493	5,596	45,202	35,395
Total deferred inflows	46,210	31,367	5,688	5,596	51,898	36,963
Net Position:						
Net investment in capital assets	508,324	479,182	141,120	108,595	649,444	587,777
Restricted	514,927	467,738	10,740	19,279	525,667	487,017
Unrestricted	(811,669)	(780,575)	(37,434)	(17,031)	(849,103)	(797,606)
Total net position	\$ 211,582	\$ 166,345	\$ 114,426	\$ 110,843	\$ 326,008	\$ 277,188

**COUNTY OF SAN JOAQUIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

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 increased the County's net position by \$71.6 million.

	Governmental Activities		Business-Type Activities		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Revenues:						
Program Revenues:						
Charges for services	\$ 172,722	\$ 160,129	\$ 413,175	\$ 392,221	\$ 585,897	\$ 552,350
Operating grants and contr.	646,394	618,757	656	373	647,050	619,130
Capital grants and contr.	25,763	5,933	4,564	3,072	30,327	9,005
General revenues:						
Property taxes	253,891	229,703	-	-	253,891	229,703
Property transfer taxes	4,422	3,575	-	-	4,422	3,575
Sales taxes	36,670	37,807	-	-	36,670	37,807
Motor vehicle and other in lieu taxes	4,307	4,331	-	-	4,307	4,331
Transient occupancy tax	594	463	-	-	594	463
Franchise and others	3,518	2,857	-	-	3,518	2,857
Tobacco settlement proceeds	7,253	6,075	-	-	7,253	6,075
Investment earnings	9,355	4,770	1,336	1,867	10,691	6,637
Miscellaneous	2,846	3,157	42,623	-	45,469	3,157
Total revenues	<u>1,167,735</u>	<u>1,077,557</u>	<u>462,354</u>	<u>397,533</u>	<u>1,630,089</u>	<u>1,475,090</u>
Expenses:						
General government	96,415	63,018	-	-	96,415	63,018
Public protection	357,100	360,538	-	-	357,100	360,538
Public ways and facilities	47,953	53,695	-	-	47,953	53,695
Community Infrastructure Program	2,427	-	-	-	2,427	-
Health and sanitation	208,564	193,540	-	-	208,564	193,540
Public assistance	396,572	383,285	-	-	396,572	383,285
Education	6,945	5,297	-	-	6,945	5,297
Culture and recreation	6,516	7,482	-	-	6,516	7,482
Interest on long-term debt	3,478	5,924	-	-	3,478	5,924
Solid waste	-	-	26,756	28,754	26,756	28,754
Hospital	-	-	382,406	331,414	382,406	331,414
Airport	-	-	5,471	4,795	5,471	4,795
CSA 31 - Flag City	-	-	1,318	-	1,318	-
Total expenses	<u>1,125,970</u>	<u>1,072,779</u>	<u>415,951</u>	<u>364,963</u>	<u>1,541,921</u>	<u>1,437,742</u>
Excess (deficiency) before transfers	41,765	4,778	46,403	32,570	88,168	37,348
Transfers	29,868	(10,690)	(29,868)	10,690	-	-
Change in net position	<u>71,633</u>	<u>(5,912)</u>	<u>16,535</u>	<u>43,260</u>	<u>88,168</u>	<u>37,348</u>
Net position, beginning of year	166,344	172,257	110,843	82,666	277,187	254,923
Prior period adjustment	(26,395)	-	(12,952)	(15,083)	(39,347)	(15,083)
Net position, end of the year	<u>\$ 211,582</u>	<u>\$ 166,345</u>	<u>\$ 114,426</u>	<u>\$ 110,843</u>	<u>\$ 326,008</u>	<u>\$ 277,188</u>

**COUNTY OF SAN JOAQUIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

Revenues

Total revenues for the County's governmental activities increased by \$90.2 million, or 8.4%, 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 \$53 million, or 4.9%, over the previous year. Of the total increase, \$33.4 million comes from general government, \$13.3 million in public assistance, and \$15 million in health and sanitation, offset by decreases of \$ 3.4 million in public protection and \$ 5.7 million in public ways and facilities.

Business-type activities. Business-type activities increased the County's net position by \$3.6 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 \$3.9 million or 1.3% in 2018. A \$1.5 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, 2018, the County's governmental funds reported total fund balances of \$777.8 million, an increase of \$97.4 million, or 14.3%, in comparison with the prior year. Approximately \$295 million, or 37.9%, of the total fund balance constitutes unrestricted fund balance, committed, assigned, and unassigned, which is available to meet the County's current and future needs. The remainder of the fund balance, \$483 million or 62.1%, 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, \$7.1 million and 2) reflects constraints placed on the use of resources by external creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation, \$475.7 million.

The General Fund is the main operational fund of the County. At June 30, 2018, it had an unrestricted fund balance of \$219.6 million while its total fund balance was \$300.4 million, an increase of \$57.0 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 28.0% of total fund expenditures, while total fund balance represents 38.3% 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, 2018, of its \$132.4 million fund balance, \$0.2 million is nonspendable and the remaining balance of \$132.2 million is available for the next fiscal year's appropriation.

**COUNTY OF SAN JOAQUIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
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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, 2018, it had a fund balance of \$72.3 million.

Revenues for governmental funds totaled \$1,154.9 million in fiscal year 2017-18, which represents a \$73.7 million, or 6.8%, increase from fiscal year 2017-18. The largest increase in revenues were aid from other governmental agencies \$36.8 million, along with increases in tax revenues \$12.7 million, which is attributable to an increase in sales and property tax revenue, and charges for services \$18.1 million, due to an increase in chargeable services provided.

Expenditures for governmental funds totaled \$1,088.7 million in fiscal year 2017-18, which represents an increase of \$72.4 million, or 7.1%, from the prior year. The largest increases occurred in public protection \$ 17.3 million, public assistance \$18.1 million, and capital outlay \$15.5 million.

Proprietary funds. The County's proprietary funds provide similar information found in the business-type activities financial statements, but in more detail.

The Solid Waste Enterprise Fund had \$5.9 million in net position at June 30, 2018, the Airport Enterprise Fund had \$20.7 million, and the Hospital Enterprise Fund had \$91.0 million, and the CSA 31 Flag City Sewer Enterprise Fund had (\$3.1 million). The unrestricted net position amounted to (\$16.1 million), (\$2.4 million), and (\$18.2 million), and (\$0.1) respectively, of the total enterprise funds' net position.

The internal service funds had \$55.3 million in net position at June 30, 2018, with \$25.9 million as unrestricted. Of the unrestricted net position, \$23.6 million is designated for future claims under the County's self-insurance programs.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the 2018 fiscal year's original budget and the final amended budget for the general fund resulted in a \$29.9 million net increase to appropriations. The major increases in the final amended budget can be briefly summarized as follows:

- The public protection budget increased by \$5.1 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 \$24.0 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, 2018**

During the year, actual revenues were less than budgetary estimates by \$78.9 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 \$62.5 million in Aid from Other Governmental Agencies and \$39.9 million in transfers-in; while the major over-budget revenue was \$9.2 million in net property and sales tax.

Actual expenditures were less than final amended budgetary estimates by \$143.5 million. A majority of the difference is attributable to below budget expenditures in public protection (\$19.9 million), public assistance (\$61.1 million), transfers out (\$63.8 million), and general government (\$13.1 million). The net effect of under-realization of revenues and under-utilization of appropriations resulted in a favorable variance of \$64.7 million, thus eliminating the need to draw upon existing fund balance.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The County's investment in capital assets, net of accumulated depreciation, for its governmental and business-type activities as of June 30, 2018, amounted to \$778.0 million. This investment in capital assets includes 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 6.8%.

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

- Infrastructure increased by \$24.1 million due to completion of various bridge and road projects.
- Equipment increased by \$26.2 million primarily due to the completion of various prior year construction in progress projects at the Hospital.
- All depreciable assets, except infrastructure, are depreciated from the mid-month of the acquisition month to the end of the current fiscal year. Infrastructure acquired since June 30, 1980 is depreciated, using the composite method, over the life of 25 years.

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

	Governmental Activities		Business-Type Activities		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Infrastructure	\$ 287,575	\$ 268,102	\$ 4,679	\$ -	\$ 292,254	\$ 268,102
Land and easements	14,261	14,201	4,663	4,663	18,924	18,864
Structure and improvements	257,635	262,144	76,919	77,993	334,554	340,137
Equipment	32,818	32,238	54,413	27,344	87,231	59,582
Construction in progress	6,224	6,224	27,031	26,035	33,255	32,259
Capital Leases	10,417	8,351	1,003	1,403	11,420	9,754
Total	\$ 608,930	\$ 591,260	\$ 168,708	\$ 137,438	\$ 777,638	\$ 728,698

For additional information related to capital assets, see Note 5 on pages 51-52.

**COUNTY OF SAN JOAQUIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

Long-term liabilities

At June 30, 2018, the County had total long-term outstanding liabilities of \$1,836.3 million, excluding the amount due within one year (\$52.3 million). This amount was comprised of \$100.3 million of certificates of participation, revenue bonds of \$7.6 million, \$17.0 million in landfill closure/postclosure, \$7.4 million in capital lease obligations, \$1.5 million in notes payable, \$4.9 million in earned compensated absences, \$61.2 million for estimated self-insurance claims liability, \$140.5 million for the County's total OPEB liability, and \$1,494.0 million for the County's net pension liability.

For additional information related to long-term debt, see Notes 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 2018 net property tax roll increased 4.84% from the prior year. This followed an increase in 2017 of 6.74%. 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 \$728 million for these agencies. The total tax roll for 2018 is \$74 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 2018-19 County budget increased by \$123.7 million, or 7.6%, from fiscal year 2017-18. The increase is primarily attributable to: 1) negotiated salary and benefits adjustments; 2) increasing contributions to the Reserve for Contingencies to meet 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 \$1.5 billion. At the 5% contribution level, the annual additional cost would be \$23.0 million with a Net County Cost of \$9.5 million. For 2018-19, the additional contributions are budgeted for the full fiscal year. The 2018-19 Final Budget includes \$9.5 million to be added to the Unfunded Pension Liability Reserve, for a balance of \$25.5 million.
- Approximately 44% 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, 2018 were approximately \$7.4 million.

- In June 2018, the Governor signed the fiscal year 2018-2019 State budget totaling \$201.4 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, 2018**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Health Plan of San Joaquin	First Five Commission of San Joaquin County
ASSETS					
Cash and investments:					
Pooled	\$ 873,885,074	\$ 201,527,453	\$ 1,075,412,527	\$ 460,347,506	\$ 3,191,600
Other banks	6,346,626	6,856,132	13,202,758	6,062,283	-
Imprest cash	321,790	10,530	332,320	-	-
Accounts receivable, net	14,292,701	86,702,458	100,995,159	-	43,039
Taxes receivable	24,842,568	-	24,842,568	-	-
Interest receivable	4,172,971	708,653	4,881,624	2,110,519	15,556
Internal balances	1,386,434	(1,386,434)	-	-	-
Due from other agencies	66,771,913	71,846,297	138,618,210	109,314,094	1,919,768
Loans receivable	40,427,950	-	40,427,950	-	-
Prepaid expenses	314,797	1,837,449	2,152,246	-	-
Inventory	1,675,193	5,488,191	7,163,384	-	-
Other assets	26,538	506,447	532,985	14,932,064	-
SCA lease receivable	1,452,231	-	1,452,231	-	-
Restricted assets:					
Cash and investments	52,375	10,739,765	10,792,140	-	-
Capital assets:					
Non-depreciable	20,484,686	31,693,793	52,178,479	1,479,552	-
Depreciable	1,120,820,578	302,609,474	1,423,430,052	35,943,745	-
Accumulated depreciation	(532,372,454)	(165,598,031)	(697,970,485)	(17,654,705)	-
Total Assets	<u>1,644,901,971</u>	<u>553,542,177</u>	<u>2,198,444,148</u>	<u>612,535,058</u>	<u>5,169,963</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amounts on refunding	198,339	1,131,805	1,330,144	-	-
Deferred outflows related to OPEB	6,572,903	1,939,126	8,512,029	-	13,471
Deferred outflows related to pensions	168,517,389	66,436,870	234,954,259	5,221,528	408,854
Total Deferred Outflows of Resources	<u>175,288,631</u>	<u>69,507,801</u>	<u>244,796,432</u>	<u>5,221,528</u>	<u>422,325</u>
LIABILITIES					
Accounts payable	26,479,814	24,725,506	51,205,320	7,017,515	1,367,756
Accrued expenses	9,374,767	5,085,013	14,459,780	-	21,979
Unearned revenue	35,544,084	2,268,432	37,812,516	-	203,890
Other liabilities	592,079	499,580	1,091,659	18,195,548	-
Due to other agencies	-	-	-	170,306,263	-
Accrued interest	564,165	300,276	864,441	-	-
Settlements with third parties	-	71,507,972	71,507,972	-	-
Long-term liabilities:					
Due within one year	35,226,027	17,749,844	52,975,871	-	72,788
Due beyond one year	101,816,176	37,931,670	139,747,846	-	18,122
Claims liability, due beyond one year	61,164,332	-	61,164,332	96,185,356	-
Total OPEB Liability	109,466,690	31,005,012	140,471,702	-	222,298
Net pension liability	1,182,152,078	311,863,380	1,494,015,458	6,849,736	2,562,481
Total Liabilities	<u>1,562,380,212</u>	<u>502,936,685</u>	<u>2,065,316,897</u>	<u>298,554,418</u>	<u>4,469,314</u>
DEFERRED INFLOWS OF RESOURCES					
Service concession arrangement	1,452,231	-	1,452,231	-	-
Deferred inflows related to OPEB	4,049,134	1,194,568	5,243,702	-	8,298
Deferred inflows related to pensions	40,709,027	4,492,858	45,201,885	298,052	46,238
Total deferred Inflows of Resources	<u>46,210,392</u>	<u>5,687,426</u>	<u>51,897,818</u>	<u>298,052</u>	<u>54,536</u>
NET POSITION					
Net investment in capital assets	508,324,186	141,119,606	649,443,792	19,768,592	-
Restricted for:					
Capital projects	220,640,590	-	220,640,590	-	-
Debt service	611,774	1,928,798	2,540,572	-	-
Landfill closure / post-closure	-	5,090,098	5,090,098	-	-
Public assistance programs	13,633,040	-	13,633,040	-	-
Public works and community infrastructure	78,125,999	-	78,125,999	-	-
Local law enforcement programs	16,803,886	-	16,803,886	-	-
Health and substance abuse programs	136,328,665	-	136,328,665	-	-
Community development loans	48,782,556	-	48,782,556	-	-
Project costs & Medical education funds	-	3,720,869	3,720,869	-	-
Unrestricted	(811,650,698)	(37,433,504)	(849,084,202)	299,135,524	1,068,438
Total Net Position	<u>\$ 211,599,998</u>	<u>\$ 114,425,867</u>	<u>\$ 326,025,865</u>	<u>\$ 318,904,116</u>	<u>\$ 1,068,438</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, 2018**

Functions/Programs	Operating Expenses	Indirect Expenses Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:					
Governmental activities:					
General government	\$ 96,396,868	\$ (13,220,871)	\$ 34,005,460	\$ 148,843	\$ -
Public protection	357,099,707	5,729,929	45,754,946	140,438,329	-
Public ways and facilities	47,953,237	1,205,344	14,243,483	22,495,666	25,763,426
Community infrastructure program	2,426,853	11,095	3,847,291	-	-
Health and sanitation	208,564,226	2,490,945	71,169,535	108,117,686	-
Public assistance	396,572,441	2,959,926	1,183,021	375,062,458	-
Education	6,944,605	138,814	110,091	131,003	-
Recreation and culture	6,515,982	684,818	2,408,268	-	-
Interest on long-term debt	3,478,816	-	-	-	-
Total Governmental Activities	<u>1,125,952,735</u>	<u>-</u>	<u>172,722,095</u>	<u>646,393,985</u>	<u>25,763,426</u>
Business-type activities:					
Hospital	382,406,015	-	376,393,539	-	-
Airport	5,471,043	-	3,945,657	173,883	4,564,006
Solid waste	26,756,326	-	31,464,024	481,866	-
CSA 31 - Flag City	1,317,553	-	1,371,972	-	-
Total Business-type Activities	<u>415,950,937</u>	<u>-</u>	<u>413,175,192</u>	<u>655,749</u>	<u>4,564,006</u>
Total Primary Government	<u>\$ 1,541,903,672</u>	<u>\$ -</u>	<u>\$ 585,897,287</u>	<u>\$ 647,049,734</u>	<u>\$ 30,327,432</u>
Component units:					
Health Plan of San Joaquin	\$ 977,502,779	\$ -	\$ 1,821,579	\$ 1,026,117,374	\$ -
First 5 Commission	9,722,908	-	-	7,964,646	-
Total Component Units	<u>\$ 987,225,687</u>	<u>\$ -</u>	<u>\$ 1,821,579</u>	<u>\$ 1,034,082,020</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.

**COUNTY OF SAN JOAQUIN
STATEMENT OF ACTIVITIES (Continued)
FOR THE YEAR ENDED JUNE 30, 2018**

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Health Plan of San Joaquin	First Five Commission of San Joaquin County
\$ (49,021,694)	\$ -	\$ (49,021,694)	\$ -	\$ -
(176,636,361)	-	(176,636,361)	-	-
13,343,994	-	13,343,994	-	-
1,409,343	-	1,409,343	-	-
(31,767,950)	-	(31,767,950)	-	-
(23,286,888)	-	(23,286,888)	-	-
(6,842,325)	-	(6,842,325)	-	-
(4,792,532)	-	(4,792,532)	-	-
(3,478,816)	-	(3,478,816)	-	-
<u>(281,073,229)</u>	<u>-</u>	<u>(281,073,229)</u>	<u>-</u>	<u>-</u>
-	(6,012,476)	(6,012,476)	-	-
-	3,212,503	3,212,503	-	-
-	5,189,564	5,189,564	-	-
-	54,419	54,419	-	-
-	2,444,010	2,444,010	-	-
<u>(281,073,229)</u>	<u>2,444,010</u>	<u>(278,629,219)</u>	<u>-</u>	<u>-</u>
			50,436,174	-
			-	(1,758,262)
			<u>50,436,174</u>	<u>(1,758,262)</u>
253,891,408	-	253,891,408	-	-
4,422,206	-	4,422,206	-	-
36,670,361	-	36,670,361	-	-
593,873	-	593,873	-	-
3,518,078	-	3,518,078	-	-
4,306,971	-	4,306,971	-	-
9,354,604	1,335,677	10,690,281	7,008,272	51,421
7,252,879	-	7,252,879	-	-
2,846,408	42,622,949	45,469,357	-	-
29,867,804	(29,867,804)	-	-	-
<u>352,724,592</u>	<u>14,090,822</u>	<u>366,815,414</u>	<u>7,008,272</u>	<u>51,421</u>
71,651,363	16,534,832	88,186,195	57,444,446	(1,706,841)
166,344,037	110,843,068	277,187,105	261,459,670	2,833,844
(26,395,402)	(12,952,033)	(39,347,435)	-	(58,565)
<u>139,948,635</u>	<u>97,891,035</u>	<u>237,839,670</u>	<u>261,459,670</u>	<u>2,775,279</u>
<u>\$ 211,599,998</u>	<u>\$ 114,425,867</u>	<u>\$ 326,025,865</u>	<u>\$ 318,904,116</u>	<u>\$ 1,068,438</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, 2018**

	General Fund	Mental Health and Substance Abuse Fund	County Capital Outlay Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments:					
Pooled	\$ 349,044,422	\$ 121,763,695	\$ 71,965,114	\$ 223,052,471	\$ 765,825,702
Imprest cash	248,650	39,450	-	33,650	321,750
Accounts receivable	4,601,787	4,472,923	-	3,653,046	12,727,756
Taxes receivable	21,604,186	-	-	3,238,382	24,842,568
Interest receivable	1,869,215	494,489	429,532	871,073	3,664,309
Due from other agencies	37,153,494	11,834,248	-	17,784,171	66,771,913
Due from other funds	2,416,435	1,882,804	-	186,874	4,486,113
Advances to other funds	5,682,438	-	374,206	717,075	6,773,719
Loans receivable	84,999	-	-	40,342,951	40,427,950
Inventory	-	177,409	-	813,870	991,279
Other assets	25,500	-	-	1,038	26,538
Restricted assets:					
Restricted cash and investments	-	-	-	52,374	52,374
Total Assets	<u>\$ 422,731,126</u>	<u>\$ 140,665,018</u>	<u>\$ 72,768,852</u>	<u>\$ 290,746,975</u>	<u>\$ 926,911,971</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 8,208,863	\$ 6,116,766	\$ 478,009	\$ 5,263,506	\$ 20,067,144
Accrued salaries	7,339,512	1,150,879	-	795,614	9,286,005
Due to other funds	3,510,440	127,116	-	1,985,180	5,622,736
Advances from other funds	374,206	-	-	5,367,920	5,742,126
Unearned revenues	35,544,084	-	-	-	35,544,084
Other liabilities	592,078	-	-	-	592,078
Total Liabilities	<u>55,569,183</u>	<u>7,394,761</u>	<u>478,009</u>	<u>13,412,220</u>	<u>76,854,173</u>
Deferred inflows of resources:					
Unavailable revenue	66,698,666	827,905	-	4,700,898	72,227,469
Total deferred Inflows of Resources	<u>66,698,666</u>	<u>827,905</u>	<u>-</u>	<u>4,700,898</u>	<u>72,227,469</u>
Fund balances:					
Nonspendable	5,767,437	177,409	374,206	1,531,983	7,851,035
Restricted	75,421,855	132,264,943	-	268,053,336	475,740,134
Committed	26,277,881	-	-	-	26,277,881
Assigned	80,771,649	-	71,916,637	7,975,708	160,663,994
Unassigned	112,224,455	-	-	(4,927,170)	107,297,285
Total Fund Balances	<u>300,463,277</u>	<u>132,442,352</u>	<u>72,290,843</u>	<u>272,633,857</u>	<u>777,830,329</u>
Total Liabilities, deferred Inflows of Resources and Fund Balances					
	<u>\$ 422,731,126</u>	<u>\$ 140,665,018</u>	<u>\$ 72,768,852</u>	<u>\$ 290,746,975</u>	<u>\$ 926,911,971</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, 2018**

Fund Balances - Total Governmental Funds \$ 777,830,329

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. 584,087,615

Internal service funds are used by management to charge the costs to individual funds. These assets and liabilities of the internal services funds are included in governmental activities in the statement of net position. 55,346,473

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds. 72,227,469

Net deferred outflows of resources related to pensions 166,697,922
Net deferred outflows of resources related to OPEB 6,505,551

Net deferred inflows of resources related to Pension (40,542,672)
Net deferred inflows of resources related to OPEB (4,007,643)

Lease receivable - service concession arrangement 1,452,231
Deferred inflows related to service concession arrangement (1,452,231)

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	(94,180,315)
Capital leases	(63,187)
Notes payable	(232,000)
Total Other post-employment benefits (OPEB) liability	(108,306,917)
Compensated absences	(31,025,237)
Net pension liability	(1,172,247,675)
Accrued interest payable	(489,715)

(1,406,545,046)

Net Position of Governmental Activities

\$ 211,599,998

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, 2018**

	General Fund	Mental Health and Substance Abuse Fund	County Capital Outlay Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 258,910,192	\$ -	\$ -	\$ 28,860,402	\$ 287,770,594
Licenses, permits, and franchises	10,554,183	-	-	292,480	10,846,663
Fines, forfeitures, and penalties	8,760,375	218,394	-	839,236	9,818,005
Revenue from use of money and property	3,630,511	735,254	1,089,661	2,060,051	7,515,477
Aid from other governmental agencies	478,430,700	69,786,296	-	130,222,058	678,439,054
Charges for services	42,761,674	68,900,362	-	33,456,764	145,118,800
Other revenues	13,647,225	596,676	-	1,214,321	15,458,222
Total Revenues	<u>816,694,860</u>	<u>140,236,982</u>	<u>1,089,661</u>	<u>196,945,312</u>	<u>1,154,966,815</u>
Expenditures:					
Current:					
General government	48,444,467	-	342,237	5,977,306	54,764,010
Public protection	290,174,836	-	181,137	46,742,772	337,098,745
Public ways and facilities	22,116	-	8,560	31,339,137	31,369,813
Community Infrastructure	-	-	-	2,426,853	2,426,853
Health and sanitation	59,262,512	130,395,341	11,220	1,371,718	191,040,791
Public assistance	373,953,597	-	15,979	15,155,178	389,124,754
Education	337,179	-	-	6,570,422	6,907,601
Parks and recreation	5,482,344	-	86,075	199,822	5,768,241
Capital outlay	3,696,419	1,165,809	4,628,146	42,144,855	51,635,229
Debt service:					
Principal	14,926	-	-	142,020	156,946
Interest and fiscal charges	944	-	-	3,136,306	3,137,250
Payment to refunded bond escrow agent-reserve funds	-	-	-	8,503,283	8,503,283
Payment to refunded bond escrow agent-County contribution	-	-	-	5,510,000	5,510,000
Cost of issuance	-	-	-	1,226,914	1,226,914
Total Expenditures	<u>781,389,340</u>	<u>131,561,150</u>	<u>5,273,354</u>	<u>170,446,586</u>	<u>1,088,670,430</u>
Excess (deficiency) of revenues over (under) expenditures	<u>35,305,520</u>	<u>8,675,832</u>	<u>(4,183,693)</u>	<u>26,498,726</u>	<u>66,296,385</u>
Other financing sources (uses):					
Issuance of long term debt	-	-	-	79,865,000	79,865,000
Issuance premium	-	-	-	15,550,343	15,550,343
Payment to Refunding Bond Escrow Agent	-	-	-	(94,188,428)	(94,188,428)
Transfers in	50,764,167	3,648,868	12,274,487	9,703,138	76,390,660
Transfers out	(28,964,409)	-	-	(17,568,447)	(46,532,856)
Total Other Financing Sources (uses)	<u>21,799,758</u>	<u>3,648,868</u>	<u>12,274,487</u>	<u>(6,638,394)</u>	<u>31,084,719</u>
Net change in fund balances	57,105,278	12,324,700	8,090,794	19,860,332	97,381,104
Fund balances, beginning of year, as restated	<u>243,357,999</u>	<u>120,117,652</u>	<u>64,200,049</u>	<u>252,773,525</u>	<u>680,449,225</u>
Fund balances, end of year	<u>\$ 300,463,277</u>	<u>\$ 132,442,352</u>	<u>\$ 72,290,843</u>	<u>\$ 272,633,857</u>	<u>\$ 777,830,329</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, 2018**

