



**INTEROFFICE MEMORANDUM**

**Oscar J. Garcia, CPA**

Auditor-Controller/Treasurer-Tax Collector

**Enedina Garcia**

Deputy Auditor-Controller

**Megan Marks**

Deputy Treasurer-Tax Collector

**DATE:** January 8, 2021  
**TO:** Audit Committee Members  
**FROM:** Supervisor Nathan Magsig, Audit Committee Chairman  
**SUBJECT:** Audit Committee Meeting

This will confirm the next Audit Committee meeting scheduled on **January 15, 2021 at 10:00 a.m.** in the Board of Supervisors Chambers - Room 301 of the Hall of Records. The following is the agenda for the meeting:

**\*SPECIAL NOTICE REGARDING PUBLIC PARTICIPATION DUE TO COVID-19\***

Due to the current Shelter-in-Place Order covering the State of California and Social Distance Guidelines issued by Federal, State, and Local Authorities, the Audit Committee will be meeting via Cisco Webex. Any members of the Audit Committee may participate from a remote location by teleconference. Participants, including public members, can participate with the login or call-in credential and instructions below. Cisco Webex is required for online participants. Public members may comment during designated public member sessions by raising their hands. In order to avoid disruptions, please press mute and wait to be called upon before commenting.

**Participate by Email Invitation:**

Click on the Join Meeting icon. When the webpage is loaded, click on the Join Meeting icon. Comments can be made by clicking on the profile icon and then the raise hand icon by the caller ID. Click on the unmute icon to unmute and click again to mute after each comment. A phone option may also be utilized for audio by pressing the option icon, select the Call Me option, and enter your phone number.

**Participate via Online Link:**

Click on the link below and enter the following information when prompted.

<https://fresnocountyca.webex.com/fresnocountyca/j.php?MTID=mb04ebefbd2ef3003658103f3891346f0>

Meeting number: 146 091 8995

Password: cqUhb37S3Ju

Click on the Join Meeting icon to join. Comments can be made by clicking on the profile icon and then the raise hand icon by the caller ID. Click on the unmute icon to unmute and click again to mute after each comment. A phone option may also be utilized for audio by pressing the option icon, select the Call Me option, and enter your phone number.

**Participate via Phone:**

Call the phone number below and follow the prompts. Enter the access code when prompted. Comments can be made by pressing \*9.

1-855-282-6330 United States Toll Free  
Access Code: 146 091 8995

To ensure meaningful access under The American Disabilities Act, Title II, the County will reasonably modify policies or procedures and provide auxiliary aids or services to persons with disabilities. If, as an attendee or participant at the meeting you will need additional accommodations, please contact Pai Her at (559) 600-1370 or paiher@fresnocountyca.gov as soon as possible during office hours. Reasonable timely requests will be accommodated to the extent reasonably feasible.

**AGENDA**

**1) Pledge of Allegiance**

**2) Approve Agenda**

**3) Public Presentations**

This portion of the meeting is reserved for persons desiring to address the Audit Committee briefly on any matter not on this agenda within the Committee's subject matter jurisdiction.

**4) Approval of December 4, 2020 Audit Committee Meeting Minutes**

**5) Agenda Items**

**Consent Items**

- a. Approve Quarterly Fraud Report covering October 1, 2020 to December 31, 2020.

**Discussion and Action Items**

- b. Review and receive the 2019-2020 First Five Comprehensive Annual Financial Report
- c. Review and approve the Department of Public Health Emergency Medical Services Authority (EMSA) Report for the fiscal year ended June 30, 2020
- d. Review and accept 2019-2020 County of Fresno Comprehensive Annual Financial Report

**6) Staff Updates**

## 7) Adjournment

ph  
Enclosures

### **Audit Committee Members:**

Supervisor Nathan Magsig, Audit Committee Chairman  
Daniel C. Cederborg, County Counsel, Audit Committee Vice-Chairman  
Supervisor Sal Quintero  
Jean Rousseau, County Administrative Officer  
Elizabeth Diaz, Co-Department Heads Council  
Manuel Vilanova, Public Member  
Kulwinder Brar, Public Member

**County of Fresno**  
**Auditor-Controller/Treasurer-Tax Collector**  
**Audit Committee Minutes**  
**Board of Supervisors' Chambers**  
**December 4, 2020 – 10:00 a.m.**

**MEMBERS PRESENT:**

Supervisor Nathan Magsig, Audit Committee Chairman  
 Daniel Cederborg, County Counsel, Audit Committee Vice-Chairman  
 Supervisor Sal Quintero, Board of Supervisors Member  
 Elizabeth Diaz, Public Defender, Co-Department Heads Council  
 Manuel Vilanova, Public Member  
 Kulwinder Brar, Public Member

Pursuant to California Governor Gavin Newsom's Executive Order, N-25-20 on March 12, 2020, relating to the convening of public meetings in light of the COVID-19 pandemic, Supervisor Sal Quintero and Member Elizabeth Diaz, attended the meeting via teleconference and participated in the meeting to the same extent as if they were present.

**Call to Order:** Chairman Magsig called to order the regular meeting of the Audit Committee (Committee) on December 4, 2020 at 10:00 a.m. in the Board of Supervisors' Chambers.

**1. Pledge of Allegiance**

- Chairman Magsig lead all in attendance with the Pledge of Allegiance.

**2. Approve Agenda**

- A motion was made by Vice-Chairman Cederborg, seconded by Elizabeth Diaz, and carried 6-0 to approve the December 4, 2020 agenda.

**3. Public Presentations**

- This portion of the meeting is reserved for persons desiring to address the Committee briefly on any matter not on this agenda within the Committee's subject matter jurisdiction.
- There being none, the Committee proceeded to hear the next item on the agenda.

**4. Appointment of Audit Committee Chairman and Vice-Chairman for Calendar Year 2021 and 2022.**

- A conversation arose regarding the time the current Chairman and Vice-Chairman have served in their positions. They could serve for a term of two years and extend it for an additional year. They both have served two years; the upcoming year would be their third.
- Supervisor Nathan Magsig's term was extended as Audit Committee Chairman, and Daniel Cederborg as Vice-Chairman for Calendar Year 2021.
- A motion was made by Vice-Chairman Cederborg, seconded by Kulwinder Brar, and carried 6-0 to extend the Audit Committee Chairman and Vice-Chairman terms for one additional year.

**5. Approval of August 14, 2020 Audit Committee Meeting Minutes**

- A motion was made by Manuel Vilanova, seconded by Kulwinder Brar, and carried 6-0 to approve the August 14, 2020 Audit Committee Meeting Minutes.

**6. Agenda Items**



## **Consent Items**

### **a) Approve Quarterly Fraud Report covering July 1, 2020 to September 30, 2020**

- A motion was made by Vice-Chairman Cederborg, seconded by Supervisor Quintero, and carried 6-0 to approve Agenda Item 6a.

## **Discussion and Action Items**

### **b) Review and approve the Department of Public Health Cash Disbursement Compliance Audit Report for the fiscal years ending June 30, 2017, 2018, and 2019.**

- David Richstone, Accounting and Financial Manager, FR&A, introduced and presented the item.
- There being no public comments, a motion was made by Kulwinder Brar, seconded by Vice-Chairman Cederborg, and carried 6-0 to receive Agenda Item 6b.

### **c) Review and approve the District Attorney's Office Fee Generated Revenue Compliance Audit for the fiscal years ended June 30, 2019 and June 30, 2020.**

- David Richstone, Accounting and Financial Manager, FR&A, introduced and presented the item.
- There being no public comments, a motion was made by Manuel Vilanova, seconded by Elizabeth Diaz, and carried 6-0 to approve Agenda Item 6c.

### **d) Review and approve the Department of Behavioral Health Payroll Compliance Audit Report for the fiscal years ending June 30, 2019 and June 30, 2020.**

- David Richstone, Accounting and Financial Manager, FR&A, introduced and presented the item.
- There being no public comments, a motion was made by Elizabeth Diaz, seconded by Kulwinder Brar, and carried 6-0 to accept Agenda Item 6d.

### **e) Review and approve revisions to the 2021 Audit Committee Meeting Dates**

- There being no public comments, a motion was made by Manuel Vilanova, seconded by Vice-Chairman Cederborg, and carried 6-0 to approve December 3, 2021 date on Agenda Item 6e.

## **7. Staff Updates**

- Oscar J. Garcia, Auditor-Controller/Treasurer-Tax Collector, stated that the term for member Kulwinder Brar expires on December 31, 2020.

## **8. Adjournment**

- Chairman Magsig adjourned the meeting at 10:23 a.m.