Net Change in Fund Balances - Total Governmental Funds \$ 97,381,104

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	\$ 51,635,229	
Depreciation expense	<u>(30,743,875)</u>	20,891,354

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

Unavailable revenues:		
Increase in accrued property tax revenues	5,324,543	
Increase in accrued grant revenues	<u>3,753,841</u>	9,078,384

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	10,446,768	
Notes payable	82,700	
Capital leases	74,046	
Less amortization of premium on certificates of participation	<u>3,709,465</u>	14,312,979

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	(217,094)	
Change in compensated absences	(86,140)	
Change in other post-employment benefits liability	(5,268,616)	
Change in net pension liability	<u>(36,897,961)</u>	(42,469,811)

Gain / (loss) on disposed capital assets		(383,214)
--	--	-----------

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>(27,159,433)</u>
Change in net position of governmental activities		<u><u>\$ 71,651,363</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, 2018**

	Business-type Activities - Enterprise Funds				Total	Governmental Activities - Internal Service Funds
	General Hospital	Stockton Metropolitan Airport	Solid Waste	CSA 31 Flag City Sewer		
Assets						
Current assets:						
Cash and investments:						
Pooled and other banks	\$ 191,116,470	\$ 236,850	\$ 16,853,447	\$ 176,818	\$ 208,383,585	\$ 114,405,998
Imprest	2,580	250	7,700	-	10,530	40
Prepaid expenses	1,837,449	-	-	-	1,837,449	314,797
Accounts receivable, net	83,358,274	237,817	3,106,367	-	86,702,458	1,564,945
Interest receivable	612,544	6,481	88,885	743	708,653	508,662
Due from other funds	476,226	-	3,486	-	479,712	1,587,817
Due from other agencies	70,818,021	1,028,276	-	-	71,846,297	-
Inventories	5,442,460	-	45,731	-	5,488,191	683,915
Other current assets	506,447	-	-	-	506,447	-
Total Current Assets	354,170,471	1,509,674	20,105,616	177,561	375,963,322	119,066,174
Noncurrent assets:						
Restricted cash and investments	3,720,869	-	6,459,497	559,399	10,739,765	-
Capital assets:						
Non-depreciable	22,812,126	1,352,204	7,529,463	-	31,693,793	17,481
Depreciable	169,493,794	63,810,732	61,517,972	7,786,976	302,609,474	71,997,921
Accumulated depreciation	(74,318,514)	(40,974,430)	(47,196,497)	(3,108,590)	(165,598,031)	(47,170,258)
Total Noncurrent Assets	121,708,275	24,188,506	28,310,435	5,237,785	179,445,001	24,845,144
Total Assets	475,878,746	25,698,180	48,416,051	5,415,346	555,408,323	143,911,318
Deferred outflows of resources						
Deferred amounts on refunding	861,204	-	136,634	133,967	1,131,805	-
Deferred outflows related to OPEB	1,807,406	17,989	113,731	-	1,939,126	67,352
Deferred outflows related to pensions	63,956,448	365,563	2,114,859	-	66,436,870	1,819,467
Total deferred Outflows of Resources	66,625,058	383,552	2,365,224	133,967	69,507,801	1,886,819

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, 2018

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	General Hospital	Stockton Metropolitan Airport	Solid Waste	CSA 31 Flag City Sewer	Total	
Liabilities						
Current liabilities:						
Accounts payable	\$ 21,503,965	\$ 443,302	\$ 2,518,968	\$ 259,271	\$ 24,725,506	\$ 6,412,670
Accrued payroll	4,915,558	23,032	146,423	-	5,085,013	88,762
Due to other funds	770,527	34,201	29,826	-	834,554	96,352
Other current liabilities	-	14,666	484,914	-	499,580	-
Interest payable	98,974	119	75,257	125,926	300,276	74,399
Due to third parties for settlements	71,507,972	-	-	-	71,507,972	-
Current portion:						
Certificates of participation	6,695,000	-	1,605,000	-	8,300,000	-
Revenue bonds	-	-	-	195,000	195,000	-
Notes payable	88,603	3,112	-	-	91,715	79,715
Capital leases	-	50,836	187,052	-	237,888	2,873,442
Compensated absences	8,376,776	46,478	501,987	-	8,925,241	344,989
Total Current Liabilities	113,957,375	615,746	5,549,427	580,197	120,702,745	9,970,329
Noncurrent liabilities:						
Unearned revenue	1,488,731	779,701	-	-	2,268,432	-
Advances from other funds	-	1,031,592	-	-	1,031,592	-
Certificates of participation, net	5,810,000	-	5,389,817	-	11,199,817	-
Revenue bonds	-	-	-	8,118,000	8,118,000	-
Notes payable	1,026,459	-	-	-	1,026,459	1,138,891
Capital leases	-	68,430	445,873	-	514,303	6,903,287
Compensated absences	-	-	93,346	-	93,346	2,802
Claims liability	-	-	-	-	-	61,164,333
Liability for closure/post closure costs	-	-	16,979,745	-	16,979,745	-
Net pension liability	295,256,192	2,537,271	14,069,917	-	311,863,380	9,904,403
Total OPEB Liability	28,917,432	274,676	1,812,904	-	31,005,012	1,159,773
Total Noncurrent Liabilities	332,498,814	4,691,670	38,791,602	8,118,000	384,100,086	80,273,489
Total Liabilities	446,456,189	5,307,416	44,341,029	8,698,197	504,802,831	90,243,818
Deferred inflows of resources						
Deferred inflows related to OPEB	1,113,424	11,082	70,062	-	1,194,568	41,491
Deferred inflows related to pensions	3,966,977	86,708	439,173	-	4,492,858	166,355
Total deferred Inflows of Resources	5,080,401	97,790	509,235	-	5,687,426	207,846
Net position						
Net investment in capital assets	105,482,406	23,037,647	15,540,801	(2,941,248)	141,119,606	15,068,415
Restricted for:						
Debt service	-	-	1,369,399	559,399	1,928,798	-
Landfill site closure and post closure	-	-	5,090,098	-	5,090,098	-
Project costs & Medical education funds	3,720,869	-	-	-	3,720,869	-
Unrestricted (deficit)	(18,236,061)	(2,361,121)	(16,069,287)	(767,035)	(37,433,504)	40,278,058
Total Net Position (Deficit)	\$ 90,967,214	\$ 20,676,526	\$ 5,931,011	\$ (3,148,884)	\$ 114,425,867	\$ 55,346,473

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, 2018**

	Business-type Activities - Enterprise Funds				Total	Governmental Activities - Internal Service Funds
	General Hospital	Stockton Metropolitan Airport	Solid Waste	CSA 31 Flag City Sewer		
Operating revenues:						
Charges for services:	\$ 298,506,710	\$ 2,100,725	\$ 12,968,578	\$ 1,371,972	\$ 314,947,985	\$ 72,617,717
Concessions and rentals	-	1,752,135	17,097,255	-	18,849,390	11,763,914
Miscellaneous	-	92,797	1,398,191	-	1,490,988	1,196,099
Aid from other agencies	42,622,949	173,883	-	-	42,796,832	-
Total Operating Revenues	341,129,659	4,119,540	31,464,024	1,371,972	378,085,195	85,577,730
Operating expenses:						
Salaries and benefits	244,678,580	1,340,256	8,842,891	-	254,861,727	3,981,016
Services and supplies	128,198,105	2,385,823	14,878,779	430,708	145,893,415	24,820,166
Liability claims and loss adjustments	-	-	-	-	-	71,356,578
Insurance	-	-	-	-	-	8,407,323
Landfill closure and post closure expense	-	-	1,143,293	-	1,143,293	-
Depreciation and amortization	9,529,330	1,734,823	1,884,018	311,479	13,459,650	5,284,420
Miscellaneous	-	10,141	7,345	-	17,486	36,967
Total Operating Expenses	382,406,015	5,471,043	26,756,326	742,187	415,375,571	113,886,470
Operating income (loss)	(41,276,356)	(1,351,503)	4,707,698	629,785	(37,290,376)	(28,308,740)
Nonoperating revenues (expenses):						
Gain on sale of asset	-	-	-	-	-	127,632
Interest income	2,554,587	23,573	149,235	4,392	2,731,787	1,160,169
Aid from other governmental agencies	77,886,829	970,752	481,866	-	79,339,447	-
Interest expense	(1,060,375)	(67,128)	(268,607)	(575,366)	(1,971,476)	(295,616)
Insurance recovery	-	-	-	-	-	87,040
Total Nonoperating Revenues (Expenses)	79,381,041	927,197	362,494	(570,974)	80,099,758	1,079,225
Income (loss) before capital contributions and transfers	38,104,685	(424,306)	5,070,192	58,811	42,809,382	(27,229,515)
Capital contributions	-	3,593,254	-	-	3,593,254	60,082
Transfers in	3,678,492	832,326	-	-	4,510,818	10,000
Transfers out	(34,378,622)	-	-	-	(34,378,622)	-
Change in net position	7,404,555	4,001,274	5,070,192	58,811	16,534,832	(27,159,433)
Net position, beginning of year	92,798,375	16,769,506	1,275,187	-	110,843,068	82,840,818
Prior period adjustments	(9,235,716)	(94,254)	(414,368)	(3,207,695)	(12,952,033)	(334,912)
Total Net Position (Deficit), beginning of year, as restated	83,562,659	16,675,252	860,819	(3,207,695)	97,891,035	82,505,906
Total Net Position, end of year	\$ 90,967,214	\$ 20,676,526	\$ 5,931,011	\$ (3,148,884)	\$ 114,425,867	\$ 55,346,473

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, 2018**

	Business-type Activities - Enterprise Funds				Total	Governmental Activities - Internal Service Funds
	General Hospital	Stockton Metropolitan Airport	Solid Waste	CSA 31 Flag City Sewer		
Cash flows from operating activities:						
Cash received from customers	\$ 259,701,978	\$ 4,067,473	\$ 30,440,066	\$ 1,371,972	\$ 295,581,489	\$ 84,168,628
Cash payments to suppliers for goods and services	(125,728,357)	(2,055,265)	(14,380,414)	(172,699)	(142,336,735)	(97,669,297)
Cash payments to other departments for goods and services	-	(242,831)	(1,014,115)	(54,589)	(1,311,535)	(7,175,612)
Cash payments to employees for services	(227,129,261)	(1,267,721)	(8,402,099)	-	(236,799,081)	(5,297,282)
Other operating revenues	-	-	-	-	-	6,860,133
Net cash provided by (used for) operating activities	<u>(93,155,640)</u>	<u>501,656</u>	<u>6,643,438</u>	<u>1,144,684</u>	<u>(84,865,862)</u>	<u>(19,113,430)</u>
Cash flows from noncapital financing activities:						
Transfers in	3,678,492	832,326	-	-	4,510,818	10,000
Transfers out	(34,378,622)	-	-	-	(34,378,622)	-
State and Federal grant receipts	-	-	664,592	-	664,592	60,082
Loan repayment or borrowing	-	(293,656)	-	-	(293,656)	(649,415)
Other non-operating receipts (payments)	137,862,260	-	-	-	137,862,260	-
Net cash provided by (used for) noncapital financing activities	<u>107,162,130</u>	<u>538,670</u>	<u>664,592</u>	<u>-</u>	<u>108,365,392</u>	<u>(579,333)</u>
Cash flows from capital and related financing activities:						
Capital contribution grants	-	3,593,254	-	-	3,593,254	-
Acquisition and construction of capital assets	(30,493,588)	(5,637,371)	(4,507,573)	-	(40,638,532)	(3,165,738)
Insurance recovery	-	-	-	-	-	87,040
Proceeds from sale of property and equipment	-	-	-	-	-	126,777
Revenue refunding bonds issued	-	-	-	7,750,000	7,750,000	-
Premium on refunding bonds issued	-	-	-	665,283	665,283	-
Payment to refunded bond escrow agent	-	-	-	(7,110,143)	(7,110,143)	-
Cost of issuance on refunding bonds	-	-	-	(200,697)	(200,697)	-
Principal payment on debts	(6,540,000)	(61,634)	(1,748,576)	(1,286,767)	(9,636,977)	(2,772,074)
Interest payments on debts	(26,248)	(67,170)	(368,099)	(565,472)	(1,026,989)	(291,724)
Net cash provided by (used for) capital and related financing activities	<u>(37,059,836)</u>	<u>(2,172,921)</u>	<u>(6,624,248)</u>	<u>(747,796)</u>	<u>(46,604,801)</u>	<u>(6,015,719)</u>
Cash flows from investing activities:						
Interest received (paid)	2,502,456	14,110	101,123	(8,145)	2,609,544	1,021,789
Net cash provided by (used for) investing activities	<u>2,502,456</u>	<u>14,110</u>	<u>101,123</u>	<u>(8,145)</u>	<u>2,609,544</u>	<u>1,021,789</u>
Net increase (decrease) in cash and cash equivalents	(20,550,890)	(1,118,485)	784,905	388,743	(20,495,727)	(24,686,693)
Cash and cash equivalents, beginning of year	215,390,809	1,355,585	22,535,739	347,474	239,629,607	139,092,731
Cash and cash equivalents, end of year	<u>\$ 194,839,919</u>	<u>\$ 237,100</u>	<u>\$ 23,320,644</u>	<u>\$ 736,217</u>	<u>\$ 219,133,880</u>	<u>\$ 114,406,038</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, 2018**

	<u>Business-type Activities - Enterprise Funds</u>				<u>Total</u>	<u>Governmental Activities - Internal Services Funds</u>
	<u>General Hospital</u>	<u>Stockton Metropolitan Airport</u>	<u>Solid Waste</u>	<u>CSA 31 Flag City Sewer</u>		
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ (41,276,356)	\$ (1,351,503)	\$ 4,707,698	\$ 629,785	\$ (37,290,376)	\$ (28,308,740)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation/amortization expense	9,539,330	1,734,823	1,884,018	311,479	13,469,650	5,284,420
OPEB expense	1,463,755	108,822	506,473	-	2,079,050	-
Pension expense	14,115,212	64,103	315,638	-	14,494,953	-
Provision for bad debts	33,790,758	-	-	-	33,790,758	-
(Increase) / decrease in receivables	(71,871,962)	(2,447)	(928,873)	-	(72,803,282)	(829,971)
(Increase) / decrease in prepaid expenses	130,904	-	-	-	130,904	(24,667)
(Increase) / decrease in inventories	(851,009)	-	(30,831)	203,420	(678,420)	(82,053)
Increase / (decrease) in payables	(23,424,054)	(52,142)	(953,978)	-	(24,430,174)	(1,306,526)
Increase / (decrease) in closure/post closure liability	-	-	1,143,293	-	1,143,293	-
Increase / (decrease) in claims liabilities	(14,772,218)	-	-	-	(14,772,218)	6,154,107
Net cash provided by (used for) operating activities	<u>\$ (93,155,640)</u>	<u>\$ 501,656</u>	<u>\$ 6,643,438</u>	<u>\$ 1,144,684</u>	<u>\$ (84,865,862)</u>	<u>\$ (19,113,430)</u>
Noncash investing, capital and financing activities:						
Lease agreements	\$ (1,131,056)	\$ -	\$ -	\$ -	\$ -	\$ 4,273,372

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

**COUNTY OF SAN JOAQUIN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018**

	Investment Trust Fund	Sammie Hay Private Purpose Trust Fund	Agency Funds
Assets			
Cash and investments - pooled	\$ 1,619,905,617	\$ 866,074	\$ 49,202,182
Cash and investments held by others	-	-	4,143,786
Investment income receivable	6,624,076	3,626	-
Other receivables	-	-	18,991,933
Other assets	-	-	3,338
Total Assets	<u>1,626,529,693</u>	<u>869,700</u>	<u>\$ 72,341,239</u>
Liabilities			
Accounts payable	-	5,781	\$ 20,816,142
Loan payable	-	-	20,000
Due to others	-	-	51,505,097
Total Liabilities	<u>-</u>	<u>5,781</u>	<u>\$ 72,341,239</u>
Net position			
Held in trust for:			
External pool participants	1,626,529,693	-	
Other purposes	-	863,919	
Total Net Position	<u>\$ 1,626,529,693</u>	<u>\$ 863,919</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, 2018**

	Investment Trust Fund	Sammie Hay Private Purpose Trust Fund
Additions:		
Contributions from investment pool participants	\$ 5,222,764,723	\$ -
Capital contribution from County	-	800,000
Interest and investment income (loss)	14,386,752	(4,212)
Miscellaneous income	-	587
Total Additions	<u>5,237,151,475</u>	<u>796,375</u>
Deductions:		
Withdrawals from pooled investments	5,096,329,863	-
Benefit payments	-	101,308
Total Deductions	<u>5,096,329,863</u>	<u>101,308</u>
Change in net position	140,821,612	695,067
Net position, beginning of year	<u>1,485,708,081</u>	<u>168,852</u>
Net position, end of year	<u><u>\$ 1,626,529,693</u></u>	<u><u>\$ 863,919</u></u>

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, 2018**

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, 3 water and power authorities, a waterworks 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
- Eastern San Joaquin County Groundwater 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, 2018**

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</u> (Continued)	<u>Maintenance Districts</u> (Continued)	<u>County Service Areas</u> (Continued)
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	
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, 2018**

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** *Accounting and Financial Reporting for Special Assessments* 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 \$418,761 as of June 30, 2018, 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 Federal and 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 Public Authority fund as presented in the statements of nonmajor special districts governed by the Board of Supervisors.

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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.

Related Organizations

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

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

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 County 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.

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

Joint Powers Agreements (Continued)

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 County 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.

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, 2018, the County implemented the following standards:

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 effects of these provisions have been incorporated into 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 determined that the requirements of this statement do not have a material impact 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 effects of these provisions have been incorporated into the financial statements.

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Financial Presentation (Continued)

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 determined that the requirements of this statement do not have a material impact on the financial statements.

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

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. 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.

GASB Statement No. 88 – In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities government should include when disclosing information related to debt. This Statement is effective for reporting periods beginning after June 15, 2018. The County has not determined the effect of this Statement.

GASB Statement No. 89 – In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement is effective for reporting periods beginning after December 15, 2019. The County has not determined the effect of this Statement.

GASB Statement No. 90 – In June 2018, GASB issued Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The objective of this Statements are to improve the consistency and comparability of a reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement is effective for reporting periods beginning after December 15, 2018. The County has not determined the effect of this Statement.

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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.

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, and the General Hospital 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, CSA 31 Flag City Sewer Fund, the Stockton Metropolitan Airport Fund, and the Solid Waste 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 non-exchange 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.

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Financial Presentation (Continued)

Fund Financial Statements (Continued)

The County reports the following major governmental funds:

- General Fund – The General Fund is the general operating fund of the County. It is used to account for all financial resources and transactions except those required to be accounted for in another fund. It includes certain special accounts that are under the control of various General Fund departments and those that are used to accumulate resources for designated purposes.
- Mental Health and Substance Abuse Fund – The Mental Health and Substance Abuse Fund is used to account for the proceeds of specific sources with its expenditures legally restricted for mental health and substance abuse services.
- 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.
- 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 CSA 31 Flag City Sewer Fund is a dependent special district of the County and provides wastewater services for the 81 developable acres within its boundaries. Revenues are primarily charges for sewer services.

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.

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Financial Presentation (Continued)

Fund Financial Statements (Continued)

- 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 non-exchange transactions or ancillary activities.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, expenditures are recorded when the related liability is incurred except that the unmatured interest on long-term debt and expenses related to compensated absences and claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources. Revenues are recorded when they are both measurable and available to finance expenditures during the fiscal period. Property and sales taxes, interest, State and Federal grants, and charges for services are accrued when their receipt occurs within sixty (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.

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Interfund Transactions

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

- Loans are reported as receivables and payables as appropriate and are subject to elimination upon consolidation and are referred to as either “due to/due from other funds” (the short-term interfund loans) or “advance to/from other funds” (the long-term interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.” Advances between funds are reported in the fund financial statements, 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.

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.

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 three (3) separate elements of deferred outflows of resources: deferred amounts on refunding, deferred outflows related to pensions, and deferred outflows related to OPEB.

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 three (3) separate elements of deferred inflows of resources: service concession arrangement, deferred inflows related to pensions, and deferred inflows related to OPEB.

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Deferred Outflows/Inflows of Resources (Continued)

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 percent of full cash or market value (with some exceptions) pursuant to Article XIII of the California State Constitution and statutory provisions. The total 2017-18 net assessed valuation of the County real property was \$72.2 billion.

The property tax levy to support general operations of the various jurisdictions is limited to 1 percent 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.

The County's property taxes due to outside agencies 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 \$85.3 million as of June 30, 2018.

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Property Taxes (Continued)

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 percent 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 percent (the legally required minimum balance is 1.0 percent) of the annual taxes levied on properties participating in the Teeter Plan in a Tax Loss Reserve Fund. The balance was approximately \$24.6 million at June 30, 2018. 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, 2018**

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 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 or received. 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, 2018**

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. 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.

NOTE 2 – CASH AND INVESTMENTS

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, 2018, 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	\$ 65	\$ -	\$ -	\$ 65
Deposits with financial institutions	38,682	3,088	23,497	65,267
Outstanding warrants	(93,013)	-	-	(93,013)
Investments	3,268,017	2,860	-	3,270,877
Total	\$ 3,213,751	\$ 5,948	\$ 23,497	\$ 3,243,196

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

	Unrestricted	Restricted	Total
Primary government	\$ 1,088,685	\$ 10,792	\$ 1,099,477
Investment trust fund	1,619,906	-	1,619,906
Private purpose trust funds	866	-	866
Agency fund	53,346	-	53,346
Discretely presented component units	469,601	-	469,601
Total	\$ 3,232,404	\$ 10,792	\$ 3,243,196

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 2 – CASH AND INVESTMENTS (Continued)

Investment Pool

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

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.

Investment Types Authorized by State Law	Maximum Percentage of Portfolio	Maximum Maturity	Maximum Investment In One Issuer
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	1 year	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 \$67.2 million. Of the total deposits, the first \$250,000 is insured by the Federal Depository Insurance Corporation. \$65.9 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 percent 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, 2018**

NOTE 2 – CASH AND INVESTMENTS (Continued)

Investments

As of June 30, 2018, 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	\$ 465,951	58	14.3%	A1 / P1
Money market account - Bank of the West	50,037	-	1.5%	* A- / * A3
Sweep account - Bank of the West	89,359	-	2.7%	** AA+ / ** AAA
Federal Farm Credit Bank	465,770	724	14.3%	AA+ / AAA
Federal Home Loan Banks	1,021,162	427	31.2%	AA+ / AAA
Federal Home Loan Mortgage Corporation	430,607	985	13.2%	AA+ / AAA
Federal National Mortgage Association	359,363	858	11.0%	AA+ / AAA
Medium Term Note - Microsoft Corporation	9,988	160	0.3%	AAA / AAA
Medium Term Note - IBM	9,756	686	0.3%	A1+ / A1
General Obligation Bonds - California	39,103	124	1.2%	AA- / AA3
General Obligation Bonds - Los Angeles	10,257	428	0.3%	AA- / AA3
US T-Bill	236,920	160	7.2%	AA+ / AAA
US T-Strips	14,744	46	0.5%	AA+ / AAA
State Local Agency Investment Fund (LAIF)	65,000	-	2.0%	Not rated
Total	\$ 3,268,017	482	100.0%	

* The Money Market Account held at Bank of the West has no rating; however, we have listed the rating for the entire financial institution.

** The Sweep (Dreyfus) Account has no rating; however, its portfolio consists only of US Treasury and US Agency holdings, which are rated AA+ by S&P and AAA by Moody's.

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, 2018, the weighted average maturity of the pool investments was 482 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, 2018, 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, 2018, 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, 2018**

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, 2018 (in \$000's):

Issuer	Amount	Percent of Investments
Commercial Paper	\$ 465,951	14.3%
Federal Home Loan Bank	1,021,162	31.2%
Federal Farm Credit Bank	465,770	14.3%
Federal Home Loan Mortgage Corporation	430,607	13.2%
Federal National Mortgage Association	359,363	11.0%

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 per account 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, 2018 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, 2018, the County had \$65.0 million invested in LAIF, which had invested 2.67 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.

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, 2018

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, 2018. 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, 2018**

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, 2018 (in 000's):

	Fair Value at June 30, 2018	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)
Investments by fair value level				
Commercial paper	\$ 465,951	\$ -	\$ 465,951	\$ -
Federal Farm Credit Bank	465,770	-	465,770	-
Federal Home Loan Banks	1,021,162	-	1,021,162	-
Federal Home Loan Mortgage Corporation	430,607	-	430,607	-
Federal National Mortgage Association	359,363	-	359,363	-
Medium Term Note	19,744	-	19,744	-
General Obligation Bonds	49,360	-	49,360	-
US T-Bill	236,920	-	236,920	-
US T-Strips	14,744	-	14,744	-
Total Investments Measured at Fair Value Level	3,063,621	\$ -	\$ 3,063,621	\$ -
Investments not required to be leveled according to the hierarchy				
Money market cash & cash equivalents -				
Bank of the West	50,037			
State Local Agency Investment Fund (LAIF)	65,000			
Sweep account - Bank of the West	89,359			
Total Investments	\$ 3,268,017			

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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, 2018:

Statement of net position:

Cash and Investments at fair value	\$ 3,213,751
Interest Receivables	198,521
Net position	<u>\$ 3,412,272</u>

Equity of internal pool participants	\$ 1,785,742
Equity of external pool participants	1,626,530
Net position	<u>\$ 3,412,272</u>

Statement of changes in net position:

Net position at July 1, 2017	\$ 3,124,112
Net change in investments by pool participants	288,160
Net position at June 30, 2018	<u>\$ 3,412,272</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 (\$2.0 million) and capital projects (\$4.0 million). Presented below are those deposits and investments managed by the trustee banks at June 30, 2018 (in \$000's):

	Fair Value			Weighted Average Maturities (yrs)	Credit Rating S&P/MIS
	Revolving Loan Fund	Certificates of Participation	Total		
Money market fund	\$ 878	\$ 1,982	\$ 2,860	Not applicable	Not applicable
Cash Deposits	3,088	-	3,088	Not applicable	Not applicable
	<u>\$ 3,966</u>	<u>\$ 1,982</u>	<u>\$ 5,948</u>		

The County has the following recurring fair value measurements with their Special Funds and Investments as of June 30, 2018 (in 000's):

	Fair Value at June 30, 2018	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)
Investments by fair value level				
Money market funds	\$ 2,860	\$ -	\$ 2,860	\$ -
Total Investments Measured at Fair Value Level	<u>\$ 2,860</u>	<u>\$ -</u>	<u>\$ 2,860</u>	<u>\$ -</u>

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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):

Receivables - Governmental Activities	General Fund	Mental Health Substance Abuse Fund	Capital Outlay Fund	Other Governmental Funds	Internal Service Funds	Allowance for Uncollectible	Total Governmental Activities
Taxes - gross	\$ 22,111	\$ -	\$ -	\$ 3,238	\$ -	\$ (507)	\$ 24,842
Accounts	4,602	4,473	-	3,653	1,565	-	14,293
Interest	1,869	494	430	872	509	-	4,174
Loan receivable	20	-	-	40,343	-	-	40,363
Due from other agencies	37,153	11,834	-	17,784	-	0	66,771
Total Receivables	\$ 65,755	\$ 16,801	\$ 430	\$ 65,890	\$ 2,074	\$ (507)	\$ 150,443

Receivables - Business-type Activities	Hospital	Airport	Solid Waste	Allowance for Uncollectible	Total Business-type Activities
Accounts	\$ 403,594	\$ 252	\$ 3,106	\$ (319,276)	\$ 87,676
Interest	613	6	89	-	708
Due from other agencies	70,818	1,028	-	-	71,846
Gross receivables	\$ 475,025	\$ 1,286	\$ 3,195	\$ (319,276)	\$ 160,230

NOTE 4 – REVENUE RECOGNITION

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, 2018, the various components of deferred inflows of resources – unavailable revenues and unearned revenue reported were as follows (in \$000's):

Governmental Activities:	Unavailable	Unearned	Total
General fund:			
Property taxes receivable – secured	\$ 45,341	\$ -	\$ 45,341
Property taxes receivable – unsecured	4,585	-	4,585
Due from other governmental agencies	15,926	-	15,926
Grants received prior to meeting all eligible requirements	-	35,544	35,544
Others	841	-	841
Mental Health and Substance Abuse fund:			
Due from other governmental agencies	828	-	828
Other Gov. funds and Internal Service funds:			
Due from other governmental agencies	3,821	-	3,821
Others	326	-	326
Property taxes receivable-unsecured	554	-	554
	\$ 72,222	\$ 35,544	\$ 107,766
Business-Type Activities:		Unearned	Total
Hospital		\$ 1,488	\$ 1,488
Airport		780	780
		\$ 2,268	\$ 2,268

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 5 – 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, 2018, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	General Hospital Enterprise Fund	\$ 684,192
	Stockton Metropolitan Airport Enterprise Fund	28,511
	Internal Service Funds	65,178
	General Fund	123,201
	Mental Health and Substance Abuse Fund	25,140
	Other Governmental Funds	1,490,213
		2,416,435
Mental Health and Substance Abuse Fund	General Hospital Enterprise Fund	3,013
	General Fund	1,849,684
	Other Governmental Funds	30,107
	1,882,804	
Other Governmental Funds	General Fund	76,188
	Other Governmental Funds	93,086
	Stockton Metropolitan Airport Enterprise Fund	694
	Solid Waste Fund	16,906
	186,874	
	Total Governmental Funds	4,486,113
Internal Service Funds	General Hospital Enterprise Fund	83,322
	Stockton Metropolitan Airport Enterprise Fund	4,996
	Solid Waste Enterprise Fund	12,920
	Internal Service Funds	31,174
	General Fund	994,241
	Mental Health and Substance Abuse Fund	92,876
	Other Governmental Funds	368,288
	1,587,817	
General Hospital Enterprise Fund	Mental Health and Substance Abuse Fund	9,100
	General Fund	467,126
	476,226	
Solid Waste Enterprise Fund	Other Governmental Funds	3,486
	Total Enterprise Funds	479,712
	Total	\$ 6,553,642

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 5 – INTERFUND TRANSACTIONS AND BALANCES (Continued)

Advances to/from Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Other Governmental Funds	\$ 4,650,846
	Stockton Metropolitan Airport Enterprise Fund	1,031,592
		<u>5,682,438</u>
County Capital Outlay Fund	General Fund	<u>374,206</u>
Other Governmental Funds	Other Governmental Funds	<u>717,075</u>
		<u>\$ 6,773,719</u>

The Advances from the General Fund to the Stockton Metropolitan Airport Enterprise Fund in the combined amount of \$1,031,592 was for the purpose of refinancing the outstanding Airport leases and to provide initial funding for expenses related to a federal grant application. The advances carry 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 \$4,650,845 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 Enterprise Fund	\$ 3,679
	Stockton Metropolitan Airport Enterprise Fund	832
	Mental Health and Substance Abuse Fund	3,649
	Internal Service Funds	10
	County Capital Outlay Fund	11,733
	Other Governmental Funds	9,061
		<u>28,964</u>
Other Governmental Funds	General Fund	16,385
	County Capital Outlay	541
	Other Governmental Funds	642
	<u>17,568</u>	
General Hospital Fund	General Fund	<u>34,379</u>
		<u>\$ 80,911</u>

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018, was as follows (in \$000's):

	Balance June 30, 2017	Additions	Retirement	Transfers & Adjustments	Balance June 30, 2018
Government Activities					
Capital assets, not being depreciated					
Land	\$ 14,201	\$ 60	\$ -	\$ -	\$ 14,261
Construction in progress	6,224	-	-	-	6,224
Total Capital Assets, not being depreciated	<u>20,425</u>	<u>60</u>	<u>-</u>	<u>-</u>	<u>20,485</u>
Capital assets, being depreciated					
Structure and improvements	446,827	5,273	-	(5)	452,095
Furniture and equipment	110,212	7,998	(3,407)	6	114,809
Capitalized leases	22,171	4,273	(4,159)	-	22,285
Other capitalized assets	8,742	-	-	-	8,742
Infrastructure	489,532	41,158	-	(7,800)	522,890
Total Capital Assets, being depreciated	<u>1,077,484</u>	<u>58,702</u>	<u>(7,566)</u>	<u>(7,799)</u>	<u>1,120,821</u>
Less accumulated depreciation for:					
Structure and improvements	184,683	9,779	-	(2)	194,460
Furniture and equipment	77,974	7,418	(3,341)	(64)	81,987
Capitalized leases	13,820	2,137	(4,159)	70	11,868
Other capitalized assets	8,742	-	-	-	8,742
Infrastructure	221,430	16,694	-	(2,809)	235,315
Total Depreciation	<u>506,649</u>	<u>36,028</u>	<u>(7,500)</u>	<u>(2,805)</u>	<u>532,372</u>
Total Capital Assets, being depreciated, net	<u>570,835</u>	<u>22,674</u>	<u>(66)</u>	<u>(4,994)</u>	<u>588,449</u>
Government activities capital assets, net	<u>\$ 591,260</u>	<u>\$ 22,734</u>	<u>\$ (66)</u>	<u>\$ (4,994)</u>	<u>\$ 608,934</u>
Business-type Activities					
Capital assets, not being depreciated					
Land	\$ 4,663	\$ -	\$ -	\$ -	\$ 4,663
Construction in progress	26,035	27,913	(778)	(26,139)	27,031
Total Capital Assets, not being depreciated	<u>30,698</u>	<u>27,913</u>	<u>(778)</u>	<u>(26,139)</u>	<u>31,694</u>
Capital assets, being depreciated					
Structure and improvements	193,872	5,498	-	(1,606)	197,764
Furniture and equipment	59,654	7,148	(470)	27,750	94,082
Capital leases	2,976	-	-	-	2,976
Infrastructure	-	-	-	7,787	7,787
Total Capital Assets, being depreciated	<u>256,502</u>	<u>12,646</u>	<u>(470)</u>	<u>33,931</u>	<u>302,609</u>
Less accumulated depreciation for:					
Structure and improvements	115,879	4,962	-	2	120,843
Furniture and equipment	32,310	7,785	(422)	2	39,675
Capital leases	1,573	399	-	-	1,972
Infrastructure	-	314	-	2,794	3,108
Total Depreciation	<u>149,762</u>	<u>13,460</u>	<u>(422)</u>	<u>2,798</u>	<u>165,598</u>
Total Capital Assets, being depreciated, net	<u>106,740</u>	<u>(814)</u>	<u>(48)</u>	<u>31,133</u>	<u>137,011</u>
Business-type activities capital assets, net	<u>\$ 137,438</u>	<u>\$ 27,099</u>	<u>\$ (826)</u>	<u>\$ 4,994</u>	<u>\$ 168,705</u>

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 6 – CAPITAL ASSETS (Continued)

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

	Amount
General government	\$ 3,884
Public protection	5,619
Public ways and facilities	17,454
Health and sanitation	1,418
Public assistance	1,771
Education	19
Recreation and culture	579
Depreciation on capital assets held by the County internal service funds is charged to the various functions based on their usage of the assets	5,284
Total Depreciation Expense - Governmental Activities	\$ 36,028

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

	Amount
General Hospital enterprise	\$ 9,529
Airport enterprise	1,735
Solid Waste enterprise	1,884
CSA 31 - Flag City Sewer enterprise	312
Total Depreciation Expense - Business-type Activities	\$ 13,460

NOTE 7 – LONG-TERM LIABILITIES

The following is a schedule of long-term liabilities as of June 30, 2018 (in \$000's):

Governmental Activities:

	Amount			Balance June 30, 2018	Amounts Due Within One Year
	Balance June 30, 2017	Additions	Deductions		
Certificates of participation	\$ 113,145	\$ 79,865	\$ 113,145	\$ 79,865	\$ 4,605
Issuance premium on COPs	2,365	15,550	3,401	14,514	-
Notes payable	1,607	-	156	1,451	85
Capital leases	8,336	4,273	2,769	9,840	2,934
Compensated absences	31,253	31,373	31,253	31,373	27,602
Estimated claims	55,010	6,154	-	61,164	-
	\$ 211,716	\$ 137,215	\$ 150,724	\$ 198,207	\$ 35,226

Estimated claims are liquidated by the internal service funds. Compensated absences are generally liquidated by the General Fund and related Special Revenue Funds. Capital Leases are liquidated by the General Fund, Special Revenue Funds and Internal Service Funds.

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Business-Type Activities:

	Amount				Amounts Due Within One Year
	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018	
Certificates of participation	\$ 27,080	\$ -	\$ 7,581	\$ 19,499	\$ 8,300
Revenue refunding bonds	-	7,750	-	7,750	195
Issuance premium on Revenue Bo	-	571	8	563	-
Notes payable	16	1,115	13	1,118	91
Capital lease	1,010	-	258	752	238
Landfill closure and postclosure	15,836	1,144	-	16,980	-
Compensated absences	8,567	9,019	8,567	9,019	8,257
	<u>\$ 52,509</u>	<u>\$ 19,599</u>	<u>\$ 16,427</u>	<u>\$ 55,681</u>	<u>\$ 17,081</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	\$ 22,285,494	\$ 2,976,293
Less: accumulated depreciation	<u>11,868,684</u>	<u>1,972,375</u>
Net value	<u>\$ 10,416,810</u>	<u>\$ 1,003,918</u>

The related amortization on the capital leases is as follows:

Year Ended June 30,	Governmental Activities	Business-Type Activities
2019	\$ 3,208,444	\$ 256,083
2020	2,526,235	230,032
2021	2,121,195	113,989
2022	1,425,957	97,878
2023	640,177	97,878
2024 - 2025	630,118	-
Total Requirements	<u>10,552,126</u>	<u>795,860</u>
Less Interest	712,210	43,669
Present Value of Remaining Payments	<u>\$ 9,839,916</u>	<u>\$ 752,191</u>

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 7 – LONG-TERM LIABILITIES (Continued)

B. Certificates of Participation, Revenue Bonds, and Notes Payable

Certificates of Participation

The County had the following Certificates of Participation (COPs) issues outstanding at June 30, 2018:

<u>Project Name</u>	<u>Issuance Date</u>	<u>Face Value of the C.O.P.</u>	<u>Year-End Balance</u>
Governmental Activities:			
2017 County Administration Building Refunding	August 22, 2017	\$ 79,865,000	\$ 79,865,000
Total Governmental Activities		<u>\$ 79,865,000</u>	<u>\$ 79,865,000</u>
Business-Type Activities:			
Solid Waste System Facilities			
Project (including refunding)	July 23, 2014	\$ 12,655,000	\$ 6,495,000
2012 San Joaquin General Hospital Refunding	November 16, 2012	43,755,000	12,505,000
Total Business-Type Activities		<u>\$ 56,410,000</u>	<u>\$ 19,000,000</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 percent to advance refund the then outstanding 1999 San Joaquin General Hospital Refunding COPs with an average interest rate of 4.9 percent, which were issued to refund the 1993 San Joaquin General Hospital Expansion Project. The refunded COPs were paid off in November 2012. The 2012 refunding COP matures in 2019 with principal payments ranging from \$5,810,000 to \$6,695,000.

The 2017 County Administration Building Project Refunding 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 was 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 2017 Refunding COPs were issued on August 22, 2017, with an average interest rate of 5 percent, to prepay and defease all of the outstanding principal amount of the 2007 County Administration Building Project COPs, issued on May 23, 2007, with an average interest rate from 4.75 percent to 5.0 percent, and pay the costs of financing, including the premium for the Policy and Reserve Policy. The certificates mature in 2031 with principal payments ranging from \$165,000 to \$8,045,000.

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 7 – LONG-TERM LIABILITIES (Continued)

B. Certificates of Participation and Notes Payable (Continued)

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 percent to prepay all of the outstanding COPs that were issued on May 8, 2003, with an average interest rate of 6.5 percent 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 \$1,565,000 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.

Revenue Bonds

The County had the following Revenue Bonds issues outstanding at June 30, 2018:

<u>Project Name</u>	<u>Issuance Date</u>	Face Value of Revenue Bonds	Year-End Balance
2018 County Service Area No. 31 Revenue Refunding	February 27, 2018	\$ 7,750,000	\$ 7,750,000
		<u>\$ 7,750,000</u>	<u>\$ 7,750,000</u>

The 2018 County of San Joaquin Revenue Refunding Bonds (CSA No. 31) are recorded as the liabilities of the CSA 31 Flag City enterprise funds on the proprietary funds statement of net position.

The County has pledged future wastewater service revenues, net of specified operating expenses, to repay \$7.75 million in revenue bonds refunded in February 2018. The bonds are payable solely from wastewater customer net revenues and are payable through 2043. These 2018 Revenue Refunding Bonds (\$6,515,000 Tax-Exempt and \$1,235,000 Taxable) were issued on February 27, 2018, with an average interest rate of 5 percent, to prepay the outstanding 2007 County Service Area No. 31 Project COPs, with an average interest rate from 4.10 percent to 5.8 percent, refinance a loan made by the County to County Service Area No. 31, fund a debt service Bond Reserve Fund, and pay costs of issuance incurred in connection with the issuance, sale and delivery of the 2018 Bonds. These Refunding Revenue Bonds are repaid by revenues received by the County from its ownership and operation of the CSA No. 31 sanitary sewer system in accordance with the Bond agreements. The Refunding Bonds mature in 2043 with principal payments ranging from \$125,000 to \$525,000. The total principal and interest remaining to be paid on the bonds is \$7,750,000. Principal and interest paid for the current year and total customer net revenues were \$526,160 and \$941,264, respectively.

An economic loss of \$290,436 was achieved through the refunding, which is the difference between the present value of the old debt service required and the present value of the new debt service requirements. A deferred loss on refunding of \$133,967 was recognized with the issuance of the revenue bonds.

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 7 – LONG-TERM LIABILITIES (Continued)

B. Certificates of Participation and Notes Payable (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, were used to finance certain capital improvements to the water systems of the Districts. The loan related to Sunnyside Estates was paid off in full in April 2018. As of June 30, 2018, the outstanding principal balance on the Shaded Terrace loan totaled \$232,000.

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. As of June 30, 2018, the outstanding principal balance was \$1,218,606.

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 percent. It carries a balance of \$3,112 as of June 30, 2018, and will be paid in full in fiscal year 2018-19.

Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2018, are as follows (in \$000):

Governmental Activities:

Year Ended June 30	Certificates of Participation		Notes Payable	
	Principal	Interest	Principal	Interest
2019	\$ 4,605	\$ 3,794	\$ 85	\$ 64
2020	4,715	3,561	89	61
2021	4,950	3,320	94	57
2022	5,195	3,066	98	53
2023	5,460	2,800	102	48
2024-2028	31,700	9,511	578	171
2029-2033	23,240	1,582	302	51
2034-2038	-	-	70	20
2039-2043	-	-	33	3
	<u>79,865</u>	<u>27,634</u>	<u>1,451</u>	<u>528</u>
Add premium	14,514	-	-	-
Total Debt	<u>\$ 94,379</u>	<u>\$ 27,634</u>	<u>\$ 1,451</u>	<u>\$ 528</u>

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 7 – LONG-TERM LIABILITIES (Continued)

B. Certificates of Participation and Notes Payable (Continued)

Debt Service Requirements (Continued)

Business-Type Activities:

Year Ended June 30	Certificates of Participation		Revenue Refunding Bonds		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 8,300	\$ 510	\$ 195	\$ 344	\$ 3	\$ -
2020	7,375	298	175	364	-	-
2021	1,620	166	180	357	-	-
2022	1,705	85	190	349	-	-
2023	-	-	200	342	-	-
2024-2028	-	-	1,130	1,564	-	-
2029-2033	-	-	1,445	1,247	-	-
2034-2038	-	-	1,855	836	-	-
2039-2043	-	-	2,380	310	-	-
	<u>19,000</u>	<u>1,059</u>	<u>7,750</u>	<u>5,713</u>	<u>3</u>	<u>-</u>
Add premium	-	-	563	-	-	-
Total Debt	<u>\$ 19,000</u>	<u>\$ 1,059</u>	<u>\$ 8,313</u>	<u>\$ 5,713</u>	<u>\$ 3</u>	<u>\$ -</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, 2018, such special assessment debt outstanding totaled \$418,761.

NOTE 8 – 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 2017-18	<u>\$ 72,199,514,185</u>
Legal Debt Limit – 1 1/4% of total assessed value	
Amount of debt applicable to debt limit:	<u>\$ 902,493,927</u>

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. During the current year, the County performed calculations of excess investment earnings on various bonds and financings and at June 30, 2018, does not expect to incur a significant liability.

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 9 – 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, 2018, the landfill closure and postclosure care liability (\$17.0 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 \$129.3 million will be recognized as the remaining estimated capacities are filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2018. 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 2017-18. The funds available for landfill closure and postclosure remain at \$5.1 million, which leaves approximately \$11.9 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 percent capacity. North County will be operative until 2049 and is at 16 percent capacity.

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

NOTE 10 – 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.

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 10 – RISK MANAGEMENT (Continued)

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 2017), the full value of the County's unpaid casualty (general liability and malpractice liability) liabilities and the workers compensation program liabilities at June 30, 2018, were estimated at a discounted value of \$19.2 million and \$35.0 million, respectively, using the discount rate of 2.0 percent. 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, 2018.

The insurance funds had the following net position at June 30, 2018 (in \$000's):

	<u>Net Position</u>
Casualty Insurance	\$ 2,716
Workers' Compensation Insurance	6,756
Health Insurance	8,283
Medical Malpractice Insurance	5,206
Dental Insurance	3,736
Unemployment Insurance	5,152
Total	<u>\$ 31,849</u>

Changes in the insurance funds' claim liabilities for fiscal years 2016-17 and 2017-18 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>Unemploy-ment</u>	<u>Total</u>
Balance at June 30, 2016	\$ 11,197	\$ 34,065	\$ 5,378	\$ 5,224	\$ 271	\$ 197	\$ 56,332
Claims and changes in estimates for FY 2016	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>
Balance at June 30, 2017	10,546	33,319	6,105	4,489	279	272	55,010
Claims and changes in estimates for FY 2017	6,779	13,334	42,765	1,683	5,483	1,313	71,357
Less: claim payments	<u>(3,029)</u>	<u>(11,623)</u>	<u>(42,470)</u>	<u>(1,220)</u>	<u>(5,488)</u>	<u>(1,373)</u>	<u>(65,203)</u>
Balance at June 30, 2018	<u>\$ 14,296</u>	<u>\$ 35,030</u>	<u>\$ 6,400</u>	<u>\$ 4,952</u>	<u>\$ 274</u>	<u>\$ 212</u>	<u>\$ 61,164</u>

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 11 – 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, 2018, are (in \$000's):

Year Ended June 30,	Primary Government
2019	\$ 3,565
2020	2,810
2021	2,571
2022	1,881
2023	1,569
Thereafter	11,908
Total	\$ 24,304

Total rent expense under operating lease agreements during the year ended June 30, 2018, 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 2017-18 total rent paid on this lease was \$937,725.

NOTE 12 – 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, 2018 (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
2019	\$ 933
2020	731
2021	752
2022	762
2023	662
Thereafter	12,126
Total	\$ 15,966

Total rental income under operating lease agreements during the year ended June 30, 2018, was \$1,043,497.

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 13 – FUND BALANCES

	Major Special Revenue Funds				Total
	General Fund	Mental Health Substance Abuse Fund	County Capital Outlay Fund	Other Government Funds	
Fund balances:					
Nonspendable:					
Inventory	\$ -	\$ 177,409	\$ -	\$ 814,908	\$ 992,317
Advances	5,682,438	-	374,206	717,075	6,773,719
Loans receivable	84,999	-	-	-	84,999
Total Nonspendable	<u>5,767,437</u>	<u>177,409</u>	<u>374,206</u>	<u>1,531,983</u>	<u>7,851,035</u>
Restricted for:					
General government services	988,363	-	-	-	988,363
Public protection services	31,246,852	-	-	43,855,719	75,102,571
Emergency medical services	4,247,321	-	-	-	4,247,321
Agricultural services	2,083,134	-	-	-	2,083,134
Community services	14,244,131	-	-	3,601,047	17,845,178
Health and sanitation services	22,433,518	132,264,943	-	1,939,792	156,638,253
Parks and recreation services	178,536	-	-	-	178,536
Road projects and maintenance	-	-	-	57,163,435	57,163,435
Fish and game programs	-	-	-	156,762	156,762
County facilities	-	-	-	33,018,138	33,018,138
Rabies treatment	-	-	-	133,516	133,516
County headstart	-	-	-	44,914	44,914
Library programs	-	-	-	5,413,700	5,413,700
Narcotics enforcement	-	-	-	226,057	226,057
Recorder's Equipment Automation	-	-	-	5,346,779	5,346,779
Local Innovation	-	-	-	308,033	308,033
Whole Person Care program	-	-	-	1,946,521	1,946,521
Community Development Loan programs	-	-	-	52,176,615	52,176,615
Community Infrastructure	-	-	-	23,586,862	23,586,862
Lighting district maintenance	-	-	-	1,255,150	1,255,150
Service areas maintenance	-	-	-	8,144,441	8,144,441
Maintenance district services	-	-	-	12,563,410	12,563,410
Flood control districts	-	-	-	3,823,112	3,823,112
Water district services	-	-	-	540,265	540,265
Improvement district services	-	-	-	616,325	616,325
Courthouse construction	-	-	-	6,771,465	6,771,465
Criminal justice construction	-	-	-	5,421,278	5,421,278
Total Restricted	<u>75,421,855</u>	<u>132,264,943</u>	<u>-</u>	<u>268,053,336</u>	<u>475,740,134</u>
Committed to:					
Unfunded pension liability reserve	16,026,265	-	-	-	16,026,265
General reserve stabilization - emergencies	10,251,616	-	-	-	10,251,616
Total Committed	<u>26,277,881</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,277,881</u>
Assigned to:					
Budgetary deficit - subsequent year	80,771,649	-	-	-	80,771,649
Capital projects	-	-	71,916,637	47,089	71,963,726
Airport projects	-	-	-	6,636,853	6,636,853
Health and sanitation projects	-	-	-	1,291,766	1,291,766
Total Assigned	<u>80,771,649</u>	<u>-</u>	<u>71,916,637</u>	<u>7,975,708</u>	<u>160,663,994</u>
Unassigned:	<u>112,224,455</u>	<u>-</u>	<u>-</u>	<u>(4,927,170)</u>	<u>107,297,285</u>
Total Fund Balances	<u>\$ 300,463,277</u>	<u>\$ 132,442,352</u>	<u>\$ 72,290,843</u>	<u>\$ 272,633,857</u>	<u>\$ 777,830,329</u>

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 14 – DEFICIT FUND BALANCE/NET POSITION

The following funds had deficit fund balances at June 30, 2018:

Justice Assistance Grant (Nonmajor Special Revenue Fund)	\$ (37,892)
The deficit resulted from an excess in operating expenditures over revenues	
Supplemental Local Law Enforcement Block Grant (Nonmajor Special Revenue Fund)	(60)
The deficit resulted from an excess in operating expenditures over revenues	
Child Support (Nonmajor Special Revenue Fund)	(275,186)
The deficit resulted from prior year's excess expenditures over revenues	
North Eastern San Joaquin Ground Water Banking Authority (Nonmajor Special Districts Special Revenue Fund)	(332,561)
The deficit resulted from an excess in operating expenditures over revenues	
Mokelumne River Water and Power Authority (Nonmajor Special Districts Special Revenue Fund)	(2,330,411)
The deficit resulted from an excess in operating expenditures over revenues	
IHSS Public Authority (Nonmajor Special Districts Special Revenue Fund)	(143,774)
The deficit resulted from an excess in operating expenditures over revenues	
County Service Areas (Nonmajor Special Districts Capital Projects Fund)	(1,807,286)
The deficit resulted from an excess in operating expenditures over revenues	
Central Telephone ISF (Internal Service Fund)	<u>(2,209,032)</u>
The deficit resulted from an excess in operating expenditures over revenues	
	<u><u>\$ (7,136,202)</u></u>

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

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 15 – DEFINED BENEFIT PENSIONS

As of June 30, 2018, 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>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
SJCERA	\$ 1,482,917,010	\$ 232,273,229	\$ 43,514,818
CalPERS	13,660,929	3,089,884	1,733,305
Total	<u>\$ 1,496,577,939</u>	<u>\$ 235,363,113</u>	<u>\$ 45,248,123</u>

	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Governmental Activities	\$ 1,182,152,078	\$ 168,517,389	\$ 40,709,027
Business-type activities	311,863,380	66,436,870	4,492,858
First 5	2,562,481	408,854	46,238
Total	<u>\$ 1,496,577,939</u>	<u>\$ 235,363,113</u>	<u>\$ 45,248,123</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:

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 15 – DEFINED BENEFIT PENSIONS (Continued)

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

General Information about the Pension Plan (Continued)

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 percent. 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).