## **Audit Committee Members:**

Supervisor Nathan Magsig, Audit Committee Chairman  
Daniel C. Cederborg, County Counsel, Audit Committee Vice-Chairman  
Supervisor Sal Quintero  
Jean Rousseau, County Administrative Officer  
Elizabeth Diaz, Co-Department Heads Council  
Manuel Vilanova, Public Member  
Kulwinder Brar, Public Member



**COUNTY OF FRESNO**

**FRAUD HOTLINE QUARTERLY REPORT**

**Administered by the Auditor-Controller/Treasurer-Tax Collector**

**For the Quarter Ended December 31, 2020**

Director: Oscar J. Garcia, CPA  
Accounting & Financial Manager: David Richstone, CPA, CIA  
Hotline Staff: Pai Her



**INTEROFFICE MEMORANDUM**

**Oscar J. Garcia, CPA**

**Auditor-Controller/Treasurer-Tax Collector**

**Enedina Garcia**

Deputy Auditor-Controller

**Megan Marks**

Deputy Treasurer-Tax Collector

**DATE:** January 15, 2021

**TO:** Audit Committee Members

**FROM:** Oscar J. Garcia, CPA - Auditor-Controller/Treasurer-Tax Collector

**SUBJECT:** Fraud Hotline Quarterly Activity Report for the Quarter Ended December 31, 2020

In accordance with the provisions of California Government Code Section 53087.6, the County of Fresno Fraud Hotline serves as a means to discover, investigate, and remediate acts of fraud, waste, or abuse involving County employees, as defined by the statute.

We have completed our quarterly report concerning the operation of the County of Fresno Fraud Hotline. This report is for the three-month period of October 1, 2020 through December 31, 2020.

We would like to acknowledge the professionalism and cooperation extended to us by the management of the various County agencies/departments during our Hotline investigation process. As always, I remain available to answer any questions you may have. Please contact me directly or David Richstone, Accounting & Financial Division Manager at (559) 600-1799 or Pai Her, Accountant at (559) 600-1370 if we can be of any assistance.

Attachments

**COUNTY OF FRESNO**  
**FRAUD HOTLINE QUARTERLY REPORT**  
**Administered by the Auditor-Controller/Treasurer-Tax Collector**  
**For the Quarter Ended December 31, 2020**

Below is the County of Fresno Fraud Hotline activity for the period of October 1, 2020 through December 31, 2020.

1. Statistical Summary

The Financial Reporting and Audits Division received 58 Hotline allegations, complaints or other contacts during the reporting period. Of these reports, 39 were made anonymously while 19 reports were made by individuals who identified themselves. The Hotline received 35 reports via telephone, 23 by email, and 0 by letter. These calls are categorized in Table 1.

Table 1 Statistical Summary	
Actionable Items	7
Referred Items	41
Non-Actionable Items	10
<b>Total Allegations/Complaints</b>	<b>58</b>

2. Types of Allegations/Complaints

Cases opened during the period involved various complaints and allegations such as: 1) improper use of government benefits, 2) fraudulent check alterations, and 3) management improprieties.

**Actionable – County**

Allegations involving individuals employed by the County and/or other related parties (i.e. vendors, contractors, etc.).

**Actionable – Non-County**

Allegations involving individuals and/or other entities with no known relation to the County.

**Referral – County**

Allegations involving issues primarily handled by other County Departments via established fraud-reporting methodologies.

**COUNTY OF FRESNO**  
**FRAUD HOTLINE QUARTERLY REPORT**  
**Administered by the Auditor-Controller/Treasurer-Tax Collector**  
**For the Quarter Ended December 31, 2020**

**Referral – Non-County**

Allegations involving issues beyond the responsibilities of the County of Fresno are referred to appropriate non-County agencies.

**Non-Actionable Items**

These include insufficient information and not applicable issues. Examples include failure to state sufficient facts on which to base any investigation, inquiries regarding the status of other investigations, requests for information, and wrong numbers.

Table 2 identifies the total number of cases opened during this period and detail complaint type.

Table 2 Types of New Allegations/Complaints	
Actionable – County:	2
Employee Improprieties	1
Vendor Impropriety	1
Actionable – Non-County:	5
Forged/Altered Check	3
ACH Fraud	2
Referral – County:	20
Welfare Fraud	19
County - Other	1
Referral – Non-County:	21
Various	21
Non-Actionable Items:	10
Not enough information	10
<b>Total</b>	<b>58</b>



**COUNTY OF FRESNO**  
**FRAUD HOTLINE QUARTERLY REPORT**  
**Administered by the Auditor-Controller/Treasurer-Tax Collector**  
**For the Quarter Ended December 31, 2020**

3. Status of Complaints

The complaints processed by the County of Fresno Fraud Hotline include alleged behavior by an employee and/or client (i.e., timecard abuse, misuse of county assets, management improprieties, conflict of interest, and misuse of program funds). As of the end of the reporting period, there were two closed investigations by the County of Fresno Fraud Hotline. (See summary below)

<b>Table 3</b>						
<b>Status of Complaints</b>						
<b>Actionable Calls</b>	<b>Investigation</b>			<b>Closed Findings</b>		
	Ongoing	New	Closed	Substantiated	Unsubstantiated	Referral
Management						
Employee	3	2	2		2	
Client						
Unknown						
<b>Total</b>	<b>3</b>	<b>2</b>	<b>2</b>		<b>2</b>	

**CHILDREN AND FAMILIES COMMISSION  
OF FRESNO COUNTY  
FRESNO, CALIFORNIA**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
JUNE 30, 2020**

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
 FINANCIAL STATEMENTS  
 JUNE 30, 2020**

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT .....	1
MANAGEMENT'S DISCUSSION AND ANALYSIS .....	3
BASIC FINANCIAL STATEMENTS:	
STATEMENT OF NET POSITION .....	9
STATEMENT OF ACTIVITIES .....	10
BALANCE SHEET – GOVERNMENTAL FUNDS .....	11
RECONCILIATION GOVERNMENTAL FUNDS BALANCE TO THE STATEMENT OF ACTIVITIES .....	12
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS .....	13
RECONCILIATION OF CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES .....	14
NOTES TO THE BASIC FINANCIAL STATEMENTS .....	15
REQUIRED SUPPLEMENTARY INFORMATION:	
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GENERAL FUND (BUDGET TO ACTUAL).....	34
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – LIGHTHOUSE SPECIAL REVENUE FUND (BUDGET TO ACTUAL) .....	35
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION.....	36
OTHER SUPPLEMENTARY INFORMATION:	
SUPPLEMENTAL SCHEDULE OF FIRST 5 CALIFORNIA (F5CA) FUNDING .....	38
OTHER INDEPENDENT AUDITOR'S REPORTS:	
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i> .....	41
INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE .....	43
SUMMARY SCHEDULE OF AUDIT FINDINGS .....	45
RESPONSE – SUMMARY SCHEDULE OF AUDIT FINDINGS.....	46





## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners of  
Children and Families Commission of Fresno County

We have audited the accompanying financial statements of the governmental activities, and each major fund of the Children and Families Commission of Fresno County (the Commission) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission'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.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission'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 Commission'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.

570 N. Magnolia Avenue, Suite 100  
Clovis, CA 93611

tel 559.299.9540  
fax 559.299.2344

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the Commission, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-8 and 34-36 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 Commission's basic financial statements. The Supplemental Schedule of First 5 California (F5CA) Funding is presented for purposes of additional analysis and is not required part of the basic financial statements.

The Supplemental Schedule of First 5 California (F5CA) Funding is the responsibility of management and was derived from and relates 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 Supplemental Schedule of First 5 California (F5CA) Funding is fairly stated in all material respects in relation to the basic financial statements as a whole.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2020, on our consideration of the Commission'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 Commission'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 Commission's internal control over financial reporting and compliance.

*Price Pange & Company*

Clovis, California  
October 16, 2020

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

**INTRODUCTION**

On November 3, 1998, California voters approved Proposition 10, the California Children and Families Act (Act). The Act increased tobacco taxes to provide funds for early childhood development and smoking cessation programs. The passage of this Act created an unprecedented opportunity for Fresno County to mobilize its many resources and create an integrated, coordinated system of care that supports and enhances the lives of children from the prenatal stage up through age five and their families. The intent of the Act is for all California children to be healthy, live in a supportive and healthy family environment, and enter school ready to learn.

The Fresno County (the County) Board of Supervisors created the Children and Families Commission of Fresno County (the Commission) on December 8, 1998, under the provisions of the Act. The Commission consists of up to seven members appointed by the County Board of Supervisors. The Commission is a public entity legally separate and apart from the County and is considered a component unit of the County due to the operational relationship between the Commission and the County.

This report contains a discussion of key program, management, financial, and performance information for fiscal year 2019-2020 and financial statements that discuss the Commission's financial condition, and the auditor's opinion, which is independent and objective and provides reasonable assurance about whether the financial statements are free from material misstatements. Finally, this comprehensive report contains other statutorily required information that demonstrates management accountability and financial and programmatic performance. As management of the Commission, we offer readers our financial statements and this narrative overview and analysis for the fiscal year ending June 30, 2020.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Government Accounting Standards Board (GASB) in its Statement No. 34, *Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments*, issued June 1999, and GASB Statement No. 37, *Basic Financial Statements – and Management and Discussion and Analysis – for State and Local Governments: Omnibus*, an amendment to GASB Statement No. 21 and Statement No. 34, issued in June 2001.

**MISSION AND STRATEGIC GOALS**

The Commission's mission is to be a catalyst for creating an accessible and effective network of quality services by partnering with the community to support the well-being of every child and family.

Central to the Commission's mission are the strategic investment areas which aim to convert the Commission's commitment into action categorized into a three-tiered framework: 1) Families, 2) Communities, 3) Systems.

**FINANCIAL HIGHLIGHTS**

- During fiscal year 2019-2020, the Commission allocated and received revenues of approximately \$7.5 million from the State of California as revenues collected under the Children and Families Act and \$2.2 million in backfill dollars from Proposition 56.
- During fiscal year 2019-2020, the Commission disbursed approximately \$8.8 million to funded agencies.
- The Commission committed approximately \$8.5 million towards the agency's Strategic Plan, which will be disbursed in the subsequent fiscal years to fund its investments and approximately \$10.9 million of the Commission's fund balance is nonspendable for the Lighthouse for Children, Inc. facility leverage loan.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

## **OVERVIEW OF FINANCIAL STATEMENTS**

This annual report consists of three parts – the management's discussion and analysis (this section), the basic financial statements, and supplementary information. The three sections together provide a comprehensive overview of the Commission. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the Commission's overall financial position.
- **Fund financial statements** focus on reporting the individual parts of the Commission's operations in more detail. The fund financial statements comprise the remaining statements.
  - **Government funds** statements tell how general governmental services were financed in the short-term as well as what remains for future spending.

The basic financial statements also include notes that explain some of the information within the statements and provide more detailed data. These are followed by a section of required supplementary information which further explains and supports the basic financial statements.

### **Government-Wide Statements**

The government-wide statements report information about the Commission as a whole using accounting methods similar to those used by private-sector companies.

The *statement of net position* presents information on all of the Commission's assets and liabilities, with the difference between the two reported as *net position*. Changes in net position may serve as a useful indicator of the financial position of the Commission.

The *statement of activities* presents information showing how the Commission's net position changed during the 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 the statement for some items that will only result in cash flows in future fiscal years (e.g., earned but unused vacation leave).

The Government-Wide Statements combine financial information for both the Commission (General Fund) and for the Lighthouse for Children, Inc. (Lighthouse Special Revenue Fund) - see Note 1 to the Financial Statements for more information. Separately issued Financial Statements for Lighthouse for Children, Inc. may be obtained from Lighthouse for Children, Inc. of Fresno County, 2405 Tulare Street, Fresno, California 93721.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the Commission's most significant funds – not the Commission as a whole. Funds are accounting devices that the Commission uses to keep track of specific sources of funding and spending for particular programs. Some funds are required to be established by state law and by bond covenants. The Commission establishes other funds to control and manage money for particular purposes or to show that the Commission is meeting legal responsibility for using certain revenues.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

**FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE**

The Commission's total assets were approximately \$38.1 million at the end of the fiscal year. The majority of the Commission's assets are in cash and investments of \$21.1 million.

Cash and investments are maintained in the Commission's checking and savings accounts, the Fresno County investment pool where interest earned on the Commission's balance is apportioned to the Commission, and in an investment account. Please refer to pages 22 through 25 for types of investments and credit ratings. Another asset is the Commission's \$1.2 million receivable due from the State Commission for Proposition 10 and 56 (page 9). These receivables represent taxes remitted by the State but not received by the Commission as of June 30, 2020. The Commission also reports accounts payable of \$2.0 million representing payments due on invoices.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
STATEMENT OF NET POSITION COMPARISON**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Change</u>
<b>ASSETS</b>			
Cash and investments	\$ 21,129,212	\$ 16,120,568	\$ 5,008,644
Due from the state - proposition 10 and 56	1,190,663	2,704,113	(1,513,450)
Other receivables	1,160,917	1,301,395	(140,478)
Loans receivable, long-term (related party)	-	10,956,060	(10,956,060)
Capital assets, not being depreciated	676,530	27,450	649,080
Capital assets, net of accumulated depreciation	<u>13,933,838</u>	<u>573,090</u>	<u>13,360,748</u>
 Total assets	 <u>38,091,160</u>	 <u>31,682,676</u>	 <u>6,408,484</u>
<b>LIABILITIES</b>			
Current liabilities	2,366,961	2,209,021	157,940
Noncurrent liabilities	<u>4,489,695</u>	<u>45,389</u>	<u>4,444,306</u>
 Total liabilities	 <u>6,856,656</u>	 <u>2,254,410</u>	 <u>4,602,246</u>
<b>NET POSITION</b>			
Net investment in capital assets	9,852,427	600,540	9,251,887
Restricted	46,799	-	46,799
Unrestricted	<u>21,335,278</u>	<u>28,827,726</u>	<u>(7,492,448)</u>
 Total net position	 <u>\$ 31,234,504</u>	 <u>\$ 29,428,266</u>	 <u>\$ 1,806,238</u>

In fiscal year 2019-2020, the Commission's net position increased by \$1,806,238, see above. The increase was due to the new inclusion of the Lighthouse for Children, Inc. as a blended entity compared to the prior year's format of showing Lighthouse for Children, Inc. as a separate component unit.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
STATEMENT OF ACTIVITIES COMPARISON**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Change</u>
<b>REVENUES</b>			
Program revenues	\$ 9,754,838	\$ 9,365,298	\$ 389,540
Grant revenues	1,814,846	2,375,221	(560,375)
General revenues	<u>1,128,175</u>	<u>974,241</u>	<u>153,934</u>
 Total revenue	 <u>12,697,859</u>	 <u>12,714,760</u>	 <u>(16,901)</u>
<b>EXPENDITURES</b>			
Program services	8,856,523	9,548,088	(691,565)
Evaluation services	513,634	687,817	(174,183)
Administrative costs	<u>418,437</u>	<u>376,819</u>	<u>41,618</u>
 Total expenditures	 <u>9,788,594</u>	 <u>10,612,724</u>	 <u>(824,130)</u>
 Change in net position	 <u>\$ 2,909,265</u>	 <u>\$ 2,102,036</u>	 <u>\$ 807,229</u>

**FINANCIAL ANALYSIS OF THE COMMISSION'S GOVERNMENTAL FUND**

For the fiscal year ended, the Commission reported an ending fund balance of \$32,260,420 (page 13). The increase of \$3,387,305 over the prior year represents the amount of excess revenues over expenditures for the year ended June 30, 2020. See pages 11 and 13 of the financial statements for the fund financial statements.

**Revenue and Expenditure Analysis – Governmental Fund**

Total revenues consist of Proposition 10 funds, Proposition 56 funds, external grant revenues, investment earnings, and other revenues. There was a slight decrease in total revenues from \$12.7 million, in the prior year, to \$12.5 million for the fiscal year 2019-2020. Proposition 10 revenues, compared to the year ended June 30, 2020 decreased by nearly \$949K, while investment earnings increased by \$90K, and back-fill received from Proposition 56 increased by \$1.4 million. Prop 56 funds are disbursed in arrears; these funds are monies received in the current fiscal year based on the prior fiscal year's consumption of applicable products. Grant revenue from external sources such as First 5 California for IMPACT (Improve and Maximize Programs so All Children Thrive) and Quality Rating and Improvement System (QRIS) efforts along with funding from the University of California, San Francisco (UCSF) for the GLOW! Group Prenatal Care Project decreased by \$560K. The Commission's goal to support and enhance the early childhood service system and their commitment to serving the young children and families in Fresno County remained consistent with the prior year.

Examples of program investments during the 2019-2020 fiscal year include the scaling of an innovative, collective impact approach to providing prenatal care in a group setting called the Glow! Contracted Network (Glow! CN). As the Commission's four-year pilot partnership with UCSF San Francisco, to provide the Glow! Group Prenatal Care Program reached its final year, the Program was recognized and awarded a research grant by the national Patient Centered Outcome Research Institute (PCORI). The four-year \$5.6 million PCORI research grant, awarded to UCSF, will involve 2,600 pregnant women to compare the traditional model of prenatal care with the Glow! Group Prenatal Care Program model to help future patients & policy makers determine which model is the best care option and better addresses high rates of premature birth, disrespectful care, poor maternal mental health, etc. The Commission contracted with three local Community-Based Organizations to act as the Glow! CN to administer the

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

Glow! Group Prenatal Care Program model throughout Fresno County for the PCORI study. Through an initial commitment of \$350k for the Glow! CN, the Commission reconfirmed its commitment to prevent premature births and infant mortality in Fresno County and the Commission intends to sustain its commitment.