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 percent 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 percent 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.

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 15 – DEFINED BENEFIT PENSIONS (Continued)

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

General Information about the Pension Plan (Continued)

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, 2017 ranged from 44.31 percent to 47.91 percent and 34.48 percent for Tier I and Tier II, respectively, of covered payroll. For the year ended June 30, 2018, the County was required to contribute \$168,256,835 to the Plan.

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

At June 30, 2018, the County reported a liability of \$1,482,917,010 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, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017 rolled forward to December 31, 2017 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 plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2017, the County's proportion was 93.74 percent, which was an increase of 0.161 percent from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$231,100,073.

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 15 – 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)

At June 30, 2018, 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	\$ 96,848,635	\$ -
Changes in Proportion	23,590,776	23,590,776
Change of Assumptions	49,272,836	-
Differences between Expected and Actual Experience	27,912,999	15,377,679
Change in Employer's Proportion and Differences between the Employer's Contributions and the Employer's Proportionate Share of Contributions	2,604,500	4,546,363
Net Differences between Projected and Actual Earnings on Plan Investments	32,043,483	-
Total	\$ 232,273,229	\$ 43,514,818

\$96,848,635 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, 2019. 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
2019	\$ 22,219,790
2020	22,396,170
2021	23,179,782
2022	24,114,034
Total	\$ 91,909,776

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 15 – 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, 2017 actuarial valuation was determined using the following actuarial assumptions:

	General Members
Valuation Date	January 1, 2017
Measurement Date	December 31, 2017
 Actuarial Assumptions:	
Amortization growth rate	3.15%
Inflation	2.90%
Projected salary increase	3.15%
Investment rate of return	7.40%
Mortality	
	Gender distinct tables from CALPERS' 2014 experience study with generational mortality improvements projected from 2009 using Projection Scale MP-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, 2017, are summarized in the table below:

Asset Class	Target Allocation	Arithmetic Long-term Expected Real Rate of Return [1]
Global Public Equities	30.00%	8.90%
Stable Fixed Income	10.00%	4.20%
Credit	14.00%	6.75%
Risk Parity	14.00%	6.90%
Private Appreciation/Real Estate-Private Manage	12.00%	10.55%
Crisis Risk Offset (CRO)	20.00%	6.75%
Short-Term Investments/Cash/Cash Equivalents	0.00%	2.90%
Total	100.00%	

[1] Excludes inflation

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 15 – 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 7.4 percent as of December 31, 2017. 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	\$ 2,045,500,390	\$ 1,482,917,010	\$ 1,020,525,274

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 – All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees’ Retirement System (CalPERS) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other) Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are no separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The County sponsors one rate plan (one miscellaneous).

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 15 – EMPLOYEE RETIREMENT SYSTEM (Continued)

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

General Information about the Pension Plan (Continued)

Benefit provisions under the Plan are established by State statute and County resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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, 2018, are summarized as follows:

Formula	2.0% @ 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% - 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 year ended June 30, 2018, the active employee contribution rate is 8.00 percent of annual pay. The County’s contribution to the Plan for the year ended June 30, 2018 were \$717,072.

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

As of June 30, 2018, the County reported a liability of \$13,660,929 for its proportionate share of the net pension liability.

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016, rolled forward to June 30, 2017, 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, 2017, the County’s proportion was .13775 percent, which was a decrease of .00173 percent from its proportion measured as of June 30, 2016.

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 15 – 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, 2018, the County recognized pension expense of \$1,600,486. At June 30, 2018, 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	\$ 717,072	\$ -
Change of Assumptions	1,872,877	142,809
Differences between Expected and Actual Experience	15,095	216,257
Differences between Projected and Actual Investment Earnings	423,568	-
Differences between Employer's Contributions and Proportionate Share of Contributions	-	903,510
Changes in Employer's Proportion	61,272	470,729
Total	\$ 3,089,884	\$ 1,733,305

\$717,072 reported as deferred outflows of resources will be recognized as a reduction of net pension liability in the fiscal year ending June 30, 2019. 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
2019	\$ (173,555)
2020	667,992
2021	396,550
2022	(251,480)
Total	\$ 639,507

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 15 – 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)

Actuarial Assumptions – The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost
Actuarial Assumptions:	
Discount rate	7.15%
Inflation	2.75%
Projected salary increase	3.30% - 14.2% (1)
Mortality	Based on CalPERS Experience Study

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

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.

All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience study for the period 1997 – 2011, including updates to salary increases, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website at www.calpers.ca.gov under Forms and Publications.

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.

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 15 – EMPLOYEE RETIREMENT SYSTEM (Continued)

B. California Public Employees’ Retirement System (Continued)

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 Rate of Return Years 1-10 [1]	Real Rate of Return Years 11+ [1]
Global Equity	47.00%	4.90%	5.38%
Global Fixed Income	19.00%	0.80%	2.27%
Inflation Sensitivity	6.00%	0.60%	1.39%
Private Equity	12.00%	6.60%	6.63%
Real Estate	11.00%	2.80%	5.21%
Infrastructure and Forestland	3.00%	3.90%	5.36%
Liquidity	2.00%	-0.40%	-0.90%
Total	<u>100.00%</u>		

[1] Adjusted for inflation

Discount Rate - The discount rate used to measure the total pension liability was 7.15 percent 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.

Change of Assumptions – For the June 30, 2017 measurement period, the discount rate was reduced from 7.65 percent to 7.15 percent.

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 7.15 percent, 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 6.15%	Discount Rate 7.15%	1% Increase 8.15%
County's proportionate share of the net pension liability	\$ 19,834,470	\$ 13,660,929	\$ 8,547,892

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 15 – EMPLOYEE RETIREMENT SYSTEM (Continued)

B. California Public Employees’ Retirement System (Continued)

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 percent of their compensation. In fiscal year 2017-18, the County contributed \$267,457 to the plan.

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The County administers a Single Employer Defined Benefit Healthcare Plan. The plan is administered by the County and governed by the Board of Supervisors. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The County has not executed a formal plan document that provides for these benefits and the plan does not have a name.

Benefits Provided

Any member receiving a retirement or survivor benefit from SJCERA is eligible to purchase post-retirement health coverage through the plans offered by the County. A member may elect to enroll in a County retiree health plan at the time of retirement, later elect to defer coverage and, if the retiree can show evidence of continuous coverage in an employer-provided group health insurance program, can within 30 days of terminating other group coverage re-enroll in a County retiree health plan. Retirees who leave the County health plans and enroll in individual coverage may not re-enroll in a County plan at a later date.

The retired members will generally pay the full amount of the specified premium for any County retiree health plan. Members hired before August 27, 2001 may use the value of accumulated sick leave bank to pay for premiums in retirement, subject to a minimum threshold of \$4,424.80 at retirement. However, if a member selects one of the medical plans with a premium determined based on a blending of active and retiree populations (currently, the Kaiser non-Medicare coverage and the self-funded plans), an implicit subsidy must be recognized. The total OPEB benefits provided was \$4,864,500 for the year ended June 30, 2018.

Employees covered by benefit terms

At June 30, 2018, the following employees were covered by the benefit terms:

Inactive Employees or beneficiaries currently receiving benefit	1,117
Active Employees	5,801
Total	6,918

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Total OPEB Liability

At June 30, 2018, the County reported a total OPEB liability of \$140,694,000. The total OPEB liability was measured as of December 31, 2017, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of January 1, 2017.

Actuarial Assumptions – The total OPEB liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Valuation Date	January 1, 2017
Discount Rate	3.44%
Wage Inflation	3.25%
Medical Trend	Pre-Med - 8.0% for 2018, decreasing to 4.5% in 2033 Post-Med - 8.0% for 2018, decreasing to 4.5% in 2033
Mortality Improvement	Mortality projected fully generational with Scale MP-2015
Salary Increase	3.25%

Discount Rate – The discount rate used to measure the total OPEB liability was 3.44 percent for the plan. The discount rate was based on the Bond Buyer 20-Bond Municipal Bond Index.

Mortality rates were based on the sex distinct CALPERS Mortality Table, with generational mortality improvements projected from 2009 using Projection Scale MP-2015, published by the Society of Actuaries.

The changes in the total OPEB liability measured as of December 31, 2017 are as follows:

	<u>Total OPEB Liability</u>
Balances at December 31, 2016	\$ 132,951,000
Changes for the year:	
Service cost	6,485,000
Interest	5,179,000
Differences between expected and actual experience	(5,909,000)
Changes of assumptions	6,858,000
Benefit payments	(4,870,000)
Net changes	<u>7,743,000</u>
Balances at December 31, 2017	<u>\$ 140,694,000</u>

Sensitivity of the County's Total OPEB Liability to Changes in the Discount Rate – The following presents the County's total OPEB liability, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.44 percent) or 1-percentage-point higher (4.44 percent) than the current discount rate.

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Total OPEB Liability (Continued)

	1% Decrease (2.44%)	Discount Rate (3.44%)	1% Increase (4.44%)
Total OPEB Liability	\$ 161,538,000	\$ 140,694,000	\$ 123,755,000

Sensitivity of the County's Total OPEB liability to Changes in the Healthcare Cost Trend Rates – The following presents the County's total OPEB liability, as well as what the County's proportionate share of the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate [1]	1% Increase
Total OPEB Liability	\$ 120,486,000	\$ 140,694,000	\$ 166,430,000

[1] The Pre-Med trend rate of 8.0 percent, decreasing to 4.5 percent in 2033. Post-Med trend rate 8.0 percent, decreasing to 4.5 percent in 2033.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the County recognized OPEB expense of \$11,769,000. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 2,429,500	\$ -
Changes in assumptions	6,096,000	-
Differences between actual and expected experience	-	5,252,000
Total	\$ 8,525,500	\$ 5,252,000

\$2,429,500 reported as deferred outflows of resources related to OPEB resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	Amortization
2019	\$ 105,000
2020	105,000
2021	105,000
2022	105,000
2023	105,000
Thereafter	319,000
Total	\$ 844,000

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 17 – 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, 2018 and 2017, the Medi-Cal program represented approximately 56 percent and 55 percent, and the Medicare program represented approximately 18 percent and 17 percent, 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, California 95202.

NOTE 18 – 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.

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.

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 18 – SERVICE CONCESSION ARRANGEMENTS (SCA) (Continued)

Micke Grove Golf Course (Continued)

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	\$ 12,500	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, 2017, was as follows (\$000's):

	Balance June 30, 2017	Additions/ Restatements	Deletions/ Amortization ¹	Balance June 30, 2018
Present Value of Installment Payments ² :				
SCA - Micke Grove Golf Course	\$ 1,568	\$ -	\$ (117)	\$ 1,451
Total deferred Inflows of Resources	\$ 1,569	\$ -	\$ (117)	\$ 1,451

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

² Installment payments present value calculated using a discount rate of .24 percent for the term of the agreement for this SCA.

NOTE 19 – RESTATEMENT

Effective July 1, 2017, the County implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. The objective of this Statement is to improve accounting and financial reporting by state and local governments for OPEB. The adjustment was made to reflect the prior period costs related to the implementation of the net OPEB liability.

The restatement of beginning net position of the governmental activities is summarized as follows:

Government-Wide Financial Statements			
	June 30, 2017		June 30, 2017
	Previously Presented	Restatement	Restated
Governmental Activities			
Deferred outflows of resources related to OPEB	\$ -	\$ 1,690,458	\$ 1,690,458
Other Postemployment Benefit (OPEB) Liability	-	(92,299,031)	(92,299,031)
Other Postemployment Benefit (OPEB) Obligation	(64,213,171)	64,213,171	-
Net Position	166,344,037	(26,395,402)	139,948,635
Business-type Activities			
Deferred outflows of resources related to OPEB	\$ -	\$ 740,694	\$ 740,694
Other Postemployment Benefit (OPEB) Liability	-	(40,441,906)	(40,441,906)
Other Postemployment Benefit (OPEB) Obligation	(26,749,179)	26,749,179	-
Net Position	110,843,068	(12,952,033)	97,891,035
Component Unit - First 5 San Joaquin			
Deferred outflows of resources related to OPEB	\$ -	\$ 3,847	\$ 3,847
Other Postemployment Benefit (OPEB) Liability	-	(210,062)	(210,062)
Other Postemployment Benefit (OPEB) Obligation	(147,650)	147,650	-
Net Position	2,833,844	(58,565)	2,775,279

**COUNTY OF SAN JOAQUIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 19 – RESTATEMENT (Continued)

Fund Financial Statements

	June 30, 2017	Restatement	June 30, 2017
	Previously Presented	Restatement	Restated
Enterprise Fund - General Hospital			
Deferred outflows of resources related to OPEB	\$ -	\$ 499,248	\$ 499,248
Other Postemployment Benefit (OPEB) Liability	-	(27,258,944)	(27,258,944)
Other Postemployment Benefit (OPEB) Obligation	(17,523,980)	17,523,980	-
Net Position	92,798,375	(9,235,716)	83,562,659
Enterprise Fund - Stockton Metropolitan Airport			
Deferred outflows of resources related to OPEB	\$ -	\$ 4,724	\$ 4,724
Other Postemployment Benefit (OPEB) Liability	-	(257,925)	(257,925)
Other Postemployment Benefit (OPEB) Obligation	(158,947)	158,947	-
Net Position	16,769,506	(94,254)	16,675,252
Enterprise Fund - Solid Waste			
Deferred outflows of resources related to OPEB	\$ -	\$ 31,290	\$ 31,290
Other Postemployment Benefit (OPEB) Liability	-	(1,708,420)	(1,708,420)
Other Postemployment Benefit (OPEB) Obligation	(1,262,762)	1,262,762	-
Net Position	1,275,187	(414,368)	860,819
Internal Service Funds			
Deferred outflows of resources related to OPEB	\$ -	\$ 20,138	\$ 20,138
Other Postemployment Benefit (OPEB) Liability	-	(1,099,505)	(1,099,505)
Other Postemployment Benefit (OPEB) Obligation	(744,455)	744,455	-
Net Position	82,840,818	(334,912)	82,505,906

In addition, the County reclassified certain governmental funds as an enterprise fund for the year ended June 30, 2018 and prior period adjustments were made as follows:

Enterprise Fund - CSA 31 Flag City Sewer	
Beginning Net Deficit	\$ -
Adjustments	(3,207,695)
Beginning Net Deficit, as restated	\$ (3,207,695)
Nonmajor Governmental Funds	
Beginning Fund Balance	\$ 6,165,806
Adjustments	1,418,685
Beginning Fund Balance, as restated	\$ 7,584,491

REQUIRED SUPPLEMENTARY INFORMATION

**COUNTY OF SAN JOAQUIN
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018**

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

	2018	2017	2016	2015
Proportion of the Net Pension Liability	93.74%	93.58%	94.91%	93.58%
Proportionate Share of the Net Pension Liability	\$ 1,482,917,010	\$ 1,560,541,947	\$ 1,444,707,254	\$ 1,560,541,948
Covered Payroll	\$ 399,071,708	\$ 392,644,200	\$ 384,649,723	\$ 366,782,873
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	371.59%	397.44%	375.59%	425.47%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.54%	60.51%	61.07%	65.18%
Measurement Date	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014

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

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

	2018	2017	2016	2015
Contractually Required Contribution (Actuarially Determined)	\$ 168,256,835	\$ 173,001,083	\$ 140,929,496	\$ 128,428,697
Contributions in Relation to the Actuarially Determined Contributions	<u>168,256,835</u>	<u>173,001,083</u>	<u>140,929,496</u>	<u>128,428,697</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 416,556,232	\$ 404,423,526	\$ 392,644,200	\$ 384,649,723
Contributions as a Percentage of Covered Payroll	40.39%	42.78%	35.89%	33.39%

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

**COUNTY OF SAN JOAQUIN
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018**

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

	2018	2017	2016	2015
Proportion of the Net Pension Liability	0.1378%	0.1395%	0.3150%	0.1725%
Proportionate Share of the Net Position Liability	\$ 13,660,929	\$ 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%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.39%	74.06%	78.40%	79.84%
Measurement Date:	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

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

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

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

	2018	2017	2016	2015
Contractually Required Contribution (Actuarially Determined)	\$ 717,072	\$ 585,888	\$ 492,867	\$ 387,807
Contributions in Relation to the Actuarially Determined Contributions	717,072	585,888	492,867	387,807
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered Payroll**	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered Payroll**	0.00%	0.00%	0.00%	0.00%

*Fiscal year 2015 was the first year of implementation , therefore only four 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, 2018**

**Schedule of Changes in Total OPEB Liability
and Related Ratios**

	2018*
Service cost	\$ 6,485,000
Interest (includes interest on service cost)	5,179,000
Differences between expected and actual experience	(5,909,000)
Changes of assumptions	6,858,000
Benefit payments	(4,870,000)
Net change in total OPEB liability	7,743,000
Total OPEB Liability - beginning	132,951,000
Total OPEB Liability - ending	\$ 140,694,000
Covered-employee payroll	\$ 430,661,000
Measurement Date	December 31, 2017
Total OPEB liability as a percentage of covered-employee payroll	32.67%

* Fiscal year 2018 was the first year of implementation of GASB 75, therefore, only one year is shown.

**COUNTY OF SAN JOAQUIN
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018
BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
GENERAL FUND**

	Budgeted amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ 178,096,573	\$ 178,096,573	\$ 178,096,573	\$ -
Resources (inflows):				
Taxes	249,708,776	249,708,776	258,910,192	9,201,416
Licenses, permits, and franchises	7,093,344	7,093,344	9,616,358	2,523,014
Fines, forfeitures, and penalties	7,065,600	7,065,600	6,039,805	(1,025,795)
Revenue from use of money and property	1,713,882	1,713,882	2,855,718	1,141,836
Aid from other governmental agencies	489,485,293	493,870,520	431,358,420	(62,512,100)
Charges for services	37,136,901	37,667,252	40,091,717	2,424,465
Other revenues	2,341,600	2,355,793	11,666,635	9,310,842
Transfers in	72,321,720	96,947,119	57,031,664	(39,915,455)
Total Resources	866,867,116	896,422,286	817,570,509	(78,851,777)
Charges to appropriations (outflows):				
Current:				
General government	67,310,318	67,589,733	54,519,761	13,069,972
Public protection	298,224,386	303,333,066	283,453,332	19,879,734
Public ways and facilities	65,000	65,000	132,327	(67,327)
Health and sanitation	44,315,654	44,655,115	59,481,275	(14,826,160)
Public assistance	399,312,107	399,551,619	338,422,621	61,128,998
Education	390,728	390,728	337,179	53,549
Parks and recreation	5,971,885	5,987,077	5,505,615	481,462
Debt service:				
Principal	-	-	14,926	(14,926)
Interest and fiscal charges	-	-	944	(944)
Transfers out	71,047,525	95,014,978	31,210,287	63,804,691
Total Charges to Appropriations	886,637,603	916,587,316	773,078,267	143,509,049
Fund balances, end of year	\$ 158,326,086	\$ 157,931,543	\$ 222,588,815	\$ 64,657,272

**COUNTY OF SAN JOAQUIN
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018
BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
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	\$	817,570,509
Differences - budget to GAAP:		
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.		(57,031,664)
Receipts from General Fund special accounts were budgeted only if they were expected to be used by the General Fund account, but were reported as revenues of the General Fund for financial reporting purposes.		<u>56,156,015</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$	<u><u>816,694,860</u></u>

Uses / outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$	773,078,267
Differences - budget to GAAP:		
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.		(31,210,287)
Disbursements from the General Fund special accounts were not budgeted but were reported as expenditures for financial reporting purposes.		41,890,491
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.		<u>(2,369,131)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$	<u><u>781,389,340</u></u>

**COUNTY OF SAN JOAQUIN
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018
BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
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	\$ 120,117,652	\$ 120,117,652	\$ 120,117,652	\$ -
Resources (inflows):				
Fines, forfeitures, and penalties	350,000	350,000	218,394	(131,606)
Revenue from use of money and property	36,000	36,000	735,254	699,254
Aid from other governmental agencies	85,818,332	88,221,113	69,786,296	(18,434,817)
Charges for services	67,674,305	69,219,031	68,900,362	(318,669)
Other revenues	846,554	846,554	596,676	(249,878)
Transfers in	4,887,271	4,887,271	3,648,868	(1,238,403)
Total Resources	159,612,462	163,559,969	143,885,850	(19,674,119)
Charges to appropriations (outflows):				
Current:				
Health and sanitation	162,763,621	166,704,728	130,395,341	36,309,387
Capital outlay	2,512,160	2,518,560	1,165,809	1,352,751
Total Charges to Appropriations	165,275,781	169,223,288	131,561,150	37,662,138
Fund balances (deficit), end of year	\$ 114,454,333	\$ 114,454,333	\$ 132,442,352	\$ 17,988,019

**COUNTY OF SAN JOAQUIN
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018**

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 functions had excess expenditures over appropriations:

General Fund - Public ways and facilities	\$67,327
General Fund - Health and sanitation	14,826,160
General Fund - Principal and Interest	15,870

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, 2018**

	<u>General Accounts</u>	<u>Contingency</u>	<u>General Reserve</u>	<u>Total</u>
Assets				
Cash and investments:				
Pooled	\$ 241,929,892	\$ 80,836,649	\$ 26,277,881	\$ 349,044,422
Imprest cash	248,650	-	-	248,650
Accounts receivable	4,601,787	-	-	4,601,787
Taxes receivable	21,604,186	-	-	21,604,186
Interest receivable	1,869,215	-	-	1,869,215
Due from other agencies	37,153,494	-	-	37,153,494
Due from other funds	2,416,435	-	-	2,416,435
Advances to other funds	3,534,291	2,148,147	-	5,682,438
Loans receivable	-	84,999	-	84,999
Other assets	25,500	-	-	25,500
Total Assets	\$ 313,383,450	\$ 83,069,795	\$ 26,277,881	\$ 422,731,126
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	\$ 8,143,863	\$ 65,000	\$ -	\$ 8,208,863
Accrued payroll	7,339,512	-	-	7,339,512
Due to other funds	3,510,440	-	-	3,510,440
Advances from other funds	374,206	-	-	374,206
Unearned revenues	35,544,084	-	-	35,544,084
Other liabilities	592,078	-	-	592,078
Total Liabilities	55,504,183	65,000	-	55,569,183
Deferred Inflows of resources:				
Unavailable revenue	66,698,666	-	-	66,698,666
Total deferred Inflows of Resources	66,698,666	-	-	66,698,666
Fund balances:				
Nonspendable	3,534,291	2,233,146	-	5,767,437
Restricted	75,421,855	-	-	75,421,855
Committed	-	-	26,277,881	26,277,881
Assigned	-	80,771,649	-	80,771,649
Unassigned	112,224,455	-	-	112,224,455
Total Fund Balances	191,180,601	83,004,795	26,277,881	300,463,277
Total Liabilities, deferred Inflows of Resources and Fund Balances	\$ 313,383,450	\$ 83,069,795	\$ 26,277,881	\$ 422,731,126

**COUNTY OF SAN JOAQUIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL GENERAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>General Accounts</u>	<u>Contingency</u>	<u>General Reserve</u>	<u>Interfund Elimination</u>	<u>Total</u>
Revenues:					
Taxes	\$ 258,910,192	\$ -	\$ -	\$ -	\$ 258,910,192
Licenses, permits, and franchises	10,554,183	-	-	-	10,554,183
Fines, forfeitures, and penalties	8,760,375	-	-	-	8,760,375
Revenue from use of money and property	4,333,106	(504,893)	(197,702)	-	3,630,511
Aid from other governmental agencies	478,430,700	-	-	-	478,430,700
Charges for services	42,761,674	-	-	-	42,761,674
Other revenues	13,647,225	-	-	-	13,647,225
Total Revenues	<u>817,397,455</u>	<u>(504,893)</u>	<u>(197,702)</u>	<u>-</u>	<u>816,694,860</u>
Expenditures:					
Current:					
General government	48,444,467	-	-	-	48,444,467
Public protection	290,174,836	-	-	-	290,174,836
Public ways and facilities	22,116	-	-	-	22,116
Health and sanitation	59,262,512	-	-	-	59,262,512
Public assistance	373,953,597	-	-	-	373,953,597
Education	337,179	-	-	-	337,179
Parks and recreation	5,482,344	-	-	-	5,482,344
Capital outlay	3,696,419	-	-	-	3,696,419
Debt service:					
Principal	14,926	-	-	-	14,926
Interest and fiscal charges	944	-	-	-	944
Total Expenditures	<u>781,389,340</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>781,389,340</u>
Excess (deficiency) of revenues over (under) expenditures	<u>36,008,115</u>	<u>(504,893)</u>	<u>(197,702)</u>	<u>-</u>	<u>35,305,520</u>
Other financing sources (uses):					
Transfers in	50,764,167	17,744,938	4,479,612	(22,224,550)	50,764,167
Transfers out	(51,188,959)	-	-	22,224,550	(28,964,409)
Total Other Financing Sources (uses)	<u>(424,792)</u>	<u>17,744,938</u>	<u>4,479,612</u>	<u>-</u>	<u>21,799,758</u>
Net change in fund balances	35,583,323	17,240,045	4,281,910	-	57,105,278
Fund balances, beginning of year	155,597,278	65,764,750	21,995,971	-	243,357,999
Fund balances, end of year	<u>\$ 191,180,601</u>	<u>\$ 83,004,795</u>	<u>\$ 26,277,881</u>	<u>\$ -</u>	<u>\$ 300,463,277</u>

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET
ALL GENERAL FUND SPECIAL ACCOUNTS
JUNE 30, 2018**

	General Accounts	Sheriff's Special Accounts	Prisoner Welfare Accounts	Court Fees and Assessments
Assets				
Cash and investments:				
Pooled	\$ 135,225,847	\$ 3,481,511	\$ 3,065,740	\$ 2,833,113
Imprest cash	96,150	-	-	-
Accounts receivable	3,537,724	37,514	311,426	-
Taxes receivable	21,604,186	-	-	-
Interest receivable	1,649,437	14,422	13,167	12,525
Due from other agencies	34,529,783	188,049	-	168,191
Due from other funds	1,806,598	-	-	-
Advances to other funds	3,534,291	-	-	-
Other assets	25,500	-	-	-
Total Assets	<u>\$ 202,009,516</u>	<u>\$ 3,721,496</u>	<u>\$ 3,390,333</u>	<u>\$ 3,013,829</u>
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	\$ 7,937,318	\$ 80,364	\$ 19,349	\$ -
Accrued payroll	7,338,127	-	-	-
Due to other funds	3,400,505	1,490	5,554	-
Advances from other funds	374,206	-	-	-
Unearned revenues	690,036	15,308	-	-
Other liabilities	592,078	-	-	-
Total Liabilities	<u>20,332,270</u>	<u>97,162</u>	<u>24,903</u>	<u>-</u>
Deferred Inflows of resources:				
Unavailable revenue	65,895,520	-	43,146	-
Total deferred Inflows of Resources	<u>65,895,520</u>	<u>-</u>	<u>43,146</u>	<u>-</u>
Fund balances:				
Nonspendable	3,534,291	-	-	-
Restricted	-	3,624,334	3,322,284	3,013,829
Unassigned	112,247,435	-	-	-
Total Fund Balances	<u>115,781,726</u>	<u>3,624,334</u>	<u>3,322,284</u>	<u>3,013,829</u>
Total Liabilities, deferred Inflows of Resources and Fund Balances	<u>\$ 202,009,516</u>	<u>\$ 3,721,496</u>	<u>\$ 3,390,333</u>	<u>\$ 3,013,829</u>

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET (Continued)
ALL GENERAL FUND SPECIAL ACCOUNTS
JUNE 30, 2018**

Emergency Medical Services	Agriculture Special Accounts	Public Health Special Accounts	Community Service Special Accounts	Parks' Special Accounts	Recorder's Accounts	Assessor Special Accounts
\$ 4,249,838	\$ 2,101,084	\$ 6,225,536	\$ 28,075,844	\$ 175,043	\$ 237,621	\$ 746,991
-	-	-	2,500	-	-	-
41	19,483	51,088	1,000	305	306	2,121
-	-	-	-	-	-	-
9,045	2,155	18,106	4,866	3,188	-	1,324
-	-	760,000	1,295,241	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 4,258,924</u>	<u>\$ 2,122,722</u>	<u>\$ 7,054,730</u>	<u>\$ 29,379,451</u>	<u>\$ 178,536</u>	<u>\$ 237,927</u>	<u>\$ 750,436</u>
\$ 11,603	\$ 616	\$ 15,386	\$ 79,227	\$ -	\$ -	\$ -
-	-	-	1,385	-	-	-
-	38,972	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	20,436,903	-	-	-
-	-	-	-	-	-	-
<u>11,603</u>	<u>39,588</u>	<u>15,386</u>	<u>20,517,515</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	760,000	-	-	-	-
-	-	760,000	-	-	-	-
-	-	-	-	-	-	-
4,247,321	2,083,134	6,279,344	8,861,936	178,536	237,927	750,436
-	-	-	-	-	-	-
<u>4,247,321</u>	<u>2,083,134</u>	<u>6,279,344</u>	<u>8,861,936</u>	<u>178,536</u>	<u>237,927</u>	<u>750,436</u>
<u>\$ 4,258,924</u>	<u>\$ 2,122,722</u>	<u>\$ 7,054,730</u>	<u>\$ 29,379,451</u>	<u>\$ 178,536</u>	<u>\$ 237,927</u>	<u>\$ 750,436</u>

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET (Continued)
ALL GENERAL FUND SPECIAL ACCOUNTS
JUNE 30, 2018**

	Probation Juvenile Welfare	Community Development Accounts	District Attorney Accounts	HSA Grant Accounts
Assets				
Cash and investments:				
Pooled	\$ 10,139,915	\$ 5,298,913	\$ 9,710,035	\$ 14,228,857
Imprest cash	-	-	-	150,000
Accounts receivable	571,347	61,849	7,543	-
Taxes receivable	-	-	-	-
Interest receivable	46,569	21,433	52,848	-
Due from other agencies	-	-	212,230	-
Due from other funds	609,837	-	-	-
Advances to other funds	-	-	-	-
Other assets	-	-	-	-
Total Assets	\$ 11,367,668	\$ 5,382,195	\$ 9,982,656	\$ 14,378,857
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Due to other funds	-	-	63,919	-
Advances from other funds	-	-	-	-
Unearned revenues	-	-	-	14,401,837
Other liabilities	-	-	-	-
Total Liabilities	-	-	63,919	14,401,837
Deferred Inflows of resources:				
Unavailable revenue	-	-	-	-
Total deferred Inflows of Resources	-	-	-	-
Fund balances:				
Nonspendable	-	-	-	-
Restricted	11,367,668	5,382,195	9,918,737	-
Unassigned	-	-	-	(22,980)
Total Fund Balances	11,367,668	5,382,195	9,918,737	(22,980)
Total Liabilities, deferred Inflows of Resources and Fund Balances	\$ 11,367,668	\$ 5,382,195	\$ 9,982,656	\$ 14,378,857

**COUNTY OF SAN JOAQUIN
 COMBINING BALANCE SHEET (Continued)
 ALL GENERAL FUND SPECIAL ACCOUNTS
 JUNE 30, 2018**

<u>Other Accounts</u>	<u>Total</u>
\$ 16,134,004	\$ 241,929,892
-	248,650
40	4,601,787
-	21,604,186
20,130	1,869,215
-	37,153,494
-	2,416,435
-	3,534,291
-	25,500
<u>\$ 16,154,174</u>	<u>\$ 313,383,450</u>

\$ -	\$ 8,143,863
-	7,339,512
-	3,510,440
-	374,206
-	35,544,084
-	592,078
<u>-</u>	<u>55,504,183</u>

-	66,698,666
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-	66,698,666
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-	3,534,291
16,154,174	75,421,855
-	112,224,455
<u>16,154,174</u>	<u>191,180,601</u>

<u>\$ 16,154,174</u>	<u>\$ 313,383,450</u>
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**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, 2018**

	<u>General Accounts</u>	<u>Sheriff's Special Accounts</u>	<u>Prisoner Welfare Accounts</u>	<u>Court Fees and Assessments</u>
Revenues:				
Taxes	\$ 258,910,192	\$ -	\$ -	\$ -
Licenses, permits, and franchises	9,616,358	-	-	-
Fines, forfeitures, and penalties	6,039,804	102,914	-	86,594
Revenue from use of money and property	4,363,886	22,834	19,433	22,032
Aid from other governmental agencies	431,640,484	769,536	-	647,511
Charges for services	39,966,817	52,029	670	-
Other revenues	10,517,499	785	2,518,137	-
Total Revenues	<u>761,055,040</u>	<u>948,098</u>	<u>2,538,240</u>	<u>756,137</u>
Expenditures:				
Current:				
General government	48,444,467	-	-	-
Public protection	281,682,626	506,050	681,092	-
Public ways and facilities	22,116	-	-	-
Health and sanitation	58,886,384	-	-	-
Public assistance	337,243,537	-	-	-
Education	337,179	-	-	-
Parks and recreation	5,482,344	-	-	-
Capital outlay	3,696,419	-	-	-
Debt service:				
Principal	14,926	-	-	-
Interest and fiscal charges	944	-	-	-
Total Expenditures	<u>735,810,942</u>	<u>506,050</u>	<u>681,092</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>25,244,098</u>	<u>442,048</u>	<u>1,857,148</u>	<u>756,137</u>
Other financing sources (uses):				
Transfers in	46,720,544	-	-	-
Transfers out	(46,518,768)	(446,954)	(1,498,446)	(679,993)
Total Other Financing Sources (uses)	<u>201,776</u>	<u>(446,954)</u>	<u>(1,498,446)</u>	<u>(679,993)</u>
Net change in fund balances	25,445,874	(4,906)	358,702	76,144
Fund balances (deficit), beginning of year	<u>90,335,852</u>	<u>3,629,240</u>	<u>2,963,582</u>	<u>2,937,685</u>
Fund balances (deficit), end of year	<u>\$ 115,781,726</u>	<u>\$ 3,624,334</u>	<u>\$ 3,322,284</u>	<u>\$ 3,013,829</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, 2018**

Emergency Medical Services	Agriculture Special Accounts	Public Health Special Accounts	Community Service Special Accounts	Parks' Special Accounts	Recorder's Accounts	Assessor Special Accounts
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
230,372	-	358,453	33,463	-	-	-
(9,863)	58,159	9,924	(192,491)	7,059	(1,020)	15,892
-	-	466,911	39,881,911	-	-	-
-	743,902	88,398	217,697	233,777	76,214	222,848
72,862	89,417	-	26,410	337,814	-	-
<u>293,371</u>	<u>891,478</u>	<u>923,686</u>	<u>39,966,990</u>	<u>578,650</u>	<u>75,194</u>	<u>238,740</u>
-	-	-	-	-	-	-
-	7,270	-	-	-	-	-
-	-	-	-	-	-	-
189,573	-	186,555	-	-	-	-
-	-	-	36,710,060	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>189,573</u>	<u>7,270</u>	<u>186,555</u>	<u>36,710,060</u>	<u>-</u>	<u>-</u>	<u>-</u>
103,798	884,208	737,131	3,256,930	578,650	75,194	238,740
-	-	-	-	-	-	-
2,097,000	(325,277)	(37,318)	(783,697)	(765,297)	(97,472)	(163,765)
2,097,000	(325,277)	(37,318)	(783,697)	(765,297)	(97,472)	(163,765)
2,200,798	558,931	699,813	2,473,233	(186,647)	(22,278)	74,975
2,046,523	1,524,203	5,579,531	6,388,703	365,183	260,205	675,461
<u>\$ 4,247,321</u>	<u>\$ 2,083,134</u>	<u>\$ 6,279,344</u>	<u>\$ 8,861,936</u>	<u>\$ 178,536</u>	<u>\$ 237,927</u>	<u>\$ 750,436</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, 2018**

	Probation Juvenile Welfare	Community Development Accounts	District Attorney Accounts	HSA Grant Accounts
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and franchises	-	937,825	-	-
Fines, forfeitures, and penalties	-	-	1,908,775	-
Revenue from use of money and property	84,268	26,922	87,444	(133,240)
Aid from other governmental agencies	4,438,111	-	586,236	-
Charges for services	-	15,984	1,124,848	-
Other revenues	-	-	-	-
Total Revenues	<u>4,522,379</u>	<u>980,731</u>	<u>3,707,303</u>	<u>(133,240)</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public protection	7,106,641	-	191,157	-
Public ways and facilities	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>7,106,641</u>	<u>-</u>	<u>191,157</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,584,262)</u>	<u>980,731</u>	<u>3,516,146</u>	<u>(133,240)</u>
Other financing sources (uses):				
Transfers in	4,043,623	-	-	-
Transfers out	(28,717)	-	(3,070,255)	-
Total Other Financing Sources (uses)	<u>4,014,906</u>	<u>-</u>	<u>(3,070,255)</u>	<u>-</u>
Net change in fund balances	1,430,644	980,731	445,891	(133,240)
Fund balances (deficit), beginning of year	9,937,024	4,401,464	9,472,846	110,260
Fund balances (deficit), end of year	<u>\$ 11,367,668</u>	<u>\$ 5,382,195</u>	<u>\$ 9,918,737</u>	<u>\$ (22,980)</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, 2018**

<u>Other Accounts</u>	<u>Total</u>
\$ -	\$ 258,910,192
-	10,554,183
-	8,760,375
(48,133)	4,333,106
-	478,430,700
18,490	42,761,674
84,301	13,647,225
<u>54,658</u>	<u>817,397,455</u>
-	48,444,467
-	290,174,836
-	22,116
-	59,262,512
-	373,953,597
-	337,179
-	5,482,344
-	3,696,419
-	14,926
-	944
-	<u>781,389,340</u>
<u>54,658</u>	<u>36,008,115</u>
-	50,764,167
1,130,000	(51,188,959)
<u>1,130,000</u>	<u>(424,792)</u>
1,184,658	35,583,323
<u>14,969,516</u>	<u>155,597,278</u>
<u>\$ 16,154,174</u>	<u>\$ 191,180,601</u>

NONMAJOR GOVERNMENTAL FUNDS

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

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Cash and investments:				
Pooled	\$ 202,490,177	\$ 11,227	\$ 20,551,067	\$ 223,052,471
Imprest cash	33,650	-	-	33,650
Accounts receivable	3,650,226	378	2,442	3,653,046
Taxes receivable	3,238,382	-	-	3,238,382
Interest receivable	815,469	70	55,534	871,073
Due from other agencies	17,784,171	-	-	17,784,171
Due from other funds	138,687	-	48,187	186,874
Advances to other funds	717,075	-	-	717,075
Loans receivable	40,342,951	-	-	40,342,951
Inventory	813,870	-	-	813,870
Other assets	1,038	-	-	1,038
Restricted assets:				
Restricted cash and investments	-	52,374	-	52,374
Total Assets	<u>\$ 270,025,696</u>	<u>\$ 64,049</u>	<u>\$ 20,657,230</u>	<u>\$ 290,746,975</u>
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	\$ 5,260,751	\$ -	\$ 2,755	\$ 5,263,506
Accrued payroll	795,614	-	-	795,614
Due to other funds	1,985,180	-	-	1,985,180
Advances from other funds	3,560,633	-	1,807,287	5,367,920
Total Liabilities	<u>11,602,178</u>	<u>-</u>	<u>1,810,042</u>	<u>13,412,220</u>
Deferred Inflows of resources:				
Unavailable revenue	4,700,898	-	-	4,700,898
Total deferred Inflows of Resources	<u>4,700,898</u>	<u>-</u>	<u>-</u>	<u>4,700,898</u>
Fund balances:				
Nonspendable	1,531,983	-	-	1,531,983
Restricted	255,310,521	64,049	12,678,766	268,053,336
Assigned	-	-	7,975,708	7,975,708
Unassigned	(3,119,884)	-	(1,807,286)	(4,927,170)
Total Fund Balances (deficit)	<u>253,722,620</u>	<u>64,049</u>	<u>18,847,188</u>	<u>272,633,857</u>
Total Liabilities, deferred Inflows of Resources and Fund Balances				
	<u>\$ 270,025,696</u>	<u>\$ 64,049</u>	<u>\$ 20,657,230</u>	<u>\$ 290,746,975</u>

**COUNTY OF SAN JOAQUIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 28,860,402	\$ -	\$ -	\$ 28,860,402
Licenses, permits, and franchises	292,480	-	-	292,480
Fines, forfeitures, and penalties	4,632	-	834,604	839,236
Revenue from use of money and property	1,760,067	268,526	31,458	2,060,051
Aid from other governmental agencies	130,222,058	-	-	130,222,058
Charges for services	33,400,251	18,220	38,293	33,456,764
Other revenues	1,214,321	-	-	1,214,321
Total Revenues	<u>195,754,211</u>	<u>286,746</u>	<u>904,355</u>	<u>196,945,312</u>
Expenditures:				
Current:				
General government	5,976,903	403	-	5,977,306
Public protection	46,742,772	-	-	46,742,772
Public ways and facilities	31,291,169	-	47,968	31,339,137
Community infrastructure	2,426,853	-	-	2,426,853
Health and sanitation	1,371,718	-	-	1,371,718
Public assistance	15,155,178	-	-	15,155,178
Education	6,570,422	-	-	6,570,422
Parks and recreation	199,822	-	-	199,822
Capital outlay	42,025,580	-	119,275	42,144,855
Debt service:				
Principal	59,120	82,900	-	142,020
Interest and fiscal charges	52,287	3,084,019	-	3,136,306
Payment to refunded bond escrow agent-reserve funds	-	8,503,283	-	8,503,283
Payment to refunded bond escrow agent-County contribution	-	5,510,000	-	5,510,000
Cost of issuance	-	1,226,914	-	1,226,914
Total Expenditures	<u>151,871,824</u>	<u>18,407,519</u>	<u>167,243</u>	<u>170,446,586</u>
Excess (deficiency) of revenues over (under) expenditures	<u>43,882,387</u>	<u>(18,120,773)</u>	<u>737,112</u>	<u>26,498,726</u>
Other financing sources (uses):				
Issuance of long term debt	-	79,865,000	-	79,865,000
Issuance premium	-	15,550,343	-	15,550,343
Payment to Refunding Bond Escrow Agent	-	(94,188,428)	-	(94,188,428)
Transfers in	757,251	8,445,887	500,000	9,703,138
Transfers out	(16,867,906)	(9,640)	(690,901)	(17,568,447)
Total Other Financing Sources (uses)	<u>(16,110,655)</u>	<u>9,663,162</u>	<u>(190,901)</u>	<u>(6,638,394)</u>
Net change in fund balances	27,771,732	(8,457,611)	546,211	19,860,332
Fund balances, beginning of year, as restated	<u>225,950,888</u>	<u>8,521,660</u>	<u>18,300,977</u>	<u>252,773,525</u>
Fund balances, end of year	<u>\$ 253,722,620</u>	<u>\$ 64,049</u>	<u>\$ 18,847,188</u>	<u>\$ 272,633,857</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, 2018**

	<u>Road</u>	<u>Fish and Game</u>	<u>County Facilities Fee Program</u>	<u>Special Districts Settlement Fund</u>
Assets				
Cash and investments:				
Pooled and other	\$ 27,683,870	\$ 146,145	\$ 30,589,911	\$ 404,141
Imprest cash	500	-	-	-
Accounts receivable	120,083	10,042	2,298,186	-
Taxes receivable	2,454,630	-	-	-
Interest receivable	110,861	598	130,041	1,676
Due from other agencies	11,496,502	-	-	-
Due from other funds	129,246	-	-	-
Advances to other funds	-	-	-	717,075
Loans receivable	-	-	-	-
Inventory	813,870	-	-	-
Other assets	-	-	-	-
Total Assets	<u>\$ 42,809,562</u>	<u>\$ 156,785</u>	<u>\$ 33,018,138</u>	<u>\$ 1,122,892</u>
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	\$ 1,936,732	\$ 23	\$ -	\$ -
Accrued payroll	297,476	-	-	-
Due to other funds	344,078	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	<u>2,578,286</u>	<u>23</u>	<u>-</u>	<u>-</u>
Deferred Inflows of resources:				
Unavailable revenue	<u>4,074,126</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred Inflows of Resources	<u>4,074,126</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	813,870	-	-	717,075
Restricted	35,343,280	156,762	33,018,138	405,817
Unassigned	-	-	-	-
Total Fund Balances (deficit)	<u>36,157,150</u>	<u>156,762</u>	<u>33,018,138</u>	<u>1,122,892</u>
Total Liabilities, deferred Inflows of Resources and Fund Balances	<u>\$ 42,809,562</u>	<u>\$ 156,785</u>	<u>\$ 33,018,138</u>	<u>\$ 1,122,892</u>

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018**

Work Incentive Act	Rabies Treatment	County Head Start	Road District #1	Road District #2	Road District #3	Road District #4
\$ -	\$ 127,032	\$ 44,914	\$ 2,452,243	\$ 1,135,839	\$ 1,731,942	\$ 7,812,761
250	-	-	-	-	-	-
128,141	6,484	-	-	-	-	-
-	-	-	33,202	22,953	31,858	181,961
-	-	-	10,133	4,691	7,257	32,914
1,271,820	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,400,211</u>	<u>\$ 133,516</u>	<u>\$ 44,914</u>	<u>\$ 2,495,578</u>	<u>\$ 1,163,483</u>	<u>\$ 1,771,057</u>	<u>\$ 8,027,636</u>
\$ 425,635	\$ -	\$ -	\$ 901	\$ 1,174	\$ 3,699	\$ 35,894
110,946	-	-	-	-	-	-
6,260	-	-	3,429	5,300	13,823	58,545
-	-	-	-	-	-	-
<u>542,841</u>	<u>-</u>	<u>-</u>	<u>4,330</u>	<u>6,474</u>	<u>17,522</u>	<u>94,439</u>
-	-	-	23,594	16,320	21,133	129,544
-	-	-	23,594	16,320	21,133	129,544
-	-	-	-	-	-	-
857,370	133,516	44,914	2,467,654	1,140,689	1,732,402	7,803,653
-	-	-	-	-	-	-
<u>857,370</u>	<u>133,516</u>	<u>44,914</u>	<u>2,467,654</u>	<u>1,140,689</u>	<u>1,732,402</u>	<u>7,803,653</u>
<u>\$ 1,400,211</u>	<u>\$ 133,516</u>	<u>\$ 44,914</u>	<u>\$ 2,495,578</u>	<u>\$ 1,163,483</u>	<u>\$ 1,771,057</u>	<u>\$ 8,027,636</u>

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018**

	Road District #5	County Library	District Attorney Narcotics Enforcement	Sheriff Narcotics Enforcement
Assets				
Cash and investments:				
Pooled and other	\$ 4,486,302	\$ 5,209,105	\$ 163,993	\$ 53,262
Imprest cash	-	-	-	7,500
Accounts receivable	-	110,091	-	-
Taxes receivable	62,722	317,965	-	-
Interest receivable	18,589	2,219	1,079	223
Due from other agencies	-	-	-	-
Due from other funds	-	-	-	-
Advances to other funds	-	-	-	-
Loans receivable	-	-	-	-
Inventory	-	-	-	-
Other assets	-	-	-	-
Total Assets	\$ 4,567,613	\$ 5,639,380	\$ 165,072	\$ 60,985
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	\$ 27,950	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Due to other funds	2,445	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	30,395	-	-	-
Deferred Inflows of resources:				
Unavailable revenue	44,210	225,680	-	-
Total deferred Inflows of Resources	44,210	225,680	-	-
Fund balances:				
Nonspendable	-	-	-	-
Restricted	4,493,008	5,413,700	165,072	60,985
Unassigned	-	-	-	-
Total Fund Balances (deficit)	4,493,008	5,413,700	165,072	60,985
Total Liabilities, deferred Inflows of Resources and Fund Balances	\$ 4,567,613	\$ 5,639,380	\$ 165,072	\$ 60,985

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018**

Justice Assistance Grant	Supplemental Local Law Enforcement Block Grant	Local Innovation Subaccount	Whole Person Care	Recorder's Equipment Automation	Child Support	Community Infrastructure
\$ -	\$ 5,194	\$ 306,758	\$ 2,001,719	\$ 5,335,931	\$ -	\$ 23,334,746
-	-	-	-	-	25,400	-
-	-	-	-	5,772	120,325	174,886
-	-	-	-	-	-	-
26,706	-	1,275	6,872	22,842	6,179	99,863
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 26,706</u>	<u>\$ 5,194</u>	<u>\$ 308,033</u>	<u>\$ 2,008,591</u>	<u>\$ 5,364,545</u>	<u>\$ 151,904</u>	<u>\$ 23,609,495</u>
\$ 64,598	\$ -	\$ -	\$ 31,963	\$ 17,766	\$ 172,339	\$ 22,633
-	5,254	-	-	-	199,838	-
-	-	-	30,107	-	41,089	-
-	-	-	-	-	-	-
<u>64,598</u>	<u>5,254</u>	<u>-</u>	<u>62,070</u>	<u>17,766</u>	<u>413,266</u>	<u>22,633</u>
-	-	-	-	-	13,824	-
-	-	-	-	-	13,824	-
-	-	-	-	-	-	-
-	-	308,033	1,946,521	5,346,779	-	23,586,862
(37,892)	(60)	-	-	-	(275,186)	-
<u>(37,892)</u>	<u>(60)</u>	<u>308,033</u>	<u>1,946,521</u>	<u>5,346,779</u>	<u>(275,186)</u>	<u>23,586,862</u>
<u>\$ 26,706</u>	<u>\$ 5,194</u>	<u>\$ 308,033</u>	<u>\$ 2,008,591</u>	<u>\$ 5,364,545</u>	<u>\$ 151,904</u>	<u>\$ 23,609,495</u>