With an investment of \$50k for the initial year, the Commission joined a collaborative including West Fresno Family Resources Center, the County of Fresno's Department of Public Health, UCSF San Francisco's Preterm Birth initiative and March of Dimes to create a local version of the national Best Babies Zone Initiative (BBZ) called Fresno GROWS. Fresno GROWS aims to reduce racial inequities in infant mortality and birth outcomes by mobilizing community residents and organizations to address the social, structural, and economic determinants of health and promote racial equity. Since being selected by the National Organization of Urban Maternal and Child Health Leaders to be part of the BBZ Cohort 4, West Fresno Family Resources Center has convened an African American Leadership Team to build a movement of activated citizens, focusing on the 93706 zip code in Southwest Fresno.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
GOVERNMENTAL FUND ACTIVITIES COMPARISON**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Change</u>
<b>REVENUES</b>			
Program revenues	\$ 9,754,838	\$ 9,365,298	\$ 389,540
Grant revenues	1,814,846	2,375,221	(560,375)
General revenues	<u>1,128,175</u>	<u>974,241</u>	<u>153,934</u>
Total revenues	<u>12,697,859</u>	<u>12,714,760</u>	<u>(16,901)</u>
<b>EXPENDITURES</b>			
Program services	8,466,839	9,543,538	(1,076,699)
Evaluation services	513,634	687,817	(174,183)
Administrative costs	<u>402,097</u>	<u>376,819</u>	<u>25,278</u>
Total expenditures	<u>9,382,570</u>	<u>10,608,174</u>	<u>(1,225,604)</u>
Change in net position	<u>\$ 3,315,289</u>	<u>\$ 2,106,586</u>	<u>\$ 1,208,703</u>

**Fund Budgetary Highlights**

This section contains an explanation of the significant differences between the Commission's final budget amounts and actual amounts, and original and final budget amounts recorded for revenues and expenditures for fiscal year 2019-2020 as detailed in the Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual (shown on pages 34-36). In fiscal year 2019-2020 the Commission received actual revenues of \$12.5 million compared to the budgeted amount of \$10.8 million. In preparing the budget, the Commission considered variables such as declining tobacco consumption, the effects of changes in legislation, and lower returns on investments. Actual total revenues were \$1.6 million more than budgeted as more than anticipated backfill from Proposition 56 revenue was received. Interest and investment revenues were \$497K more than expected, and other revenues came in at \$72K more than expected.

The decline in Proposition 10 revenue is not something new to fiscal year 2019-2020. In 2016, the passage of Senate Bill X2-7 increased the smoking age from 18 to 21 and Proposition 56 imposed an additional \$2.00 tax on tobacco products and e-cigarettes. Original external projections on the impact of these laws showed a decrease in Proposition 10 revenue to county commissions by approximately seven percent; however revised estimates, received in January 2018, showed a steeper and more

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

immediate impact. Today, the passage of these two pieces of legislation, aimed to reduce tobacco consumption, continue their consequential effect- the gradual decline in revenue for the Commission.

In fiscal year 2019-2020 actual expenditures were \$7.6M less than budgeted. This is due to the Commission committing roughly \$6.5 million of that amount to be spent out in subsequent fiscal years.

A schedule of the Commission's original and final budget amounts compared with actual revenues and expenses is provided in the audited financial report, see pages 34-36.

### **CAPITAL ASSETS AND LONG-TERM DEBT**

Capital assets of \$582,936 (net of accumulated depreciation) are for the Huron land and facility and equipment purchased. See Note 5 for more information on capital assets.

At the end of the current fiscal year, the Commission did not have any outstanding long-term debt, however, the Commission does have one long-term obligation for compensated absences. See Note 7 for details.

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

To develop the 2020-2025 Strategic Plan, a series of planning sessions are held to discuss, review and provide staff direction on the Commission's financial resources and strategies for the five-year period of the Strategic Plan and the Long-Range Financial Plan (LRFP). The Commission reviews the agency's budget and LRFP annually. The Commission's commitment to continued collaboration with community partners and to leverage resources to maximize funds remains. Due to reduced revenue and limited resources, it is increasingly important to rely on the available expertise and knowledge of the community and build on initiatives that have strong foundations of evidence. This unified approach not only allows for a more effective use of resources, but it also allows for enhanced focus and greater collective impact.

For the development of its new 2020-2025 Strategic Plan, the Commission collaborated with community entities to establish a joint early childhood community agenda for Fresno County from preconception to age 5. The process included community engagement with parents, caregivers and service providers. The feedback received, complemented by the momentum of existing community efforts, formed the basis of the new 2020-2025 Strategic Plan which outlines the Commission's investments to address challenges our families are facing in responsive, collaborative, and innovative ways.

The following approximate program allocations show the Commission's funding priorities for the upcoming year:

- Help Me Grow Fresno County – \$500k
- Direct Service Programs – \$2 million
- Community Learning Center – \$823k
- Patient-Centered Prenatal Care – \$450k
- African American Infant Mortality Prevention – \$960k
- Quality Rating Improvement System – \$1.1 million
- Innovation & Learning – \$200k

### **CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT**

The financial report is designed to provide a general overview of the Commission's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Children and Families Commission of Fresno County, 2405 Tulare Street, Suite 200, Fresno, CA 93721.



**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

**ASSETS**

Cash and investments	\$ 21,082,414
Restricted cash	46,798
Due from the state - proposition 10 and 56	1,190,663
Other receivables	1,160,917
Capital assets not being depreciated:	
Land	676,530
Capital assets, net of accumulated depreciation	
Buildings	13,919,592
Equipment	<u>14,246</u>
 Total assets	 <u>38,091,160</u>

**LIABILITIES**

Current liabilities:	
Accounts payable	2,003,246
Accrued payroll and related taxes	37,961
Accrued interest payable	13,841
Noncurrent liabilities:	
Due in one year:	
Compensated absences	21,194
Notes payable	290,719
Due in more than one year:	
Compensated absences	22,473
Notes payable	<u>4,467,222</u>
 Total liabilities	 <u>6,856,656</u>

**NET POSITION**

Net investment in capital assets	9,852,427
Restricted	46,799
Unrestricted	<u>21,335,278</u>
 Total net position	 <u>\$ 31,234,504</u>

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

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues		Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Child development services	\$ 9,788,594	\$ 148,000	\$ 11,569,684	\$ 1,929,090
Total	<u>\$ 9,788,594</u>	<u>\$ 148,000</u>	<u>\$ 11,569,684</u>	<u>1,929,090</u>
General revenues:				
Interest and investment earnings				707,737
Miscellaneous income				<u>272,438</u>
Total general revenues				<u>980,175</u>
Change in net position				2,909,265
Net position - beginning of year				<u>28,325,239</u>
Net position - end of year				<u>\$ 31,234,504</u>

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

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
BALANCE SHEET – GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>General Fund</u>	<u>Lighthouse Special Revenue Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	\$ 20,993,508	\$ 88,906	\$ 21,082,414
Restricted cash	-	46,798	46,798
Due from the state - proposition 10 and 56	1,190,663	-	1,190,663
Other receivables	1,160,917	-	1,160,917
Advances to other fund	<u>10,956,059</u>	<u>-</u>	<u>10,956,059</u>
 Total assets	 <u>\$ 34,301,147</u>	 <u>\$ 135,704</u>	 <u>\$ 34,436,851</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	2,002,766	480	2,003,246
Accrued payroll and related taxes	37,961	-	37,961
Advances from other fund	<u>-</u>	<u>10,956,059</u>	<u>10,956,059</u>
 Total liabilities	 <u>2,040,727</u>	 <u>10,956,539</u>	 <u>12,997,266</u>
<b>FUND BALANCE</b>			
Nonspendable	10,956,059	-	10,956,059
Restricted	162,609	46,799	209,408
Committed	8,488,025	-	8,488,025
Assigned	12,653,727	-	12,653,727
Unassigned	<u>-</u>	<u>(10,867,634)</u>	<u>(10,867,634)</u>
 Total fund balance	 <u>32,260,420</u>	 <u>(10,820,835)</u>	 <u>21,439,585</u>
 Total liabilities and fund balance	 <u>\$ 34,301,147</u>	 <u>\$ 135,704</u>	 <u>\$ 34,436,851</u>

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

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020**

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

Total fund balance - governmental funds	\$ 21,439,585
Capital assets used in governmental activities are not current financial resources; therefore, they are not reported in the funds.	14,610,368
Long-term liability is not due and payable in the current period and, therefore, is not included in the funds.	(4,771,782)
Compensated absences liability is not due in the current period and, therefore, are not included in the funds.	<u>(43,667)</u>
Total net position - governmental activities	<u>\$ 31,234,504</u>

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

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

	General Fund	Lighthouse Special Revenue Fund	Total
<b>REVENUES</b>			
Proposition 10 taxes	\$ 7,471,906	\$ -	\$ 7,471,906
Proposition 56 taxes	2,282,932	-	2,282,932
Grant revenue	1,814,846	-	1,814,846
Interest and investment earnings	707,362	375	707,737
Other revenue	272,398	148,040	420,438
	<u>12,549,444</u>	<u>148,415</u>	<u>12,697,859</u>
Total revenues			
<b>EXPENDITURES</b>			
Program services	8,267,076	199,763	8,466,839
Evaluation services	513,634	-	513,634
Administrative costs	381,429	20,668	402,097
	<u>9,162,139</u>	<u>220,431</u>	<u>9,382,570</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>3,387,305</u>	<u>(72,016)</u>	<u>3,315,289</u>
Net change in fund balance	3,387,305	(72,016)	3,315,289
Fund balance - beginning of year	<u>28,873,115</u>	<u>(10,748,819)</u>	<u>18,124,296</u>
Fund balance - end of year	<u>\$ 32,260,420</u>	<u>\$ (10,820,835)</u>	<u>\$ 21,439,585</u>

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

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
RECONCILIATION OF THE CHANGES IN FUND BALANCE  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities:

Net change in fund balance - government fund \$ 3,315,289

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

(407,746)

Long-term liabilities are not due during the current year end, therefore, the change is not recorded in the governmental fund.

1,722

Change in net position - governmental activities

\$ 2,909,265

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

The Children and Families Commission of Fresno County (the Commission), a component unit of Fresno County, was established by Fresno County Ordinance, Chapter 2.38, pursuant to the provision of Health and Safety Code Section 130140. The Commission was established for the support and improvement of early childhood development within Fresno County consistent with, and in furtherance of, the purposes of the California Children and Families Commission (the State), pursuant to Health and Safety Code Section 130125(b). The Commission consists of seven members appointed by the Fresno County Board of Supervisors.

The State of California implemented the “California Children and Families Act of 1998” which provides for the Commission to receive proceeds from tax and tobacco products. The monies are allocated to local Children and Families Commissions by the State based on the number of births in each county in proportion to the total number of births in all counties.

**Reporting Entity**

The governmental reporting entity consists of the Commission and its component unit, Lighthouse for Children, Inc. Component units are legally separate organizations for which the Commission is financially accountable or organizations whose nature and significant relationship are such that exclusion would cause the Commission’s financial statements to be misleading or incomplete. For financial reporting purposes, the component unit has a financial and operational relationship which meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39 and No. 61, and thus is included in the financial statements of the Commission. The component unit, although a legally separate entity, is reported in the financial statements using the blended presentation method because it provides services exclusively or almost exclusively to the Commission and a financial benefit relationship exists between the Commission and the component unit.

The blended component unit, Lighthouse for Children, Inc., a non-profit, benefit corporation, is governed by a board whose majority comprises Fresno County First 5 Commissioners. The specific charitable purposes of this corporation are: 1) to provide the vision and means for the children of Fresno County to enter school in good health, ready and able to learn, and emotionally well-developed by providing culturally, individually, and developmentally-appropriate parenting and nurturing support and access to resources regarding health care, nutrition, and smoking prevention and cessation; 2) to serve as an incubator for knowledge in the community regarding child welfare and development; 3) to generally carry out the goals of the Children and Families Commission of Fresno County; and 4) to develop infrastructure that promotes the social welfare of Fresno County children and their parents, and enables the corporation to better accomplish the above-stated purposes, which may include acquiring, owning, operating, and leasing property within a low-income community to community charities and businesses. This corporation is also authorized to receive contributions and to make donations to, and otherwise aid and support, legally permissible undertakings consistent with the above-stated purposes. Separate financial statements are prepared for Lighthouse for Children, Inc. and may be obtained from the Lighthouse for Children, Inc., 2405 Tulare Street, Fresno, California 93721.

The basic financial statements included in this report are intended to present the financial position and results of operations of only the Commission. They are not intended to present the financial position and the results of operations of the County of Fresno taken as a whole. For additional information regarding the County of Fresno, please refer to the Comprehensive Annual Financial Report available from the County of Fresno.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

**Basis of Presentation**

The basic financial statements of the Commission are prepared on the basis of Government Accounting Standards Board (GASB) statement No. 34, *Basic Financial Statements – Management Discussion and Analysis – for State and Local Governments*, and related standards. GASB Statement No. 34 established standards for external financial reporting for all state and local government entities which includes a Management's Discussions and Analysis section, a Statement of Net Position, a Statement of Activities, and if applicable, a Statement of Cash Flows.

**Measurement Focus, Basis of Accounting**

***Government-Wide Financial Statements***

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expense are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met. Expenses are recorded when liabilities are incurred.

***Fund Financial Statements***

Governmental fund financial statements (i.e., balance sheet and statement of revenues, expenditures and changes in fund balance) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues susceptible to accrual include property taxes, interest on investments, and intergovernmental revenues. Property taxes are recorded as revenues in the fiscal year in which they are levied, provided they are collected in the current period or within 60 days thereafter. Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific expenditures are recognized when all eligibility requirements are met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Because the focus of governmental funds is narrower than that of 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 financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental fund and governmental activities.

The Commission reports the following major governmental funds:

The ***General Fund*** accounts for those operations that provide services to the public.

The ***Special Revenue Fund*** accounts for the activity of Lighthouse for Children, Inc., a blended component unit of the Commission.

The Commission adopts annual appropriated budgets for its General Fund, which is a major fund. Budgetary comparison schedules have been provided for this fund to demonstrate compliance with the budgets.



**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

***Budgetary Procedures***

The Commission is required to prepare a budget each year based on estimates of revenues and expected expenditures. The budget is adopted on a basis consistent with GAAP. Budgetary control is exercised at the major object level. All changes to the budget during the year require the approval of the Commission. All unencumbered annual appropriations lapse at the end of each fiscal year.

***Revenues – Exchange and Non-Exchange Transactions***

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year.

***Expenses/Expenditures***

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred. Principal and interest on long-term debt obligations, which have not matured, are recognized when paid in the governmental fund as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental fund but are recognized in the governmental-wide statements.

***Investments***

The Commission is restricted by Government Code Section 53635 pursuant to Section 53601 to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchased or reverse repurchase agreements.

State statutes and the Commission's Investment Policy authorize the Commission to invest in U.S. Government Treasury and Agency Securities, bankers' acceptances, commercial paper, corporate bonds and notes, repurchases agreements, and the State Treasurer's Local Agency Investment Fund (LAIF). In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments held by the County Treasurer are stated at fair value. The fair value of pooled investments is determined quarterly and is based on current market prices received from the securities custodian. The balance available for withdrawal is based on the accounting records maintained by the County Treasurer.

***Accounts Receivable***

The Commission utilizes the allowance method of accounting for and reporting uncollectible or doubtful accounts. At June 30, 2020, management considered all accounts to be fully collectible and, therefore, no allowance was recorded in the accompanying financial statements.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

***Long-Term Advance***

The Commission advanced funds to Lighthouse for Children, Inc. (acting like a loan receivable) for the purpose of creating an investment fund. As part of this arrangement, the Commission will receive payment from Lighthouse for Children, Inc. in accordance with the Note Payable agreements. The loan is recorded for the full amount and the entire outstanding balance plus any unpaid interest is due on the maturity date, December 13, 2038. See Note 7 for more information.

***Capital Assets***

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Additions, improvements, and other capital outlays that significantly extend the useful life of the asset are capitalized. The Commission does not possess any infrastructure. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized but are expensed as incurred.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide Statement of Net Position. The valuation basis for capital assets is historical cost, or where historical cost is not available, estimated historical cost. Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation is computed using the straight-line method over the following estimated useful life:

Buildings .....	15-90 years
Building Improvements .....	10-80 years
Leasehold Improvements .....	5-20 years
Equipment .....	3-20 years

***Deferred Outflows and Inflows of Resources***

Pursuant to GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, and GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, the Commission recognizes deferred outflows and inflows of resources.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the Commission that is applicable to a future reporting period.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the Commission that is applicable to a future reporting period.

***Accrued Liabilities and Long-Term Obligations***

All current and long-term obligations are reported in the government-wide financial statements. Compensated absences that will be paid from governmental funds are reported as a liability in the governmental fund financial statements only to the extent that they are due for payment at year end.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

***Compensated Absences***

The Commission maintains a Paid Time Off (PTO) program that combines vacation and sick leave benefits into a single PTO bank. Beginning with an eligible employee's first day of employment, PTO will accrue at a rate of 6.154 hours per pay period. After five years of continuous employment, the accrual rate will increase to 7.69 hours per pay period. Once 300 hours are accrued, PTO will no longer accrue until some of the previously accrued PTO is taken. After some PTO is taken, PTO again begins to accrue at the time of employment status change, i.e., from a position that earns PTO to a position that does not earn vacation, or at the time of termination of employment. In the basic financial statements, these amounts are referred to as compensated absences.