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018**

	Public Works Special Accounts	AB 109 Trial Court Security	AB 109 District Attorney - Public Defender	AB 118 Local Community Corrections Fund
Assets				
Cash and investments:				
Pooled and other	\$ 4,133,111	\$ 8,721,473	\$ 1,829,646	\$ 29,423,779
Imprest cash	-	-	-	-
Accounts receivable	32,531	-	-	-
Taxes receivable	-	-	-	-
Interest receivable	17,107	38,858	10,461	126,534
Due from other agencies	-	623,845	642,317	3,635,778
Due from other funds	-	694	-	-
Advances to other funds	-	-	-	-
Loans receivable	-	-	-	-
Inventory	-	-	-	-
Other assets	-	-	-	-
Total Assets	\$ 4,182,749	\$ 9,384,870	\$ 2,482,424	\$ 33,186,091
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	\$ -	\$ 49,770	\$ -	\$ 511,282
Accrued payroll	-	32,625	-	138,813
Due to other funds	-	6,049	609,837	454,560
Advances from other funds	-	-	-	-
Total Liabilities	-	88,444	609,837	1,104,655
Deferred inflows of resources:				
Unavailable revenue	-	-	-	-
Total deferred Inflows of Resources	-	-	-	-
Fund balances:				
Nonspendable	-	-	-	-
Restricted	4,182,749	9,296,426	1,872,587	32,081,436
Unassigned	-	-	-	-
Total Fund Balances (deficit)	4,182,749	9,296,426	1,872,587	32,081,436
Total Liabilities, deferred Inflows of Resources and Fund Balances	\$ 4,182,749	\$ 9,384,870	\$ 2,482,424	\$ 33,186,091

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018**

AB 118 Health and Human Services	AB 1476 Probation CDCR Early Release	Industrial Revolving Loan Fund	Home Investment Trust Local Account	Rehabilitation Loan Program	Disaster Recovery Initiative Program	Neighborhood Stabilization Revolving Loan Program
\$ 1,939,792	\$ 605,306	\$ 3,966,711	\$ 2,100,889	\$ 1,604,410	\$ 157,990	\$ 3,570,147
-	-	-	-	-	-	-
-	-	-	9,747	418,694	-	555
-	(36)	-	14,153	12,688	656	45
-	-	-	41,358	4,068	-	-
-	-	-	-	-	-	-
-	-	3,001,148	20,297,129	9,880,139	181,916	6,982,619
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,939,792</u>	<u>\$ 605,270</u>	<u>\$ 6,967,859</u>	<u>\$ 22,463,276</u>	<u>\$ 11,919,999</u>	<u>\$ 340,562</u>	<u>\$ 10,553,366</u>
\$ -	\$ -	\$ -	\$ 61,926	\$ 6,521	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	61,926	6,521	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,939,792	605,270	6,967,859	22,401,350	11,913,478	340,562	10,553,366
-	-	-	-	-	-	-
<u>1,939,792</u>	<u>605,270</u>	<u>6,967,859</u>	<u>22,401,350</u>	<u>11,913,478</u>	<u>340,562</u>	<u>10,553,366</u>
<u>\$ 1,939,792</u>	<u>\$ 605,270</u>	<u>\$ 6,967,859</u>	<u>\$ 22,463,276</u>	<u>\$ 11,919,999</u>	<u>\$ 340,562</u>	<u>\$ 10,553,366</u>

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018**

	Economic Development Association	Special Districts Board Governed	Total
Assets			
Cash and investments:			
Pooled and other	\$ 2,379,915	\$ 29,031,200	\$ 202,490,177
Imprest cash	-	-	33,650
Accounts receivable	-	214,689	3,650,226
Taxes receivable	-	133,091	3,238,382
Interest receivable	-	137,691	815,469
Due from other agencies	-	41,777	17,784,171
Due from other funds	-	8,747	138,687
Advances to other funds	-	-	717,075
Loans receivable	-	-	40,342,951
Inventory	-	-	813,870
Other assets	1,038	-	1,038
Total Assets	\$ 2,380,953	\$ 29,567,195	\$ 270,025,696
Liabilities, deferred inflows of resources and fund balances			
Liabilities:			
Accounts payable	\$ 42,055	\$ 1,847,890	\$ 5,260,751
Accrued payroll	-	10,662	795,614
Due to other funds	-	409,658	1,985,180
Advances from other funds	-	3,560,633	3,560,633
Total Liabilities	42,055	5,828,843	11,602,178
Deferred Inflows of resources:			
Unavailable revenue	-	152,467	4,700,898
Total deferred Inflows of Resources	-	152,467	4,700,898
Fund balances:			
Nonspendable	1,038	-	1,531,983
Restricted	2,337,860	26,392,631	255,310,521
Unassigned	-	(2,806,746)	(3,119,884)
Total Fund Balances (deficit)	2,338,898	23,585,885	253,722,620
Total Liabilities, deferred Inflows of Resources and Fund Balances	\$ 2,380,953	\$ 29,567,195	\$ 270,025,696

**COUNTY OF SAN JOAQUIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	Road	Fish and Game	County Facilities Fee Program	Special Districts Settlement Fund
Revenues:				
Taxes	\$ 11,694,818	\$ -	\$ -	\$ -
Licenses, permits, and franchises	239,548	-	-	-
Fines, forfeitures, and penalties	-	4,632	-	-
Revenue from use of money and property	132,309	1,128	158,478	16,076
Aid from other governmental agencies	45,944,658	17,427	-	-
Charges for services	1,627,013	-	9,437,876	-
Other revenues	81,668	-	-	-
Total Revenues	59,720,014	23,187	9,596,354	16,076
Expenditures:				
Current:				
General government	-	-	-	-
Public protection	-	36,802	-	-
Public ways and facilities	14,337,946	-	-	-
Community infrastructure	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	38,028,622	-	-	-
Debt service:				
Principal	59,120	-	-	-
Interest and fiscal charges	1,877	-	-	-
Total Expenditures	52,427,565	36,802	-	-
Excess (deficiency) of revenues over (under) expenditures	7,292,449	(13,615)	9,596,354	16,076
Other financing sources (uses):				
Transfers in	250,250	-	-	-
Transfers out	-	(16,089)	(1,467,695)	(255,000)
Total Other Financing Sources (uses)	250,250	(16,089)	(1,467,695)	(255,000)
Net change in fund balances	7,542,699	(29,704)	8,128,659	(238,924)
Fund balances (deficit), beginning of year	28,614,451	186,466	24,889,479	1,361,816
Prior period adjustments	-	-	-	-
Fund balances (deficit), beginning of year, as restated	28,614,451	186,466	24,889,479	1,361,816
Fund balances (deficit), end of year	\$ 36,157,150	\$ 156,762	\$ 33,018,138	\$ 1,122,892

**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, 2018**

Work Incentive Act	Rabies Treatment	County Head Start	Road District #1	Road District #2	Road District #3	Road District #4
\$ -	\$ -	\$ -	\$ 712,092	\$ 493,641	\$ 785,985	\$ 3,884,079
-	52,932	-	-	-	-	-
-	-	-	-	-	-	-
1,385	(1,067)	(301)	12,997	6,235	8,507	34,947
9,087,955	-	-	6,059	4,189	5,425	33,254
464,587	-	-	-	-	-	500
327,576	-	-	-	-	-	13
<u>9,881,503</u>	<u>51,865</u>	<u>(301)</u>	<u>731,148</u>	<u>504,065</u>	<u>799,917</u>	<u>3,952,793</u>
-	-	-	-	-	-	-
-	-	-	407,195	422,394	496,022	2,385,486
-	-	-	-	-	-	-
8,832,191	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>8,832,191</u>	<u>-</u>	<u>-</u>	<u>407,195</u>	<u>422,394</u>	<u>496,022</u>	<u>2,385,486</u>
1,049,312	51,865	(301)	323,953	81,671	303,895	1,567,307
-	-	-	-	-	-	-
-	(8,145)	-	(15,600)	(13,750)	(65,000)	(113,400)
-	(8,145)	-	(15,600)	(13,750)	(65,000)	(113,400)
1,049,312	43,720	(301)	308,353	67,921	238,895	1,453,907
(191,942)	89,796	45,215	2,159,301	1,072,768	1,493,507	6,349,746
-	-	-	-	-	-	-
<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>\$ 857,370</u>	<u>\$ 133,516</u>	<u>\$ 44,914</u>	<u>\$ 2,467,654</u>	<u>\$ 1,140,689</u>	<u>\$ 1,732,402</u>	<u>\$ 7,803,653</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, 2018**

	Road District #5	County Library	District Attorney Narcotics Enforcement	Sheriff Narcotics Enforcement
Revenues:				
Taxes	\$ 1,364,306	\$ 7,066,166	\$ -	\$ -
Licenses, permits, and franchises	-	-	-	-
Fines, forfeitures, and penalties	-	-	-	-
Revenue from use of money and property	21,938	(30,748)	2,319	415
Aid from other governmental agencies	11,348	170,873	-	-
Charges for services	-	110,091	-	-
Other revenues	90	-	196,086	-
Total Revenues	<u>1,397,682</u>	<u>7,316,382</u>	<u>198,405</u>	<u>415</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public protection	-	-	10,948	3,231
Public ways and facilities	572,963	-	-	-
Community infrastructure	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	6,570,422	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>572,963</u>	<u>6,570,422</u>	<u>10,948</u>	<u>3,231</u>
Excess (deficiency) of revenues over (under) expenditures	<u>824,719</u>	<u>745,960</u>	<u>187,457</u>	<u>(2,816)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(42,500)	-	(166,615)	-
Total Other Financing Sources (uses)	<u>(42,500)</u>	<u>-</u>	<u>(166,615)</u>	<u>-</u>
Net change in fund balances	782,219	745,960	20,842	(2,816)
Fund balances (deficit), beginning of year	3,710,789	4,667,740	144,230	63,801
Prior period adjustments	-	-	-	-
Fund balances (deficit), beginning of year, as restated	<u>3,710,789</u>	<u>4,667,740</u>	<u>144,230</u>	<u>63,801</u>
Fund balances (deficit), end of year	<u>\$ 4,493,008</u>	<u>\$ 5,413,700</u>	<u>\$ 165,072</u>	<u>\$ 60,985</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, 2018**

Justice Assistance Grant	Supplemental Local Law Enforcement Block Grant	Local Innovation Subaccount	Whole Person Care	Recorder's Equipment Automation	Child Support	Community Infrastructure
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,787	(60)	755	8,131	35,770	22,080	159,479
86,884	-	-	1,580,143	-	14,833,089	-
-	-	-	-	904,459	-	3,847,291
-	-	-	-	-	98,110	-
<u>88,671</u>	<u>(60)</u>	<u>755</u>	<u>1,588,274</u>	<u>940,229</u>	<u>14,953,279</u>	<u>4,006,770</u>
-	-	-	-	-	-	-
238,954	-	-	-	268,638	14,769,533	-
-	-	-	-	-	-	-
-	-	-	1,371,718	-	-	2,426,853
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	96,751	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>238,954</u>	<u>-</u>	<u>-</u>	<u>1,371,718</u>	<u>268,638</u>	<u>14,866,284</u>	<u>2,426,853</u>
<u>(150,283)</u>	<u>(60)</u>	<u>755</u>	<u>216,556</u>	<u>671,591</u>	<u>86,995</u>	<u>1,579,917</u>
-	-	155,729	-	87,375	-	-
-	-	-	-	(269,502)	(240,580)	-
-	-	<u>155,729</u>	-	<u>(182,127)</u>	<u>(240,580)</u>	-
(150,283)	(60)	156,484	216,556	489,464	(153,585)	1,579,917
112,391	-	151,549	1,729,965	4,857,315	(121,601)	22,006,945
-	-	-	-	-	-	-
<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>22,006,945</u>
<u>\$ (37,892)</u>	<u>\$ (60)</u>	<u>\$ 308,033</u>	<u>\$ 1,946,521</u>	<u>\$ 5,346,779</u>	<u>\$ (275,186)</u>	<u>\$ 23,586,862</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, 2018**

	Public Works Special Accounts	AB 109 Trial Court Security	AB 109 District Attorney - Public Defender	AB 118 Local Community Corrections Fund
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and franchises	-	-	-	-
Fines, forfeitures, and penalties	-	-	-	-
Revenue from use of money and property	26,812	62,824	27,193	167,180
Aid from other governmental agencies	-	14,376,375	3,584,332	26,846,490
Charges for services	121,562	-	-	-
Other revenues	130,716	-	-	-
Total Revenues	<u>279,090</u>	<u>14,439,199</u>	<u>3,611,525</u>	<u>27,013,670</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public protection	-	3,162,682	134,885	21,362,151
Public ways and facilities	-	-	-	-
Community infrastructure	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Parks and recreation	-	-	-	-
Capital outlay	-	77,204	-	42,116
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>3,239,886</u>	<u>134,885</u>	<u>21,404,267</u>
Excess (deficiency) of revenues over (under) expenditures	<u>279,090</u>	<u>11,199,313</u>	<u>3,476,640</u>	<u>5,609,403</u>
Other financing sources (uses):				
Transfers in	-	-	-	9,257
Transfers out	-	(10,041,465)	(4,053,655)	(278,131)
Total Other Financing Sources (uses)	<u>-</u>	<u>(10,041,465)</u>	<u>(4,053,655)</u>	<u>(268,874)</u>
Net change in fund balances	279,090	1,157,848	(577,015)	5,340,529
Fund balances (deficit), beginning of year	3,903,659	8,138,578	2,449,602	26,740,907
Prior period adjustments	-	-	-	-
Fund balances (deficit), beginning of year, as restated	<u>3,903,659</u>	<u>8,138,578</u>	<u>2,449,602</u>	<u>26,740,907</u>
Fund balances (deficit), end of year	<u>\$ 4,182,749</u>	<u>\$ 9,296,426</u>	<u>\$ 1,872,587</u>	<u>\$ 32,081,436</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, 2018**

AB 118 Health and Human Services	AB 1476 Prob CDCR Early Release	Industrial Revolving Loan Fund	Home Investment Trust Local Account	Rehabilitation Loan Program	Disaster Recovery Initiative Program	Neighborhood Stabilization Revolving Loan Program
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
(22,450)	(4,451)	240,682	222,093	178,670	1,124	10,505
1,962,242	430,500	-	2,590,307	2,146,694	-	-
-	-	-	2,260	1,269	-	833
-	-	16,915	98	71,171	-	529
<u>1,939,792</u>	<u>426,049</u>	<u>257,597</u>	<u>2,814,758</u>	<u>2,397,804</u>	<u>1,124</u>	<u>11,867</u>
-	-	144,249	4,013,220	1,713,734	104,854	846
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	3,394,059	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>144,249</u>	<u>4,013,220</u>	<u>5,107,793</u>	<u>104,854</u>	<u>846</u>
1,939,792	426,049	113,348	(1,198,462)	(2,709,989)	(103,730)	11,021
-	-	-	-	-	-	-
-	179,221	-	-	-	-	-
-	179,221	-	-	-	-	-
1,939,792	605,270	113,348	(1,198,462)	(2,709,989)	(103,730)	11,021
-	-	6,854,511	23,599,812	14,623,467	444,292	10,542,345
-	-	-	-	-	-	-
<u>-</u>	<u>-</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>\$ 1,939,792</u>	<u>\$ 605,270</u>	<u>\$ 6,967,859</u>	<u>\$ 22,401,350</u>	<u>\$ 11,913,478</u>	<u>\$ 340,562</u>	<u>\$ 10,553,366</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, 2018**

	Economic Development Association	Special Districts Board Governed	Total
Revenues:			
Taxes	\$ -	\$ 2,859,315	\$ 28,860,402
Licenses, permits, and franchises	-	-	292,480
Fines, forfeitures, and penalties	-	-	4,632
Revenue from use of money and property	20,983	236,342	1,760,067
Aid from other governmental agencies	45,000	6,458,814	130,222,058
Charges for services	-	16,882,510	33,400,251
Other revenues	33,500	257,849	1,214,321
Total Revenues	<u>99,483</u>	<u>26,694,830</u>	<u>195,754,211</u>
Expenditures:			
Current:			
General government	-	-	5,976,903
Public protection	-	6,754,948	46,742,772
Public ways and facilities	-	12,669,163	31,291,169
Community infrastructure	-	-	2,426,853
Health and sanitation	-	-	1,371,718
Public assistance	501,169	5,821,818	15,155,178
Education	-	-	6,570,422
Parks and recreation	-	199,822	199,822
Capital outlay	-	386,828	42,025,580
Debt service:			
Principal	-	-	59,120
Interest and fiscal charges	-	50,410	52,287
Total Expenditures	<u>501,169</u>	<u>25,882,989</u>	<u>151,871,824</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(401,686)</u>	<u>811,841</u>	<u>43,882,387</u>
Other financing sources (uses):			
Transfers in	-	254,640	757,251
Transfers out	-	-	(16,867,906)
Total Other Financing Sources (uses)	<u>-</u>	<u>254,640</u>	<u>(16,110,655)</u>
Net change in fund balances	(401,686)	1,066,481	27,771,732
Fund balances (deficit), beginning of year	2,740,584	21,100,719	224,532,203
Prior period adjustments	-	1,418,685	1,418,685
Fund balances (deficit), beginning of year, as restated	<u>2,740,584</u>	<u>22,519,404</u>	<u>225,950,888</u>
Fund balances (deficit), end of year	<u>\$ 2,338,898</u>	<u>\$ 23,585,885</u>	<u>\$ 253,722,620</u>

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET
NONMAJOR SPECIAL DISTRICTS GOVERNED BY
THE BOARD OF SUPERVISORS – SPECIAL REVENUE FUNDS
JUNE 30, 2018**

	Lighting Districts	Service Areas	Maintenance Districts	Flood Control District
Assets				
Cash and investments:				
Pooled	\$ 1,242,592	\$ 8,237,549	\$ 12,844,234	\$ 4,251,465
Accounts receivable	3,664	40,334	70,917	92,351
Taxes receivable	11,116	9,793	22,295	89,786
Interest receivable	5,703	42,043	60,292	22,104
Due from other agencies	-	-	-	6,785
Due from other funds	-	-	-	8,747
Total Assets	<u>\$ 1,263,075</u>	<u>\$ 8,329,719</u>	<u>\$ 12,997,738</u>	<u>\$ 4,471,238</u>
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	\$ -	\$ 142,706	\$ 403,368	\$ 213,710
Accrued payroll	-	-	-	-
Due to other funds	-	43,457	4,684	357,717
Advances from other funds	-	26,342	-	-
Total Liabilities	<u>-</u>	<u>212,505</u>	<u>408,052</u>	<u>571,427</u>
Deferred Inflows of resources:				
Unavailable revenue	7,925	25,147	37,951	76,699
Total deferred Inflows of Resources	<u>7,925</u>	<u>25,147</u>	<u>37,951</u>	<u>76,699</u>
Fund balances:				
Restricted	1,255,150	8,092,067	12,551,735	3,823,112
Unassigned	-	-	-	-
Total Fund Balances (deficit)	<u>1,255,150</u>	<u>8,092,067</u>	<u>12,551,735</u>	<u>3,823,112</u>
Total Liabilities, deferred Inflows of Resources and Fund Balances	<u>\$ 1,263,075</u>	<u>\$ 8,329,719</u>	<u>\$ 12,997,738</u>	<u>\$ 4,471,238</u>

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL DISTRICTS GOVERNED BY
THE BOARD OF SUPERVISORS – SPECIAL REVENUE FUNDS
JUNE 30, 2018**

Water District	North Eastern San Joaquin Ground Water Banking Authority	Eastern San Joaquin Ground Water Banking Authority	Mokelumne Water and Power Authority	Improvement Districts	IHSS Public Authority	Total
\$ 274,153	\$ 183,011	\$ 437,059	\$ 694,618	\$ 129,765	\$ 736,754	\$ 29,031,200
5,948	-	-	-	-	1,475	214,689
101	-	-	-	-	-	133,091
1,204	756	2,088	2,964	537	-	137,691
-	-	34,992	-	-	-	41,777
-	-	-	-	-	-	8,747
<u>\$ 281,406</u>	<u>\$ 183,767</u>	<u>\$ 474,139</u>	<u>\$ 697,582</u>	<u>\$ 130,302</u>	<u>\$ 738,229</u>	<u>\$ 29,567,195</u>
\$ 12,112	\$ -	\$ 198,157	\$ 7,144	\$ -	\$ 870,693	\$ 1,847,890
-	-	-	-	-	10,662	10,662
266	-	-	2,886	-	648	409,658
-	516,328	-	3,017,963	-	-	3,560,633
<u>12,378</u>	<u>516,328</u>	<u>198,157</u>	<u>3,027,993</u>	<u>-</u>	<u>882,003</u>	<u>5,828,843</u>
<u>4,745</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>152,467</u>
<u>4,745</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>152,467</u>
264,283	-	275,982	-	130,302	-	26,392,631
-	(332,561)	-	(2,330,411)	-	(143,774)	(2,806,746)
<u>264,283</u>	<u>(332,561)</u>	<u>275,982</u>	<u>(2,330,411)</u>	<u>130,302</u>	<u>(143,774)</u>	<u>23,585,885</u>
<u>\$ 281,406</u>	<u>\$ 183,767</u>	<u>\$ 474,139</u>	<u>\$ 697,582</u>	<u>\$ 130,302</u>	<u>\$ 738,229</u>	<u>\$ 29,567,195</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, 2018**

	<u>Lighting Districts</u>	<u>Service Areas</u>	<u>Maintenance Districts</u>	<u>Flood Control District</u>
Revenues:				
Taxes	\$ 237,007	\$ 208,226	\$ 483,154	\$ 1,928,718
Revenue from use of money and property	8,707	93,250	93,947	34,434
Aid from other governmental agencies	2,035	1,788	4,047	72,058
Charges for services	285,512	3,902,480	7,939,763	4,638,508
Other revenues	-	43,251	12,235	202,223
Total Revenues	<u>533,261</u>	<u>4,248,995</u>	<u>8,533,146</u>	<u>6,875,941</u>
Expenditures:				
Current:				
Public protection	-	-	-	6,754,948
Public ways and facilities	435,378	3,498,490	7,842,513	-
Public assistance	-	-	-	-
Parks and recreation	-	199,822	-	-
Capital outlay	-	111,701	150,640	124,487
Debt service:				
Interest and fiscal charges	-	1,406	-	-
Total Expenditures	<u>435,378</u>	<u>3,811,419</u>	<u>7,993,153</u>	<u>6,879,435</u>
Excess (deficiency) of revenues over (under) expenditures	<u>97,883</u>	<u>437,576</u>	<u>539,993</u>	<u>(3,494)</u>
Other financing sources (uses):				
Transfers in	-	70,000	109,640	-
Transfers out	-	-	-	-
Total Other Financing Sources (uses)	<u>-</u>	<u>70,000</u>	<u>109,640</u>	<u>-</u>
Net change in fund balances	97,883	507,576	649,633	(3,494)
Fund balances (deficit), beginning of year	1,157,267	6,165,806	11,902,102	3,826,606
Prior period adjustment	-	1,418,685	-	-
Fund balances (deficit), beginning of year, as restated	<u>1,157,267</u>	<u>7,584,491</u>	<u>11,902,102</u>	<u>3,826,606</u>
Fund balances (deficit), end of year	<u>\$ 1,255,150</u>	<u>\$ 8,092,067</u>	<u>\$ 12,551,735</u>	<u>\$ 3,823,112</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, 2018**

Water District	North Eastern San Joaquin Ground Water Banking Authority	Eastern San Joaquin Ground Water Banking Authority	Mokelumne Water and Power Authority	Improvement Districts	IHSS Public Authority	Total
\$ 2,210	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,859,315
829	5,310	(2,257)	6,132	915	(4,925)	236,342
18	-	604,992	-	-	5,773,876	6,458,814
116,247	-	-	-	-	-	16,882,510
-	-	-	-	-	140	257,849
<u>119,304</u>	<u>5,310</u>	<u>602,735</u>	<u>6,132</u>	<u>915</u>	<u>5,769,091</u>	<u>26,694,830</u>
-	-	-	-	-	-	6,754,948
97,788	366,078	326,753	102,163	-	-	12,669,163
-	-	-	-	-	5,821,818	5,821,818
-	-	-	-	-	-	199,822
-	-	-	-	-	-	386,828
-	7,159	-	41,845	-	-	50,410
<u>97,788</u>	<u>373,237</u>	<u>326,753</u>	<u>144,008</u>	<u>-</u>	<u>5,821,818</u>	<u>25,882,989</u>
21,516	(367,927)	275,982	(137,876)	915	(52,727)	811,841
75,000	-	-	-	-	-	254,640
-	-	-	-	-	-	-
<u>75,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>254,640</u>
96,516	(367,927)	275,982	(137,876)	915	(52,727)	1,066,481
167,767	35,366	-	(2,192,535)	129,387	(91,047)	21,100,719
-	-	-	-	-	-	1,418,685
<u>167,767</u>	<u>35,366</u>	<u>-</u>	<u>(2,192,535)</u>	<u>129,387</u>	<u>(91,047)</u>	<u>22,519,404</u>
<u>\$ 264,283</u>	<u>\$ (332,561)</u>	<u>\$ 275,982</u>	<u>\$ (2,330,411)</u>	<u>\$ 130,302</u>	<u>\$ (143,774)</u>	<u>\$ 23,585,885</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, 2018**

	County Administration Building	Maintenance District Shaded Terrace	Maintenance District Sunnyside	Total
Assets				
Cash and investments:				
Pooled	\$ -	\$ 11,227	\$ -	\$ 11,227
Imprest cash	-	-	-	-
Interest receivable	-	70	-	70
Receivables	-	378	-	378
Restricted assets:				
Restricted cash and investments	52,374	-	-	52,374
Other assets	-	-	-	-
Total Assets	<u>\$ 52,374</u>	<u>\$ 11,675</u>	<u>\$ -</u>	<u>\$ 64,049</u>
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted	52,374	11,675	-	64,049
Assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>52,374</u>	<u>11,675</u>	<u>-</u>	<u>64,049</u>
Total Liabilities, deferred Inflows of Resources and Fund Balances	<u>\$ 52,374</u>	<u>\$ 11,675</u>	<u>\$ -</u>	<u>\$ 64,049</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, 2018**

	County Administration Building	District Shaded Terrace	Maintenance District Sunnyside	Total
Revenues:				
Revenue from use of money and property	\$ 268,128	\$ 304	\$ 94	\$ 268,526
Charges for services	-	18,220	-	18,220
Total Revenues	268,128	18,524	94	286,746
Expenditures:				
Current:				
General Government	-	293	110	403
Debt service:				
Principal	-	6,000	76,900	82,900
Interest and fiscal charges	3,069,233	12,198	2,588	3,084,019
Payment to refunded bond escrow agent - reserve funds	8,503,283	-	-	8,503,283
Payment to refunded bond escrow agent - County contribution	5,510,000	-	-	5,510,000
Cost of issuance	1,226,914	-	-	1,226,914
Total Expenditures	18,309,430	18,491	79,598	18,407,519
Excess (deficiency) of revenues over (under) expenditures	(18,041,302)	33	(79,504)	(18,120,773)
Other financing sources (uses):				
Issuance of long term debt	79,865,000	-	-	79,865,000
issuance premium	15,550,343	-	-	15,550,343
Payment to Refunding Bond Escrow Agent	(94,188,428)	-	-	(94,188,428)
Transfers in	8,365,887	-	80,000	8,445,887
Transfers out	-	-	(9,640)	(9,640)
Total Other Financing Sources (uses)	9,592,802	-	70,360	9,663,162
Net change in fund balances	(8,448,500)	33	(9,144)	(8,457,611)
Fund balances, beginning of year	8,500,874	11,642	9,144	8,521,660
Fund balances, end of year	\$ 52,374	\$ 11,675	\$ -	\$ 64,049

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, 2018**

	<u>Courthouse Construction</u>	<u>Criminal Justice Construction</u>	<u>H.S.A. Capital Replacement</u>	<u>Airport East Construction</u>
Assets				
Cash and investments:				
Pooled	\$ 6,694,345	\$ 5,397,888	\$ 494,279	\$ 6,639,608
Accounts receivable	1,221	1,221	-	-
Interest receivable	27,712	22,169	22	-
Due from other funds	48,187	-	-	-
Total Assets	<u>\$ 6,771,465</u>	<u>\$ 5,421,278</u>	<u>\$ 494,301</u>	<u>\$ 6,639,608</u>
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 2,755
Advances from other funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,755</u>
Fund balances:				
Restricted	6,771,465	5,421,278	-	-
Assigned	-	-	494,301	6,636,853
Unassigned	-	-	-	-
Total Fund Balances (deficit)	<u>6,771,465</u>	<u>5,421,278</u>	<u>494,301</u>	<u>6,636,853</u>
Total Liabilities, deferred Inflows of Resources and Fund Balances	<u>\$ 6,771,465</u>	<u>\$ 5,421,278</u>	<u>\$ 494,301</u>	<u>\$ 6,639,608</u>

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET (Continued)
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2018**

<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>
\$ 46,761	\$ 794,172	\$ 484,014	\$ 20,551,067
-	-	-	2,442
328	3,293	2,010	55,534
-	-	-	48,187
<u>\$ 47,089</u>	<u>\$ 797,465</u>	<u>\$ 486,024</u>	<u>\$ 20,657,230</u>
\$ -	\$ -	\$ -	\$ 2,755
-	-	1,807,287	1,807,287
-	-	1,807,287	1,810,042
-	-	486,023	12,678,766
47,089	797,465	-	7,975,708
-	-	(1,807,286)	(1,807,286)
<u>47,089</u>	<u>797,465</u>	<u>(1,321,263)</u>	<u>18,847,188</u>
<u>\$ 47,089</u>	<u>\$ 797,465</u>	<u>\$ 486,024</u>	<u>\$ 20,657,230</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, 2018**

	Courthouse Construction	Criminal Justice Construction	H.S.A. Capital Replacement	Airport East Construction
Revenues:				
Fines, forfeitures, and penalties	\$ 487,877	\$ 346,727	\$ -	\$ -
Revenue from use of money and property	43,555	34,093	(5,699)	(44,238)
Charges for services	-	-	-	-
Total Revenues	<u>531,432</u>	<u>380,820</u>	<u>(5,699)</u>	<u>(44,238)</u>
Expenditures:				
Current:				
Public ways and facilities	-	-	-	47,968
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,968</u>
Excess (deficiency) of revenues over (under) expenditures	<u>531,432</u>	<u>380,820</u>	<u>(5,699)</u>	<u>(92,206)</u>
Other financing sources (uses):				
Transfers in	-	-	500,000	-
Transfers out	(149,901)	-	-	-
Total Other Financing Sources (uses)	<u>(149,901)</u>	<u>-</u>	<u>500,000</u>	<u>-</u>
Net change in fund balances	381,531	380,820	494,301	(92,206)
Fund balances (deficit), beginning of year	<u>6,389,934</u>	<u>5,040,458</u>	<u>-</u>	<u>6,729,059</u>
Fund balances (deficit), end of year	<u>\$ 6,771,465</u>	<u>\$ 5,421,278</u>	<u>\$ 494,301</u>	<u>\$ 6,636,853</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, 2018**

MG Golf Course Capital Improvement Trust	Public Health Construction	Special Districts Governed by the Board of Supervisors	Total
\$ -	\$ -	\$ -	\$ 834,604
1,109	8,997	(6,359)	31,458
<u>29,426</u>	<u>-</u>	<u>8,867</u>	<u>38,293</u>
<u>30,535</u>	<u>8,997</u>	<u>2,508</u>	<u>904,355</u>
-	-	-	47,968
<u>119,275</u>	<u>-</u>	<u>-</u>	<u>119,275</u>
<u>119,275</u>	<u>-</u>	<u>-</u>	<u>167,243</u>
<u>(88,740)</u>	<u>8,997</u>	<u>2,508</u>	<u>737,112</u>
-	-	-	500,000
<u>-</u>	<u>(541,000)</u>	<u>-</u>	<u>(690,901)</u>
<u>-</u>	<u>(541,000)</u>	<u>-</u>	<u>(190,901)</u>
(88,740)	(532,003)	2,508	546,211
<u>135,829</u>	<u>1,329,468</u>	<u>(1,323,771)</u>	<u>18,300,977</u>
<u>\$ 47,089</u>	<u>\$ 797,465</u>	<u>\$ (1,321,263)</u>	<u>\$ 18,847,188</u>

**COUNTY OF SAN JOAQUIN
COMBINING BALANCE SHEET
NONMAJOR SPECIAL DISTRICTS GOVERNED BY
THE BOARD OF SUPERVISORS – CAPITAL PROJECTS FUNDS
JUNE 30, 2018**

	<u>Improvement Districts</u>	<u>Maintenance Districts</u>	<u>County Service Areas</u>	<u>Total</u>
Assets				
Cash and investments:				
Pooled	\$ 484,013	\$ -	\$ 1	\$ 484,014
Interest receivable	2,010	-	-	2,010
Total Assets	<u>\$ 486,023</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 486,024</u>
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Advances from other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,807,287</u>	<u>\$ 1,807,287</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>1,807,287</u>	<u>1,807,287</u>
Fund balances:				
Restricted	486,023	-	-	486,023
Unassigned	-	-	(1,807,286)	(1,807,286)
Total Fund Balances (deficit)	<u>486,023</u>	<u>-</u>	<u>(1,807,286)</u>	<u>(1,321,263)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 486,023</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 486,024</u>

**COUNTY OF SAN JOAQUIN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL DISTRICTS GOVERNED BY
 THE BOARD OF SUPERVISORS – CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Improvement Districts</u>	<u>Maintenance Districts</u>	<u>County Service Areas</u>	<u>Total</u>
Revenues:				
Revenue from use of money and property	\$ 3,350	\$ (132)	\$ (9,577)	\$ (6,359)
Charges for services	8,867	-	-	8,867
Total Revenues	<u>12,217</u>	<u>(132)</u>	<u>(9,577)</u>	<u>2,508</u>
Expenditures:				
Current:				
Public ways and facilities	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,217</u>	<u>(132)</u>	<u>(9,577)</u>	<u>2,508</u>
Net change in fund balances	12,217	(132)	(9,577)	2,508
Fund balances (deficit), beginning of year	<u>473,806</u>	<u>132</u>	<u>(1,797,709)</u>	<u>(1,323,771)</u>
Fund balances (deficit), end of year	<u>\$ 486,023</u>	<u>\$ -</u>	<u>\$ (1,807,286)</u>	<u>\$ (1,321,263)</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, 2018**

	Fleet Services	Office Automation	Central Telephone	Radio Communications	Southern Water System
Assets					
Current assets:					
Cash and investments:					
Pooled	\$ 14,714,217	\$ 322,190	\$ 554,511	\$ 492,726	\$ 534,640
Imprest	40	-	-	-	-
Prepaid expenses	-	40,130	-	24,667	-
Accounts receivable, net	165,232	642	5,969	866	-
Interest receivable	63,694	1,736	2,195	832	2,220
Due from other funds	966,015	138,258	385,537	56,387	-
Inventories	668,915	-	15,000	-	-
Total Current Assets	<u>16,578,113</u>	<u>502,956</u>	<u>963,212</u>	<u>575,478</u>	<u>536,860</u>
Noncurrent assets:					
Capital assets:					
Non-depreciable	-	-	-	-	17,481
Depreciable, net	11,976,516	3,644,291	2,365,315	6,841,541	-
Total Noncurrent Assets	<u>11,976,516</u>	<u>3,644,291</u>	<u>2,365,315</u>	<u>6,841,541</u>	<u>17,481</u>
Total Assets	<u>28,554,629</u>	<u>4,147,247</u>	<u>3,328,527</u>	<u>7,417,019</u>	<u>554,341</u>
Deferred outflows of resources:					
Deferred outflows related to OPEB	47,914	-	19,438	-	-
Deferred outflows related to pensions	1,322,296	-	497,171	-	-
Total deferred Outflows of Resources	<u>1,370,210</u>	<u>-</u>	<u>516,609</u>	<u>-</u>	<u>-</u>
Liabilities					
Current liabilities:					
Accounts payable	582,425	356,269	239,839	97,739	-
Accrued payroll	56,005	-	32,757	-	-
Due to other funds	4,631	6,267	58,476	26,978	-
Interest payable	314	8,010	4,096	13,946	-
Current portion:					
Notes payable	-	-	-	-	-
Capital leases	164,951	1,395,298	334,131	979,062	-
Compensated absences	227,930	-	117,059	-	-
Total Current Liabilities	<u>1,036,256</u>	<u>1,765,844</u>	<u>786,358</u>	<u>1,117,725</u>	<u>-</u>
Noncurrent liabilities:					
Notes payable	-	-	-	-	-
Capital leases	17,326	2,276,331	1,526,879	3,082,751	-
Compensated absences	(5,370)	-	8,172	-	-
Claims liability	-	-	-	-	-
Net pension liability	6,560,425	-	3,343,978	-	-
Total OPEB liability	861,178	-	298,595	-	-
Total Noncurrent Liabilities	<u>7,433,559</u>	<u>2,276,331</u>	<u>5,177,624</u>	<u>3,082,751</u>	<u>-</u>
Total Liabilities	<u>8,469,815</u>	<u>4,042,175</u>	<u>5,963,982</u>	<u>4,200,476</u>	<u>-</u>
Deferred inflows of resources:					
Deferred inflows related to OPEB	29,516	-	11,975	-	-
Deferred inflows related to pensions	88,144	-	78,211	-	-
Total deferred Inflows of Resources	<u>117,660</u>	<u>-</u>	<u>90,186</u>	<u>-</u>	<u>-</u>
Net position					
Net investment in capital assets	11,794,239	(27,338)	504,305	2,779,728	17,481
Unrestricted	9,543,125	132,410	(2,713,337)	436,815	536,860
Total Net Position (Deficit)	<u>\$ 21,337,364</u>	<u>\$ 105,072</u>	<u>\$ (2,209,032)</u>	<u>\$ 3,216,543</u>	<u>\$ 554,341</u>

**COUNTY OF SAN JOAQUIN
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION (Continued)
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

<u>Purchasing</u>	<u>Health Insurance</u>	<u>Dental Insurance</u>	<u>Medical Malpractice Insurance</u>	<u>Casualty Insurance</u>	<u>Worker's Compensation Insurance</u>	<u>Unemployment Insurance</u>	<u>Total</u>
\$ 1,346,582	\$ 15,934,896	\$ 4,350,868	\$ 10,249,295	\$ 18,849,934	\$ 41,726,258	\$ 5,329,881	\$ 114,405,998
-	-	-	-	-	-	-	40
-	-	-	-	-	250,000	-	314,797
6,475	1,262,495	94,229	-	19	17,124	11,894	1,564,945
6,713	76,575	18,600	43,845	85,273	185,173	21,806	508,662
41,620	-	-	-	-	-	-	1,587,817
-	-	-	-	-	-	-	683,915
<u>1,401,390</u>	<u>17,273,966</u>	<u>4,463,697</u>	<u>10,293,140</u>	<u>18,935,226</u>	<u>42,178,555</u>	<u>5,363,581</u>	<u>119,066,174</u>
-	-	-	-	-	-	-	17,481
-	-	-	-	-	-	-	24,827,663
-	-	-	-	-	-	-	24,845,144
<u>1,401,390</u>	<u>17,273,966</u>	<u>4,463,697</u>	<u>10,293,140</u>	<u>18,935,226</u>	<u>42,178,555</u>	<u>5,363,581</u>	<u>143,911,318</u>
-	-	-	-	-	-	-	67,352
-	-	-	-	-	-	-	1,819,467
-	-	-	-	-	-	-	1,886,819
907,270	2,591,164	452,922	135,583	656,704	392,755	-	6,412,670
-	-	-	-	-	-	-	88,762
-	-	-	-	-	-	-	96,352
-	-	-	-	48,033	-	-	74,399
-	-	-	-	79,715	-	-	79,715
-	-	-	-	-	-	-	2,873,442
-	-	-	-	-	-	-	344,989
<u>907,270</u>	<u>2,591,164</u>	<u>452,922</u>	<u>135,583</u>	<u>784,452</u>	<u>392,755</u>	<u>-</u>	<u>9,970,329</u>
-	-	-	-	1,138,891	-	-	1,138,891
-	-	-	-	-	-	-	6,903,287
-	-	-	-	-	-	-	2,802
-	6,399,939	274,605	4,952,000	14,296,000	35,030,000	211,789	61,164,333
-	-	-	-	-	-	-	9,904,403
-	-	-	-	-	-	-	1,159,773
-	<u>6,399,939</u>	<u>274,605</u>	<u>4,952,000</u>	<u>15,434,891</u>	<u>35,030,000</u>	<u>211,789</u>	<u>80,273,489</u>
<u>907,270</u>	<u>8,991,103</u>	<u>727,527</u>	<u>5,087,583</u>	<u>16,219,343</u>	<u>35,422,755</u>	<u>211,789</u>	<u>90,243,818</u>
-	-	-	-	-	-	-	41,491
-	-	-	-	-	-	-	166,355
-	-	-	-	-	-	-	207,846
-	-	-	-	-	-	-	15,068,415
494,120	8,282,863	3,736,170	5,205,557	2,715,883	6,755,800	5,151,792	40,278,058
<u>\$ 494,120</u>	<u>\$ 8,282,863</u>	<u>\$ 3,736,170</u>	<u>\$ 5,205,557</u>	<u>\$ 2,715,883</u>	<u>\$ 6,755,800</u>	<u>\$ 5,151,792</u>	<u>\$ 55,346,473</u>

**COUNTY OF SAN JOAQUIN
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION (Continued)
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	<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:	\$ 1,183,014	\$ 209,420	\$ 5,187,881	\$ 2,476,676	\$ -
Concessions and rentals	9,666,445	1,705,917	358,434	33,118	-
Miscellaneous	218,764	-	2	-	-
Total operating revenues	<u>11,068,223</u>	<u>1,915,337</u>	<u>5,546,317</u>	<u>2,509,794</u>	<u>-</u>
Operating expenses:					
Salaries and benefits	3,780,161	-	200,855	-	-
Services and supplies	5,180,949	529,790	5,126,850	1,654,700	-
Liability claims and loss adjustments	-	-	-	-	-
Insurance	342,981	26	7,522	615	-
Depreciation and amortization	2,368,275	1,010,242	398,920	1,506,983	-
Miscellaneous	11,105	-	-	-	-
Total operating expenses	<u>11,683,471</u>	<u>1,540,058</u>	<u>5,734,147</u>	<u>3,162,298</u>	<u>-</u>
Operating income (loss)	<u>(615,248)</u>	<u>375,279</u>	<u>(187,830)</u>	<u>(652,504)</u>	<u>-</u>
Nonoperating revenues (expenses):					
Gain (loss) on sale of asset	127,632	-	-	-	-
Interest income	130,210	2,367	306	6,381	7,285
Interest expense	(8,535)	(82,697)	(33,548)	(114,295)	(3,867)
Insurance recovery	87,040	-	-	-	-
Total nonoperating revenues (expenses)	<u>336,347</u>	<u>(80,330)</u>	<u>(33,242)</u>	<u>(107,914)</u>	<u>3,418</u>
Income (loss) before contributions and transfers	(278,901)	294,949	(221,072)	(760,418)	3,418
Contributions - Capital grants	60,082	-	-	-	-
Transfers in	-	-	-	-	-
Change in net position	(218,819)	294,949	(221,072)	(760,418)	3,418
Net position, beginning of year	21,798,465	(189,877)	(1,895,330)	3,976,961	550,923
Prior period adjustments	<u>(242,282)</u>	<u>-</u>	<u>(92,630)</u>	<u>-</u>	<u>-</u>
Total net position (deficit), beginning of year, as restated	<u>21,556,183</u>	<u>(189,877)</u>	<u>(1,987,960)</u>	<u>3,976,961</u>	<u>550,923</u>
Total net position (deficit), end of year	<u>\$ 21,337,364</u>	<u>\$ 105,072</u>	<u>\$ (2,209,032)</u>	<u>\$ 3,216,543</u>	<u>\$ 554,341</u>

**COUNTY OF SAN JOAQUIN
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION (Continued)
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

<u>Purchasing</u>	<u>Health Insurance</u>	<u>Dental Insurance</u>	<u>Medical Malpractice Insurance</u>	<u>Casualty Insurance</u>	<u>Worker's Compensation Insurance</u>	<u>Unemployment Insurance</u>	<u>Total</u>
\$ 7,014,197	\$ 34,465,743	\$ 5,510,364	\$ 1,500,000	\$ 6,250,000	\$ 8,100,000	\$ 720,422	\$ 72,617,717
-	-	-	-	-	-	-	11,763,914
341,993	278,148	-	-	157,783	199,409	-	1,196,099
<u>7,356,190</u>	<u>34,743,891</u>	<u>5,510,364</u>	<u>1,500,000</u>	<u>6,407,783</u>	<u>8,299,409</u>	<u>720,422</u>	<u>85,577,730</u>
-	-	-	-	-	-	-	3,981,016
7,372,223	1,229,774	143,752	385,831	1,952,874	1,241,596	1,827	24,820,166
-	42,764,730	5,482,601	1,682,981	6,778,814	13,334,331	1,313,121	71,356,578
-	2,947,679	-	1,183,048	2,391,209	1,534,243	-	8,407,323
-	-	-	-	-	-	-	5,284,420
-	-	-	-	15,085	10,777	-	36,967
<u>7,372,223</u>	<u>46,942,183</u>	<u>5,626,353</u>	<u>3,251,860</u>	<u>11,137,982</u>	<u>16,120,947</u>	<u>1,314,948</u>	<u>113,886,470</u>
<u>(16,033)</u>	<u>(12,198,292)</u>	<u>(115,989)</u>	<u>(1,751,860)</u>	<u>(4,730,199)</u>	<u>(7,821,538)</u>	<u>(594,526)</u>	<u>(28,308,740)</u>
-	-	-	-	-	-	-	127,632
16,033	280,217	34,901	94,423	129,601	414,466	43,979	1,160,169
-	-	-	-	(52,674)	-	-	(295,616)
-	-	-	-	-	-	-	87,040
<u>16,033</u>	<u>280,217</u>	<u>34,901</u>	<u>94,423</u>	<u>76,927</u>	<u>414,466</u>	<u>43,979</u>	<u>1,079,225</u>
-	(11,918,075)	(81,088)	(1,657,437)	(4,653,272)	(7,407,072)	(550,547)	(27,229,515)
-	-	-	-	-	-	-	60,082
<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
10,000	(11,918,075)	(81,088)	(1,657,437)	(4,653,272)	(7,407,072)	(550,547)	(27,159,433)
484,120	20,200,938	3,817,258	6,862,994	7,369,155	14,162,872	5,702,339	82,840,818
-	-	-	-	-	-	-	(334,912)
<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>82,505,906</u>
<u>\$ 494,120</u>	<u>\$ 8,282,863</u>	<u>\$ 3,736,170</u>	<u>\$ 5,205,557</u>	<u>\$ 2,715,883</u>	<u>\$ 6,755,800</u>	<u>\$ 5,151,792</u>	<u>\$ 55,346,473</u>

**COUNTY OF SAN JOAQUIN
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	<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	\$ 10,740,222	\$ 1,823,634	\$ 5,514,021	\$ 2,453,374	\$ 52,426
Cash payments to suppliers for goods and services	(4,541,243)	(406,035)	(2,638,951)	(1,553,290)	-
Cash payments to other departments for goods and services	(952,360)	(142,199)	(739,408)	(347,969)	-
Cash payments to employees for services	(3,407,732)	-	(1,889,550)	-	-
Other operating revenues	218,764	79,495	-	-	-
Net cash provided by (used for) operating activities	<u>2,057,651</u>	<u>1,354,895</u>	<u>246,112</u>	<u>552,115</u>	<u>52,426</u>
Cash flows from noncapital financing activities:					
Transfers in	-	-	-	-	-
State and Federal grant receipts	60,082	-	-	-	-
Loan repayment or borrowing	-	-	-	-	-
Net cash provided by (used for) noncapital financing activities	<u>60,082</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(3,116,801)	-	-	(48,937)	-
Insurance recovery	87,040	-	-	-	-
Proceeds from sale of property and equipment	126,777	-	-	-	-
Principal payment on debts	(322,209)	(1,268,672)	(193,940)	(910,824)	-
Interest payments on debts	(9,180)	(83,488)	(33,235)	(110,135)	-
Net cash provided by (used for) capital and related financing activities	<u>(3,234,373)</u>	<u>(1,352,160)</u>	<u>(227,175)</u>	<u>(1,069,896)</u>	<u>-</u>
Cash flows from investing activities:					
Interest on investments and note receivable	107,892	1,277	(501)	7,198	2,577
Net increase (decrease) in cash and cash equivalents	(1,008,748)	4,012	18,436	(510,583)	55,003
Cash and cash equivalents, beginning of year	15,723,005	318,178	536,075	1,003,309	479,637
Cash and cash equivalents, end of year	<u>\$ 14,714,257</u>	<u>\$ 322,190</u>	<u>\$ 554,511</u>	<u>\$ 492,726</u>	<u>\$ 534,640</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ (615,248)	\$ 375,279	\$ (187,830)	\$ (652,504)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation/amortization expense	2,368,275	1,010,242	398,920	1,506,983	-
(Increase) / decrease in receivables	(109,237)	(12,208)	(32,296)	(56,420)	52,426
(Increase) / decrease in prepaid expenses	-	-	-	(24,667)	-
(Increase) / decrease in inventories	(82,053)	-	-	-	-
Increase / (decrease) in payables	495,914	(18,418)	67,318	(221,277)	-
Increase / (decrease) in claims liabilities	-	-	-	-	-
Net cash provided by (used for) operating activities	<u>\$ 2,057,651</u>	<u>\$ 1,354,895</u>	<u>\$ 246,112</u>	<u>\$ 552,115</u>	<u>\$ 52,426</u>
Noncash investing, capital and financing activities:					
Lease agreements	\$ -	\$ 2,280,239	\$ 982,429	\$ 1,010,704	\$ -

**COUNTY OF SAN JOAQUIN
STATEMENT OF CASH FLOWS (Continued)
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

<u>Purchasing</u>	<u>Health Insurance</u>	<u>Dental Insurance</u>	<u>Medical Malpractice Insurance</u>	<u>Casualty Insurance</u>	<u>Worker's Compensation Insurance</u>	<u>Unemployment Insurance</u>	<u>Total</u>
\$ 7,378,036	\$ 34,135,654	\$ 5,493,868	\$ 1,500,000	\$ 6,250,000	\$ 8,100,000	\$ 727,393	\$ 84,168,628
(7,135,028)	(53,271,278)	(5,541,982)	(2,479,726)	(6,021,254)	(12,704,821)	(1,375,689)	(97,669,297)
(795,924)	(1,004,355)	(143,752)	(284,211)	(1,164,875)	(1,600,963)	404	(7,175,612)
-	-	-	-	-	-	-	(5,297,282)
-	6,105,404	-	-	265,587	190,883	-	6,860,133
<u>(552,916)</u>	<u>(14,034,575)</u>	<u>(191,866)</u>	<u>(1,263,937)</u>	<u>(670,542)</u>	<u>(6,014,901)</u>	<u>(647,892)</u>	<u>(19,113,430)</u>
10,000	-	-	-	-	-	-	10,000
-	-	-	-	-	-	-	60,082
-	-	-	-	(649,415)	-	-	(649,415)
<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(649,415)</u>	<u>-</u>	<u>-</u>	<u>(579,333)</u>
-	-	-	-	-	-	-	(3,165,738)
-	-	-	-	-	-	-	87,040
-	-	-	-	-	-	-	126,777
-	-	-	-	(76,429)	-	-	(2,772,074)
-	-	-	-	(55,686)	-	-	(291,724)
-	-	-	-	(132,115)	-	-	(6,015,719)
14,103	284,655	28,238	81,413	100,197	357,340	37,400	1,021,789
(528,813)	(13,749,920)	(163,628)	(1,182,524)	(1,351,875)	(5,657,561)	(610,492)	(24,686,693)
1,875,395	29,684,816	4,514,496	11,431,819	20,201,809	47,383,819	5,940,373	139,092,731
<u>\$ 1,346,582</u>	<u>\$ 15,934,896</u>	<u>\$ 4,350,868</u>	<u>\$ 10,249,295</u>	<u>\$ 18,849,934</u>	<u>\$ 41,726,258</u>	<u>\$ 5,329,881</u>	<u>\$ 114,406,038</u>
\$ (16,033)	\$ (12,198,292)	\$ (115,989)	\$ (1,751,860)	\$ (4,730,199)	\$ (7,821,538)	\$ (594,526)	\$ (28,308,740)
-	-	-	-	-	-	-	5,284,420
17,304	(779,274)	(16,496)	-	107,785	(8,526)	6,971	(829,971)
-	-	-	-	-	-	-	(24,667)
-	-	-	-	-	-	-	(82,053)
(554,187)	(1,351,806)	(55,028)	24,923	201,872	104,163	-	(1,306,526)
-	294,797	(4,353)	463,000	3,750,000	1,711,000	(60,337)	6,154,107
<u>\$ (552,916)</u>	<u>\$ (14,034,575)</u>	<u>\$ (191,866)</u>	<u>\$ (1,263,937)</u>	<u>\$ (670,542)</u>	<u>\$ (6,014,901)</u>	<u>\$ (647,892)</u>	<u>\$ (19,113,430)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,273,372