In the governmental fund financial statements, a liability for these amounts is reported only if they have matured, for example, as a result of employee resignations or retirements prior to year-end, and payment of the liability is made subsequent to year-end. This is in accordance with GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

***Fund Balance***

**Fund Balance Classification**

The governmental fund financial statements present fund balances on classifications that comprise a hierarchy that is based primarily on the extent to which the Commission is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- *Nonspendable* – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.
- *Restricted* – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of the Children and Family Commission. These amounts cannot be used for any other purpose unless the Board of the Children and Family Commission remove or change the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- *Assigned* – This classification includes amounts that are constrained by the Commission's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of the Children and Families Commission. Further, the Commission may designate a body/committee or an official who can specify such purposes, such as through the budgetary process.
- *Unassigned* – This classification includes any negative residual amounts that may exist as a result of expenditures incurred for specific purposes in excess of amounts restricted, committed or assigned to those purposes.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

***Fund Balance*** (Continued)

***Fund Balance Classification*** (Continued)

The Commission establishes and modifies or rescinds fund balance commitments by passage of an ordinance or policy. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget as a designation or commitment of the fund, such as approved contracts. Assigned fund balance is established by the Commission through adoption or amendment of the budget, or future year budget, plan as intended for a specific purpose.

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, then unrestricted resources as they are needed.

***Net Position***

Net position represents the residual interest in the Commission's assets after liabilities are deducted. In the government-wide financial statement, net position is reported in three categories as follows:

- *Net investment in capital assets* – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those.
- *Restricted* – This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted* – This component of net position consists of assets that do not meet the definition of "restricted" or "net investment in capital assets". The Commission's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures or expenses during the reporting period. Accordingly, actual results could differ from those estimates.

***Reclassifications***

Certain prior year amounts have been reclassified to conform to the current year presentation. The Lighthouse for Children, Inc. change from discrete to a blended component unit status is discussed in Note 1.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 2 – CASH AND INVESTMENTS**

Cash and investments consist of the following as of June 30, 2020:

Cash in banks	\$ 3,732,960
Investments	<u>17,396,252</u>
 Total cash and investments	 <u>\$ 21,129,212</u>

**Policies and Practices**

The Commission is authorized under California Government Code to make direct investments. Details regarding the types of allowable investments and any limitations are listed under General Authorization of this Note.

**Investment in County Treasury**

The Commission is considered to be a voluntary participant in an external investment pool as the Commission deposits many receipts and collections of monies with the County Treasurer. The fair value of the Commission's investment in the pool is reported in the financial statements at amounts based upon the Commission's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

**General Authorization**

As per California Government Code and the Commission's Investment Policy, limitations to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	10%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	n/a	20%	10%
Money Market Mutual Funds	n/a	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	n/a	None	None
Local Agency Investment Fund (LAIF)	n/a	None	None
Joint Power Agency (JPA) Pools (other investment pools)	n/a	None	None

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Commission manages its exposure to interest rate risk by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

**Segmented Time Distribution**

Information about the sensitivity of the fair values of the Commission's investments to market interest rate fluctuations is provided by the following schedule that shows the distribution of the Commission's Investments by maturity:

Investment Type	Amount	Remaining Maturity (in months)		
		12 months or less	13 to 24 months	25 to 60 months
U.S. Treasuries	\$ 4,971,726	\$ -	\$ 1,506,783	\$ 3,464,943
Federal Agencies (non-callable)	1,749,342	-	356,756	1,392,586
Federal Agency Mortgage Backed Securities	438,719	-	41,593	397,126
Supranationals	114,665	-	51,329	63,336
Municipal Obligations	225,157	116,924	-	108,233
Negotiable Certificates of Deposit	699,649	311,988	102,344	285,317
Corporate Notes	2,851,460	182,667	1,009,246	1,659,547
Asset-Backed Securities	517,518	-	5,623	511,895
Money Market Mutual Funds	98,643	98,643	-	-
County Pooled Investments Funds	5,729,373	5,729,373	-	-
<b>Total</b>	<b>\$ 17,396,252</b>	<b>\$ 6,439,595</b>	<b>\$ 3,073,674</b>	<b>\$ 7,882,983</b>

**Credit Rate Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Commission's Investment in the County Pool is not required to be rated, nor has it been rated as of June 30, 2020.

Investment Type	Fair Value	Minimum Legal Rating	Rating as of Year-End										
			AAA	AA+	AA	AA-	A+	A	A-	A-1+	BBB+	Not Rated	
U.S. Treasuries	\$ 4,971,726	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,971,726
Federal Agencies (non-callable)	1,749,342	N/A	-	1,749,342	-	-	-	-	-	-	-	-	-
Federal Agency Mortgage Backed Securities	438,719	N/A	-	438,719	-	-	-	-	-	-	-	-	-
Supranationals	114,665	AAA	114,665	-	-	-	-	-	-	-	-	-	-
Municipal Obligations	225,157	N/A	108,233	-	-	116,924	-	-	-	-	-	-	-
Negotiable Certificates of Deposit	699,649	A-	-	-	-	386,992	103,521	102,344	-	106,792	-	-	-
Corporate Notes	2,851,460	A-	-	76,582	77,125	162,297	651,811	520,174	856,803	-	506,668	-	-
Asset-Backed Securities	517,518	AA	517,518	-	-	-	-	-	-	-	-	-	-
Money Market Mutual Funds	98,643	AAA	-	-	-	-	-	-	-	-	-	-	98,643
County Pooled Investments Funds	5,729,373	N/A	-	-	-	-	-	-	-	-	-	-	5,729,373
<b>Total</b>	<b>\$ 17,396,252</b>		<b>\$ 740,416</b>	<b>\$ 2,264,643</b>	<b>\$ 77,125</b>	<b>\$ 666,213</b>	<b>\$ 755,332</b>	<b>\$ 622,518</b>	<b>\$ 856,803</b>	<b>\$ 106,792</b>	<b>\$ 506,668</b>	<b>\$ 10,799,742</b>	

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

**Concentration of Credit Risk**

The investment policy of the Commission contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government Code. Investments in any one issuer that represents 5% or more of the total investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>	<u>% of Total Investments</u>
Fresno County Investment Pool	Investment Pool	\$ 5,729,373	32.9%
U.S. Treasury	Treasury Securities	\$ 4,971,726	28.6%

**Custodial Credit Risk**

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Commission’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits:

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the Commission’s deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The District has waived collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation.

Bank balances were \$3,598,491, the total amount of which was insured and/or collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the name of the Commission.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Commission’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government’s indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF). The Commission has no custodial credit risk exposure for investments because all the Commission’s investments are held in a third-party custodian bank in the name of the Commission.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 3 – FAIR VALUE MEASUREMENTS**

In accordance with generally accepted accounting principles, fair value is defined as the price that the Commission would receive upon selling an asset or have paid to transfer a liability at the reporting date. Generally accepted accounting principles established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs, and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing an asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing an asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are those that reflect the reporting entity’s own assumptions about the factors market participants would use in pricing the asset or liability developed based on the best information available.

The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly, and fair value is determined through the use of other valuation methodologies

Level 3 – Valuations based on inputs that are not observable and significant to the overall fair value measurements, including the Commission’s own assumptions in determining the fair value of assets or liabilities.

The following is a summary of the inputs used as of June 30, 2020 in valuing the Commission’s assets carried at fair value:

<u>Investments by fair value level</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Treasuries	\$ 4,971,726	\$ -	\$ 4,971,726	\$ -
Federal Agencies (non-callable)	1,749,342	-	1,749,342	-
Federal Agency Mortgage Backed Securities	438,719	-	438,719	-
Supranationals	114,665	-	114,665	-
Municipal Obligations	225,157	-	225,157	-
Negotiable Certificates of Deposit	699,649	-	699,649	-
Corporate Notes	2,851,460	-	2,851,460	-
Asset-Backed Securities	517,518	-	517,518	-
Total investments measured by fair value	<u>11,568,236</u>	<u>\$ -</u>	<u>\$ 11,568,236</u>	<u>\$ -</u>
Investments not subject to fair value hierarchy				
Money Market Mutual Funds	98,643			
County Pooled Investments Funds	<u>5,729,373</u>			
Total investments	<u>\$ 17,396,252</u>			



**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 4 – ACCOUNTS RECEIVABLE**

Accounts receivable as of June 30, 2020 consisted of intergovernmental grants, entitlements, state apportionments and local sources. All receivables consisted of the following:

State government:	
Proposition 10	\$ 1,190,663
Other sources	<u>1,160,917</u>
 Total	 <u>\$ 2,351,580</u>