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, 2018**

<u>Assessment District Fund</u>	<u>Balance Beginning of Fiscal Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Fiscal Year</u>
Assets				
Cash and investments - pooled	\$ 48,243,943	\$ 626,354,933	\$ 625,396,694	\$ 49,202,182
Cash and investments held by others	4,043,799	29,032,771	28,932,784	4,143,786
Loans receivable	-	-	-	-
Other receivables	27,825,217	18,991,933	27,825,217	18,991,933
Other assets	3,338	3,338	3,338	3,338
Total Assets	<u>\$ 80,116,297</u>	<u>\$ 674,382,975</u>	<u>\$ 682,158,033</u>	<u>\$ 72,341,239</u>
Liabilities				
Accounts payable	\$ 26,757,676	\$ 20,816,142	\$ 26,757,676	\$ 20,816,142
Loans payable	20,000	-	-	20,000
Due to bondholders	53,338,621	668,483,882	670,317,406	51,505,097
Total Liabilities	<u>\$ 80,116,297</u>	<u>\$ 689,300,024</u>	<u>\$ 697,075,082</u>	<u>\$ 72,341,239</u>

**STATISTICAL SECTION –
FINANCIAL ONLY**

**COUNTY OF SAN JOAQUIN
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
FOR THE YEAR ENDED JUNE 30, 2018**

	2017-18	2016-17	2015-16	2014-15
Expenses:				
Governmental activities:				
General government	\$ 96,414,807	\$ 63,018,341	\$ 49,918,281	\$ 44,119,254
Public protection	357,099,707	360,538,096	345,476,305	312,319,279
Public ways and facilities	47,953,237	53,695,174	47,127,584	50,196,703
Community infrastructure program	2,426,853	-	-	-
Health and sanitation	208,564,226	193,539,758	154,530,839	159,487,254
Public assistance	396,572,441	383,285,382	385,943,253	385,698,364
Education	6,944,605	5,297,276	7,179,454	6,320,057
Recreation and culture	6,515,982	7,481,899	7,379,067	7,207,270
Interest on long-term debt	3,478,816	5,923,999	6,083,251	6,332,101
Total governmental activities expenses	1,125,970,674	1,072,779,925	1,003,638,034	971,680,282
Business-type activities:				
Solid Waste	26,756,326	28,754,059	20,263,809	17,431,399
Hospital	382,406,015	331,413,438	283,324,566	244,964,002
Airport	5,471,043	4,794,758	4,898,600	4,609,485
CSA 31 - Flag City	1,317,553	-	-	-
Total Business-type Activities Expenses	415,950,937	364,962,255	308,486,975	267,004,886
Total Primary Government Expenses	1,541,921,611	1,437,742,180	1,312,125,009	1,238,685,168
Program Revenues:				
Governmental activities:				
Charges for services				
General government	34,005,460	27,326,551	18,571,496	16,701,740
Public protection	45,754,946	42,932,095	45,619,618	42,655,237
Public ways and facilities	14,243,483	15,206,628	14,114,982	13,322,768
Community infrastructure program	3,847,291	2,152,408	921,050	1,861,840
Health & sanitation	71,169,535	68,877,673	68,382,810	60,648,994
Children & families act program	-	-	-	5,665
Public assistance	1,183,021	1,078,644	1,056,042	1,424,032
Education	110,091	236,659	463,913	288,385
Recreation and culture	2,408,268	2,318,728	2,478,973	2,438,641
Operating grants and contribution	646,393,985	618,757,138	584,689,938	615,371,916
Capital grants and contribution	25,763,426	5,932,920	6,221,372	8,108,454
Total Governmental Activities Revenues	844,879,506	784,819,444	742,520,194	762,827,672
Business-type activities:				
Charges for services				
Solid Waste	31,464,024	28,701,130	24,528,973	21,523,626
Hospital	376,393,539	359,381,771	260,628,848	318,448,623
Airport	3,945,657	4,137,658	2,480,868	2,208,655
CSA 31 - Flag City	1,371,972	-	-	-
Operating grants and contribution	655,749	372,862	633,507	321,377
Capital grants and contribution	4,564,006	3,071,900	978,749	4,443,668
Total Business-type Activities Revenues	418,394,947	395,665,321	289,250,945	346,945,949
Total Primary Government Revenues	1,263,274,453	1,180,484,765	1,031,771,139	1,109,773,621
Net(expense)/revenue:				
Governmental activities	(281,091,168)	(287,960,481)	(261,117,840)	(208,852,610)
Business-type activities	2,444,010	30,703,066	(19,236,030)	79,941,063
Total Primary Government Net Expense	\$ (278,647,158)	\$ (257,257,415)	\$ (280,353,870)	\$ (128,911,547)

2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
\$ 40,145,573	\$ 38,900,374	\$ 30,511,256	\$ 27,299,881	\$ 31,744,678	\$ 38,743,985
288,441,086	284,684,621	282,264,243	279,598,113	297,252,562	303,010,545
46,689,698	46,045,758	45,940,486	43,102,885	45,259,734	41,407,882
-	-	-	-	-	-
148,701,302	131,895,213	124,500,788	120,331,660	123,196,211	135,808,377
346,006,741	328,782,573	331,193,491	351,331,147	355,702,274	344,216,452
5,796,673	5,466,702	6,026,990	6,055,394	5,921,627	6,724,552
7,353,381	6,068,176	7,145,530	9,054,852	9,956,704	9,069,181
8,103,411	7,262,275	7,076,149	7,506,293	7,311,782	8,424,991
891,237,865	849,105,692	834,658,933	844,280,225	876,345,572	887,405,965
19,959,897	19,261,618	20,149,471	16,373,498	19,748,649	20,980,240
231,019,266	218,810,095	220,561,110	206,416,196	204,730,696	203,675,658
4,225,330	3,958,205	3,827,559	4,304,072	4,024,516	3,813,218
-	-	-	-	-	-
255,204,493	242,029,918	244,538,140	227,093,766	228,503,861	228,469,116
1,146,442,358	1,091,135,610	1,079,197,073	1,071,373,991	1,104,849,433	1,115,875,081
16,110,539	18,713,432	14,987,471	17,166,522	16,002,101	20,891,343
42,130,757	36,530,250	33,921,623	42,841,343	44,575,946	46,309,079
12,920,671	12,355,712	12,070,414	11,088,079	10,876,151	10,333,240
2,437,929	2,327,150	2,880,231	1,194,635	933,701	1,344,892
46,529,972	44,996,442	40,191,296	36,338,946	38,321,000	34,934,714
2,958	-	1,220	975	750	574
1,574,045	1,556,354	1,756,149	1,152,025	2,775,286	2,166,674
149,422	125,154	165,905	250,865	297,122	274,717
2,357,105	2,232,119	2,459,005	2,219,648	2,293,085	1,885,727
572,068,307	553,220,285	504,564,328	531,236,543	524,926,700	481,756,701
2,998,899	5,917,695	6,029,847	11,548,756	17,920,366	21,311,899
699,280,604	677,974,593	619,027,489	655,038,337	658,922,208	621,209,560
20,028,217	18,938,096	18,211,174	18,459,508	17,316,220	16,274,245
251,158,643	211,715,269	199,321,051	219,637,752	171,129,885	169,748,603
1,782,589	1,659,160	1,717,973	1,856,887	1,715,024	1,576,065
-	-	-	-	-	-
257,212	278,645	1,454,441	5,475,622	788,008	974,955
8,603	276,796	-	-	-	-
273,235,264	232,867,966	220,704,639	245,429,769	190,949,137	188,573,868
972,515,868	910,842,559	839,732,128	900,468,106	849,871,345	809,783,428
(191,957,261)	(171,131,099)	(215,631,444)	(189,241,888)	(217,423,364)	(266,196,405)
18,030,771	(9,161,952)	(23,833,501)	18,336,003	(37,554,724)	(39,895,248)
\$ (173,926,490)	\$ (180,293,051)	\$ (239,464,945)	\$ (170,905,885)	\$ (254,978,088)	\$ (306,091,653)

**COUNTY OF SAN JOAQUIN
CHANGES IN NET POSITION (Continued)
LAST TEN FISCAL YEARS
FOR THE YEAR ENDED JUNE 30, 2018**

	2017-18	2016-17	2015-16	2014-15
General revenues and other changes in net position:				
Governmental activities:				
Property taxes	\$ 258,313,614	\$ 233,277,751	\$ 229,416,359	\$ 187,329,552
Sales taxes	36,670,361	37,807,012	35,938,618	32,951,657
Motor vehicle and other in lieu taxes	4,306,971	4,331,282	4,055,867	3,835,878
Tobacco settlement proceeds	7,252,879	6,075,129	5,906,995	5,973,943
Franchise and other taxes	4,111,951	3,320,046	3,411,025	3,311,445
Investment earnings	9,354,604	4,770,199	6,610,963	3,617,995
Miscellaneous	2,846,408	3,156,540	3,173,467	3,134,692
Transfers	29,867,804	(10,690,177)	(13,755,900)	(16,245,774)
Prior period adjustments (1)	(26,395,402)	-	46,035,339	(904,616,146)
Total Governmental Activities	326,329,190	282,047,782	320,792,733	(680,706,758)
Business-type activities				
Property taxes	-	-	378,082	439,265
Investment earnings	1,335,677	1,867,132	1,127,677	449,516
Other	42,622,949	-	54,323,571	-
Transfers	(29,867,804)	10,690,177	13,755,900	16,245,774
Prior period adjustments (2)	(12,952,033)	(15,083,115)	4,110,684	(200,711,082)
Total Business-type Activities	1,138,789	(2,525,806)	73,695,914	(183,576,527)
Total Primary Government	\$ 327,467,979	\$ 279,521,976	\$ 394,488,647	\$ (864,283,285)
Changes in net position:				
Governmental activities	\$ 45,238,022	\$ (5,912,699)	\$ 32,740,789	\$ (954,053,903)
Business-type activities	3,582,799	28,177,260	56,315,612	(192,914,432)
Total Primary Government	\$ 48,820,821	\$ 22,264,561	\$ 89,056,401	\$ (1,146,968,335)

(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.

(1) & (2) = 2017-18 - Reflect primarily the implementation of GASB 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" and the reclassification of CSA 31 - Flag City to an enterprise fund.

	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
\$	190,657,357	\$ 194,307,507	\$ 181,691,758	\$ 197,588,751	\$ 194,019,051	\$ 228,875,556
	30,750,927	25,582,091	25,234,396	22,201,894	21,314,504	22,034,677
	3,009,443	3,315,816	3,085,571	4,209,020	2,742,578	4,383,463
	6,051,379	9,179,197	6,090,538	5,972,551	5,708,772	6,849,537
	5,662,160	5,461,138	4,921,777	2,477,535	4,950,211	5,440,246
	3,446,408	3,330,203	3,404,414	3,240,049	4,632,198	15,167,101
	1,136,688	2,748,878	179,010	854,293	80,523	(116,862)
	(15,422,000)	(16,484,352)	(21,219,699)	(18,439,088)	(31,217,716)	(26,006,773)
	(120,400)	26,165,848	-	-	3,615,017	(78,007,878)
	<u>225,171,962</u>	<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>
	452,344	404,271	440,546	412,356	495,249	624,866
	238,142	208,841	543,366	576,172	590,015	1,407,937
	-	-	-	-	-	-
	15,422,000	16,484,352	21,219,699	18,439,088	31,217,716	26,006,773
	1,954,370	-	-	-	(575,937)	23,575,078
	<u>18,066,856</u>	<u>17,097,464</u>	<u>22,203,611</u>	<u>19,427,616</u>	<u>31,727,043</u>	<u>51,614,654</u>
\$	<u>243,238,818</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>
\$	16,319,352	\$ 61,649,065	\$ 32,256,666	\$ 2,473,561	\$ 16,603,250	\$ (38,804,297)
	36,097,627	35,128,235	13,041,659	(4,405,885)	50,063,046	14,059,930
\$	<u>52,416,979</u>	<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>

**COUNTY OF SAN JOAQUIN
FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
AS OF JUNE 30, 2018**

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

	2017-18	2016-17	2015-16	2014-15
General fund:				
Nonspendable	\$ 5,412,937	\$ 6,694,357	\$ 6,967,694	\$ 7,643,013
Restricted	75,421,855	65,261,426	63,448,008	48,549,323
Committed	26,277,881	21,995,971	10,011,998	10,003,085
Assigned	81,151,649	62,581,180	39,901,829	31,497,014
Unassigned	112,180,659	86,825,065	92,364,415	101,867,252
Total General Fund	300,444,981	243,357,999	212,693,944	199,559,687
All Other Governmental Funds				
Nonspendable	1,709,392	1,831,158	1,616,154	1,759,290
Restricted	400,318,685	357,949,255	334,575,218	238,992,643
Assigned	80,266,551	80,266,551	81,466,303	76,886,985
Unassigned	(4,927,170)	(4,927,170)	(4,471,803)	(4,557,836)
Total All Other Governmental Funds	477,367,458	435,119,794	413,185,872	313,081,082
Total - All Governmental Funds	\$ 777,812,439	\$ 678,477,793	\$ 625,879,816	\$ 512,640,769

(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>
\$ 17,422,015	\$ 21,134,010
<u>71,115,787</u>	<u>71,447,235</u>
<u>88,537,802</u>	<u>92,581,245</u>
93,677,487	121,178,489
136,683,212	103,502,191
<u>23,212,463</u>	<u>12,060,452</u>
<u>253,573,162</u>	<u>236,741,132</u>
<u>\$ 342,110,964</u>	<u>\$ 329,322,377</u>

<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11 (1)</u>
\$ 7,484,489	\$ 7,700,730	\$ 7,898,238	\$ 8,094,729
43,080,110	37,762,674	35,416,191	35,245,339
10,003,085	10,003,085	10,003,085	10,006,276
25,806,721	18,458,934	14,497,524	29,889,700
<u>85,391,987</u>	<u>85,501,042</u>	<u>38,438,402</u>	<u>44,315,708</u>
<u>171,766,392</u>	<u>159,426,465</u>	<u>106,253,440</u>	<u>127,551,752</u>
1,669,154	1,607,496	1,498,955	1,491,076
216,181,366	201,341,318	185,975,884	177,632,988
65,338,370	57,659,447	58,718,682	69,136,987
<u>(4,210,127)</u>	<u>(4,056,889)</u>	<u>(4,193,090)</u>	<u>(3,092,040)</u>
<u>278,978,763</u>	<u>256,551,372</u>	<u>242,000,431</u>	<u>245,169,011</u>
<u>\$ 450,745,155</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, 2018**

	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
Debt Limit	\$ 902,493,927	\$ 845,897,094	\$ 801,117,815	\$ 754,692,239
Total net debt applicable to limit	-	-	-	-
Legal debt margin	902,493,927	845,897,094	801,117,815	754,692,239
 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>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>
\$ 692,834,021	\$ 659,393,352	\$ 659,802,311	\$ 685,383,938	\$ 647,943,721	\$ 730,992,679
-	-	-	-	-	-
692,834,021	659,393,352	659,802,311	685,383,938	647,943,721	730,992,679
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, 2018**

Governmental Activities

<u>Fiscal Year</u>	<u>Certificates of Participation</u>	<u>Capital Leases</u>	<u>Notes</u>
2018	\$ 79,865,000	\$ 9,839,916	\$ 1,450,606
2017	115,171,518	8,336,235	1,610,135
2016	118,508,505	6,967,892	1,690,313
2015	121,655,492	7,672,933	1,767,370
2014	124,657,479	7,551,166	1,841,430
2013	127,469,364	6,406,147	1,912,714
2012	129,912,106	4,669,946	1,980,134
2011	132,179,848	3,197,979	2,044,902
2010	134,282,591	3,628,394	2,834,859
2009	136,235,333	3,664,009	3,234,093

**COUNTY OF SAN JOAQUIN
RATIOS OF OUTSTANDING DEBT BY TYPE (Continued)
LAST TEN FISCAL YEARS
AS OF JUNE 30, 2018**

Fiscal Year	Business-Type Activities		
	Certificates of Participation / Revenue Bonds	Capital Leases	Notes
2018	\$ 27,542,216	\$ 752,192	\$ 91,715
2017	27,533,978	1,009,977	15,537
2016	35,534,774	664,506	26,564
2015	43,360,560	841,449	36,351
2014	51,721,834	555,367	45,036
2013	54,567,073	939,112	52,743
2012	69,089,415	1,038,467	59,583
2011	76,504,359	1,865,864	65,653
2010	83,449,303	1,221,660	71,040
2009	90,639,277	1,735,271	75,820

**COUNTY OF SAN JOAQUIN
RATIOS OF OUTSTANDING DEBT BY TYPE (Continued)
LAST TEN FISCAL YEARS
AS OF JUNE 30, 2018**

<u>Fiscal Year</u>	<u>Total Primary Government</u>	<u>Per Capita</u>	<u>Population</u>
2018	\$ 119,541,645	\$ 158	758,744
2017	153,677,380	206	746,868
2016	163,392,554	223	733,383
2015	175,334,155	244	719,511
2014	186,372,312	262	710,731
2013	191,347,153	272	703,919
2012	206,749,651	297	695,750
2011	215,858,605	311	693,589
2010	225,487,847	328	686,761
2009	235,583,803	342	689,480

**COUNTY OF SAN JOAQUIN
 PLEDGED-REVENUE COVERAGE
 LAST TEN FISCAL YEARS
 AS OF JUNE 30, 2018**

Fiscal Year	Wastewater Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2018	\$ 1,371,972	\$ 430,708	\$ 941,264	\$ -	\$ 526,160	1.79

**COUNTY OF SAN JOAQUIN
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN YEARS
AS OF JUNE 30, 2018**

	2017-18	2016-17	2015-16	2014-15
REVENUES				
Taxes	\$ 287,770,594	\$ 275,101,793	\$ 252,146,772	\$ 247,582,643
Licenses and permits	10,846,663	7,980,108	8,015,705	7,590,126
Fines, forfeits and penalties	9,818,005	12,694,533	13,209,993	11,828,420
Use of money and property	7,515,477	3,757,045	5,258,787	3,360,170
Aid from other governmental agencies	678,439,054	641,598,608	600,641,614	642,720,971
Charges for services	145,118,800	127,061,719	124,528,292	113,776,069
Miscellaneous	15,458,222	13,086,132	13,508,016	11,129,327
Total Revenues	<u>1,154,966,815</u>	<u>1,081,279,938</u>	<u>1,017,309,179</u>	<u>1,037,987,726</u>
EXPENDITURES				
Current:				
General government	54,782,306	56,297,295	44,334,867	46,234,075
Public safety	337,098,745	319,821,432	303,198,198	294,376,805
Public ways and facilities	31,369,407	34,655,634	28,389,407	33,942,012
Community infrastructure	2,426,853			
Health & sanitation	191,040,791	178,226,120	141,857,452	157,673,353
Public assistance	389,124,754	371,023,833	371,191,938	378,902,622
Education	6,907,601	5,125,682	6,887,103	6,051,470
Recreation	5,768,241	5,903,386	5,265,902	5,342,397
Capital outlay	51,635,229	36,154,249	33,290,825	26,706,194
Debt service:				
Principal	156,946	3,339,201	3,171,745	3,104,997
Interest	3,137,250	5,783,337	5,935,543	6,085,105
Refunding escrow	15,240,197	-	-	-
Total Expenditures	<u>1,088,688,320</u>	<u>1,016,330,169</u>	<u>943,522,980</u>	<u>958,419,030</u>
Excess (deficiency) of revenues over (under) expenditures	<u>66,278,495</u>	<u>64,949,769</u>	<u>73,786,199</u>	<u>79,568,696</u>
OTHER FINANCING SOURCES(USES)				
Transfers in	76,390,660	41,685,433	54,520,424	41,738,981
Transfers out	(46,532,856)	(52,518,517)	(68,591,905)	(59,412,063)
Loan proceeds	-	-	-	-
Refunding bonds issued	79,865,000	-	-	-
Premium on refunding bonds issued	15,550,343	-	-	-
Payment to refunded bond escrow agent prior periods adjustment	(94,188,428)	-	-	-
Total Other Financing	<u>31,084,719</u>	<u>(10,833,084)</u>	<u>(14,071,481)</u>	<u>(17,673,082)</u>
Net change in fund balances	<u>\$ 97,363,214</u>	<u>\$ 54,116,685</u>	<u>\$ 59,714,718</u>	<u>\$ 61,895,614</u>

<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>
\$ 225,089,738	\$ 212,056,460	\$ 203,474,641	\$ 219,624,042	\$ 233,592,658	\$ 262,120,999
7,163,302	7,065,578	5,709,247	5,283,279	4,521,601	4,909,610
13,570,298	14,086,309	11,425,041	10,588,072	14,505,266	17,169,243
3,164,958	3,285,935	3,150,330	2,809,953	4,078,513	12,190,863
586,561,084	566,196,112	517,253,471	548,416,708	548,283,284	511,206,416
97,077,976	95,469,119	87,814,747	94,099,700	91,896,037	91,461,555
11,062,901	14,647,259	12,373,135	13,778,568	14,088,618	13,211,719
<u>943,690,257</u>	<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>
45,914,928	50,085,753	42,206,047	41,693,019	44,619,907	48,006,592
275,078,622	268,176,699	264,428,919	262,078,856	273,632,785	276,607,702
30,863,647	31,141,322	31,340,126	28,526,930	31,022,376	28,236,546
146,876,715	128,532,481	119,911,230	115,529,363	118,662,033	130,599,944
342,306,189	324,020,734	325,912,140	345,624,849	349,477,812	337,562,155
5,564,668	5,266,189	5,641,949	5,663,467	5,848,898	6,646,636
5,466,274	5,404,618	6,018,841	5,917,793	6,222,469	6,369,288
31,613,607	32,288,100	29,264,625	30,061,521	27,526,391	99,541,241
3,341,418	2,883,548	2,658,191	3,150,239	2,593,667	6,397,785
6,297,634	6,711,246	6,543,010	6,933,924	7,152,094	7,936,181
-	-	-	-	-	-
<u>893,323,702</u>	<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>50,366,555</u>	<u>58,296,082</u>	<u>7,275,534</u>	<u>49,420,361</u>	<u>44,207,545</u>	<u>(35,633,665)</u>
40,999,390	64,860,509	51,360,280	40,993,376	27,741,949	57,611,137
(56,478,391)	(81,598,473)	(83,152,495)	(59,983,964)	(62,264,688)	(84,143,865)
-	-	49,789	180,026	317,604	790,682
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(120,236)	-	-	-	-	-
<u>(15,599,237)</u>	<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>\$ 34,767,318</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>

**COUNTY OF SAN JOAQUIN
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
AS OF JUNE 30, 2018**

	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
Governmental activities				
Net Investment in Capital Assets	\$ 508,324,186	\$ 479,182,110	\$ 472,053,779	\$ 463,486,189
Restricted	514,926,510	467,736,953	452,087,897	257,513,902
Unrestricted	<u>(811,668,637)</u>	<u>(780,575,026)</u>	<u>(751,884,940)</u>	<u>(608,418,248)</u>
Total Governmental Activities Net Position	<u>211,582,059</u>	<u>166,344,037</u>	<u>172,256,736</u>	<u>112,581,843</u>
Business-type activities				
Net Investment in Capital Assets	141,119,606	108,594,961	82,290,076	67,100,975
Restricted	10,739,765	19,279,531	19,169,722	3,758,051
Unrestricted	<u>(37,433,504)</u>	<u>(17,031,424)</u>	<u>(18,793,990)</u>	<u>(42,653,102)</u>
Total Business-type Activities net Position	<u>114,425,867</u>	<u>110,843,068</u>	<u>82,655,808</u>	<u>28,205,924</u>
<u>Primary government</u>				
Net Investment in Capital Assets	649,443,792	587,777,071	554,343,855	530,587,164
Restricted	525,666,275	487,016,484	471,257,619	261,271,953
Unrestricted	<u>(849,102,141)</u>	<u>(797,606,450)</u>	<u>(770,678,930)</u>	<u>(651,071,350)</u>
Total Primary Government Net Position	<u>\$ 326,007,926</u>	<u>\$ 277,187,105</u>	<u>\$ 254,922,544</u>	<u>\$ 140,787,767</u>

	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>
\$	462,765,546	\$ 451,195,289	\$ 450,740,695	\$ 447,107,088	\$ 442,095,234	\$ 441,546,314
	376,464,492	360,682,027	348,192,228	354,785,578	366,388,735	357,928,522
	162,911,173	157,049,194	87,518,360	96,802,296	61,347,876	81,935,235
	<u>1,002,141,211</u>	<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>
	48,767,460	51,507,576	39,837,451	36,708,379	40,321,738	40,581,470
	2,684,231	2,254,966	9,675,885	1,914,093	1,785,070	2,133,763
	80,389,697	41,981,219	38,294,913	50,815,667	9,567,712	14,786,968
	<u>131,841,388</u>	<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>
	511,533,006	502,702,865	490,578,146	483,815,467	482,416,972	482,127,784
	379,148,723	362,936,993	357,868,113	356,699,671	368,173,805	360,062,285
	243,300,870	199,030,413	125,813,273	147,617,963	70,915,588	96,722,203
	<u>\$ 1,133,982,599</u>	<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>