**NOTE 5 – CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2020 was as follows:

	Balance 6/30/2019	Additions	Disposals	Balance 6/30/2020
Capital assets not being depreciated:				
Land	\$ 676,530	\$ -	\$ -	\$ 676,530
 Total capital assets not being depreciated	 <u>676,530</u>	 <u>-</u>	 <u>-</u>	 <u>676,530</u>
Capital assets being depreciated:				
Equipment	119,310	-	-	119,310
Buildings and Improvements	<u>15,558,553</u>	<u>-</u>	<u>-</u>	<u>15,558,553</u>
 Total capital assets being depreciated	 <u>15,677,863</u>	 <u>-</u>	 <u>-</u>	 <u>15,677,863</u>
Less accumulated depreciation:				
Equipment	100,609	4,455	-	105,064
Buildings and improvements	<u>1,808,760</u>	<u>403,291</u>	<u>-</u>	<u>2,212,051</u>
 Total accumulated depreciation	 <u>1,909,369</u>	 <u>407,746</u>	 <u>-</u>	 <u>2,317,115</u>
Total capital assets being depreciated, net	<u>13,768,494</u>	<u>(407,746)</u>	<u>-</u>	<u>13,360,748</u>
Total capital assets, net	<u>\$ 14,445,024</u>	<u>\$ (407,746)</u>	<u>\$ -</u>	<u>\$ 14,037,278</u>

Depreciation expense for the year ended June 30, 2020 was \$407,746.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 6 – ACCOUNTS PAYABLE**

Accounts payable consist of the following as of June 30, 2020:

Program grantees	\$ 1,981,419
Vendors	<u>21,827</u>
 Total	 <u>\$ 2,003,246</u>

**NOTE 7 – LONG-TERM OBLIGATIONS**

Long term obligations activity for the year ended June 30, 2020 were as follows:

	Balance 6/30/2019 (a)	Additions	Disposals	Balance 6/30/2020	Due within One Year
Governmental activities:					
Notes payable	\$ 4,757,941	\$ -	\$ -	\$ 4,757,941	290,719
Compensated absences	<u>45,389</u>	<u>61,417</u>	<u>(63,139)</u>	<u>43,667</u>	<u>21,194</u>
 Total	 <u>\$ 4,803,330</u>	 <u>\$ 61,417</u>	 <u>\$ (63,139)</u>	 <u>\$ 4,801,608</u>	 <u>\$ 311,913</u>

(a) - Note that this balance was previously shown as a gross note payable from Lighthouse for Children, Inc. to the Commission when it was shown as a discrete component unit, however in FY 2020, Lighthouse for Children, Inc. is now a blended component unit and as such, the 6/30/2019 balance has been updated to reflect this change.

**Compensated Absences – Governmental Activities**

Compensated absences, which combines vacation and sick leave benefits into a single PTO bank account, amounted to \$43,667 at June 30, 2020.

**Notes Payable**

The blended component unit, Lighthouse for Children Inc. was created by the Commission as a Qualified Active Low Income Community Business (QALICB) to take advantage of a New Market Tax Credit (NMTC) financing structure involving a leverage lender (Children and Families Commission of Fresno County) who provided funding into a newly created investment fund (the Fund). An investor, who benefits from the NMTCs, then provided the equity into the Fund. The Fund then loaned the full amount of the financial transaction to two community development entities, Qualified Low-Income Community Investment (QLICI) and Low Income Investment Fund (LIIF), who in turn loaned the funds to Lighthouse for Children, Inc. The following four notes payable from Lighthouse for Children, Inc. combine to represent the total \$15,714,000 loan:

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 7 – LONG-TERM OBLIGATIONS** (Continued)

<p>QLICI Loan A note from LIIF Sub-CDE XXIV, LLC, dated December 13, 2013, in the original amount of \$5,410,400. Quarterly interest only payments commencing on March 1, 2014 and continuing through December 1, 2020. Quarterly principal and interest payments of \$68,743 commencing on March 1, 2021 and continuing until the note matures on December 13, 2043. Interest is at a rate of 1.39% per annum. The note is secured by the deed of trust on the property. Payments of principal and interest is to be paid from rent due pursuant to a master lease agreement with the Commission.</p>	\$ 5,410,400
<p>QLICI Loan B note from LIIF Sub-CDE XXIV, LLC, dated December 13, 2013, in the original amount of \$2,349,600. Quarterly interest only payments commencing on March 1, 2014 and continuing through December 1, 2020. Quarterly principal and interest payments of \$29,853 commencing on March 1, 2021 and continuing until the note matures on December 13, 2043. Interest is at rate of 1.39% per annum. The note is secured by the deed of trust on the property. Payments of principal and interest is to be paid from rent due pursuant to a master lease agreement with the Commission.</p>	2,349,600
<p>QLICI Loan A note from Central Valley NMTC Sub IV, LLC, dated December 13, 2013, in the original amount of \$5,545,660. Quarterly interest only payments commencing on March 1, 2014 and continuing through December 1, 2020. Quarterly principal and interest payments of \$70,413 commencing on March 1, 2021 and continuing until the note matures on December 13, 2043. Interest is at rate of 1.3837% per annum. The note is secured by the deed of trust on the property. Payments of principal and interest is to be paid from rent due pursuant to a master lease agreement with the Commission.</p>	5,545,660
<p>QLICI Loan B note from Central Valley NMTC Sub IV, LLC, dated December 13, 2013, in the original amount of \$2,408,340. Quarterly interest only payments commencing on March 1, 2014 and continuing through December 1, 2020. Quarterly principal and interest payments of \$30,579 commencing on March 1, 2021 and continuing until the note matures on December 13, 2043. Interest is at rate of 1.3837% per annum. The note is secured by the deed of trust on the property. Payments of principal and interest is to be paid from rent due pursuant to a master lease agreement with the Commission.</p>	<u>2,408,340</u>
<p>Total notes payable</p>	15,714,000
<p>Less current portion due</p>	<u>290,719</u>
<p>Notes payable, long-term portion</p>	<u>\$ 15,423,281</u>

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 7 – LONG-TERM OBLIGATIONS** (Continued)

As part of the funding arrangement noted previously, the Commission contributed \$10,956,059 as part of the notes payable structuring arrangement. As such, this is considered an Advance of funds from the General Fund to the Lighthouse Special Revenue Fund. As of June 30, 2020, the total balance of the Advance from the Commission was for \$10,956,059. See below for the reconciliation between the full values of all Notes Payable, reduced by the related “Advance To” reported in the General Fund:

Reconciliation to the Commission's Advances

Total notes payable	\$	15,714,000
Less Advance from the Commission to the Lighthouse:		10,956,059
Notes payable due to external parties	\$	4,757,941
Current portion due to external parties:	\$	290,719
Long-term portion due to external parties:		4,467,222
Total notes payable	\$	4,757,941

Minimum future principal and interest payments are summarized as follows:

Fiscal Years Ending June 30	Principal	Interest	Total
2021	\$ 290,718	\$ 217,420	\$ 508,138
2022	587,507	210,845	798,352
2023	595,697	202,655	798,352
2024	604,001	194,351	798,352
2025 and thereafter	13,636,077	1,953,046	15,589,123
Total	\$ 15,714,000	\$ 2,778,317	\$ 18,492,317

Interest expense relating to the above notes payable was \$199,763 for the year ended June 30, 2020.

**NOTE 8 – POSTEMPLOYMENT BENEFITS**

The Commission's 401(a) Plan (the Plan) is a defined contribution pension plan established by the Commissioners of the Commission and administered through ICMA-RC, a non-profit independent financial services corporation. The provisions and contribution requirements of the Plan are established and may be amended by the Commissioners of the Commission. The Plan covers all full-time employees and provides for immediate 100 % vesting for the participants. The Commission makes contributions of 8.74 % of compensation to the Plan. The Commission made contributions to the Plan of \$75,957 for the year ended June 30, 2020.

The Commission also offers its employees a deferred compensation plan created in accordance with IRC Section 457 and administered through ICMA-RC, a non-profit independent financial services corporation. The Plan, available to all full-time Commission employees, permits them to defer a portion of their current salary until future years. The Commission is not required to make contributions to the plan, and all contributions made to the Plan are solely at the discretion of the employees.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 9 – FUND BALANCE**

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned as described in Note 1. A detailed schedule of fund balance as of June 30, 2020 is as follows:

Nonspendable:	
Lighthouse for Children facility advance	\$ 10,956,059
Restricted:	
Outside grant funding	162,609
Donor restrictions	46,799
Committed:	
Awarded and unpaid grants	8,488,025
Assigned:	
First 5 Initiatives	12,653,727
Unassigned	<u>(10,867,634)</u>
Total fund balance	<u>\$ 21,439,585</u>

**NOTE 10 – RISK MANAGEMENT**

The Commission is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, employee's health and natural disasters. The Commission manages these various risks of loss by purchasing commercial insurance coverage. Their policy includes coverage for bodily injury, property damage, personal injury, automobile liability, directors' and officers' liability, public officials' errors and omissions, and non-owned and hired autos. In addition, the Commission maintains a workers' compensation insurance policy and a health benefits insurance package for its employees. Settlements have not exceeded covered amounts for the past three years.

**NOTE 11 – EVALUATION EXPENDITURES**

The Commission expended \$513,634 on program evaluation during the fiscal year ended June 30, 2020.

**NOTE 12 – ECONOMIC DEPENDENCY**

The Commission received the majority of its funding from one source, taxes imposed by Section 30131.2 of the California Tax and Revenue Code. This code imposes additional taxes on the sale of cigarettes and tobacco products. The total amount of funding from the additional taxes was \$9,754,838, or 77.86%, of the total revenue for the year ended June 30, 2020. The Commission is thus subject to possible risk of reductions in services and/or closure due to potential future changes of Section 30131.2 of the California Tax and Revenue Code.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 13 – COMMITMENT AND CONTINGENCIES**

Commitments and contingencies, undeterminable in amount, include normal recurring pending claims and litigation.

**Grantee Obligations**

As of June 30, 2020, the Commission's remaining obligations with grantees of \$8,488,025 is included in committed fund balance.

**Litigation**

In the opinion of management, based upon discussion with legal counsel, there is no pending litigation which is likely to have a material adverse effect on the financial position of the Commission.

**New Market Tax Credits**

Lighthouse for Children Inc. was created by the Commission as a Qualified Active Low-Income Community Business (QALICB) to take advantage of a New Market Tax Credit (NMTC) financing structure in order to build a facility within a low-income community. Lighthouse for Children, Inc. was created as a 501(c)(3) non-profit public benefit corporation to act as the QALICB, as the Commission is not eligible to be the QALICB.

NMTC's are designed to infuse private sector capital into distressed communities by providing a tax credit for taxpayers who make qualified investments into designated Community Development Entities (CDEs). The NMTC transaction structure involves a leverage of lender (Children and Families Commission of Fresno County) to provided funding into a newly created investment fund (the Fund). An investor, then provides the equity into the Fund. The Fund then loans the full amount of the financial transaction to the CDE, who in turn loans the funds to the QALICB. The NMTC transaction is active for seven years. At the end of seven years, the investor will "put" the transaction and Commission will acquire 100% interest in the Fund. At the time, the QALICB will likely dissolve and the Commission will acquire title to the property.

There is some nominal risk of tax credit recapture if Lighthouse for Children, Inc. acting as the QALICB, fails to maintain its obligations in the transaction. If the IRS recaptures the credits, the Commission may be responsible for repayment of the entire equity amount. The likelihood of this occurring is minimal as it is the Commission's intent to take whatever steps are necessary to ensure compliance with all NMTC requirements.

**Master Lease Agreement – Related Party**

The Commission has entered into a master lease agreement with Lighthouse for Children, Inc. (Landlord), the Commission's blended component unit, in which the Commission will act as Master Tenant. Landlord obtained New Market Tax Credit (NMTC) financing to provide for the construction of the facility which is used as a child care center, a community learning center, office space for the Commission's operations, and any other activities that fulfill the specific charitable purposes of Lighthouse for Children, Inc. Master Tenant pays an annual base rent of \$148,000 to the landlord for the property payable in equal monthly installments as stated in the agreement. Landlord and Master Tenant intend to operate the property in a manner that complies with NMTC requirements.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 14 – SUBSEQUENT EVENTS**

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus, COVID-19, a pandemic, and on March 13, 2020, the President of the United States declared the COVID-19 outbreak in the United States a national emergency. Further, on March 19, 2020, the governor of the State of California issued a statewide Stay at Home Order to slow the spread of COVID-19. The Order required all individuals living in California to stay at home, except as needed to maintain continuity of the federal critical infrastructure sectors. The sector in which the Commission operates, is not designated on the list of essential critical infrastructure workers. Accordingly, some functions of the Commission's operations will be limited to protect the health and safety of its employees. The ultimate financial impact on the Commission that could occur as a result of the pandemic is unknown at this time.

**Lighthouse for Children, Inc. – New Market Tax Credit**

Both the Commission and the Lighthouse for Children, Inc. anticipate the completion of the seventh year of the New Market Tax Credit (NMTC) agreements in December 2020. The seventh year is notable as it marks the time period where, if all requirements are met and the entities are in good standing, the loan that created the Lighthouse for Children, Inc. facility, is forgiven. The Lighthouse for Children, Inc. Board and the Commission will facilitate discussions about the future of the non-profit once the NMTCs have officially termed.

Management has evaluated and concluded that there were no other subsequent events that have occurred from June 30, 2020 through the date the financial statements were available to be issued at October 16, 2020 that would require disclosure or adjustment.

*THIS PAGE IS LEFT BLANK INTENTIONALLY.*



REQUIRED SUPPLEMENTARY INFORMATION

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – GENERAL FUND  
(BUDGET TO ACTUAL)  
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Proposition 10 taxes	\$ 8,000,000	\$ 8,000,000	\$ 7,471,906	\$ (528,094)
Proposition 56 taxes	-	-	2,282,932	2,282,932
Grant revenue	1,959,888	2,471,002	1,814,846	(656,156)
Interest and investment earnings	25,000	210,000	707,362	497,362
Other revenue	300,000	200,000	272,398	72,398
<b>Total revenues</b>	<u>10,284,888</u>	<u>10,881,002</u>	<u>12,549,444</u>	<u>1,668,442</u>
<b>EXPENDITURES</b>				
Salaries & employee benefits	1,301,383	1,295,992	1,082,812	213,180
Services and supplies	490,271	495,533	334,874	160,659
Evaluation program expenditures	500,000	500,000	460,347	39,653
Grant expenditures	7,993,234	14,558,406	7,284,106	7,274,300
<b>Total expenditures</b>	<u>10,284,888</u>	<u>16,849,931</u>	<u>9,162,139</u>	<u>7,687,792</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(5,968,929)</u>	<u>3,387,305</u>	<u>9,356,234</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (5,968,929)</u>	<u>3,387,305</u>	<u>\$ 9,356,234</u>
Fund balance - beginning of year			<u>28,873,115</u>	
Fund balance - end of year			<u>\$ 32,260,420</u>	

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – LIGHTHOUSE SPECIAL REVENUE FUND  
(BUDGET TO ACTUAL)  
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Annual rent income	\$ 148,000	\$ 148,000	\$ 148,000	\$ -
Other revenue	-	-	415	415
 Total revenues	 148,000	 148,000	 148,415	 415
<b>EXPENDITURES</b>				
Administrative contract	5,250	5,250	4,331	919
Insurance & tax expense	19,201	19,201	10,717	8,484
Professional services expense	8,200	8,200	5,619	2,581
New Market Tax Credit expense	115,349	115,349	199,764	(84,415)
 Total expenditures	 148,000	 148,000	 220,431	 (72,431)
Excess (deficiency) of revenues over (under) expenditures	-	-	(72,016)	(72,016)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(72,016)	<u>\$ (72,016)</u>
Fund balance - beginning of year			(10,748,819)	
Fund balance - end of year			<u>\$ (10,820,835)</u>	

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2020**

**NOTE 1 – BUDGETARY BASIS OF ACCOUNTING**

The Commission adopts a budget annually in accordance with generally accepted accounting principles based on estimates of revenue and anticipated expenditures. All annual appropriations lapse at fiscal year end.

**NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The Lighthouse Special Revenue Fund incurred expenditures in excess of appropriations for the following amounts for the year ended June 30, 2020:

New Market Tax Credit Expense	\$84,415
-------------------------------	----------

Expenditures in excess of appropriations would be covered by the available fund balance in the General Fund.

The excess appropriations from the New Market Tax Credit (NMTC) expense represent funds held in reserve accounts by Lighthouse for Children, Inc. NMTC partners (Low Income Investment Fund and Central Valley NMTC, LLC.). The funds in the reserve accounts are released to the Lighthouse for Children, Inc. NMTC loan lender for the sole purpose of those expenses only and are separate from Lighthouse for Children, Inc.'s operating accounts. The reserve accounts are reconciled to Lighthouse for Children, Inc.'s general ledger but are neither budgeted nor paid for from Lighthouse for Children, Inc. operating funds. Similarly, the revenue/income amount that off-set the excess appropriations is held in the reserve accounts and is neither budgeted nor received by Lighthouse for Children, Inc.

OTHER SUPPLEMENTARY INFORMATION

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
 SUPPLEMENTAL SCHEDULE OF FIRST 5 CALIFORNIA (F5CA) FUNDING  
 FOR THE YEAR ENDED JUNE 30, 2020**

(A COMPONENT UNIT OF THE COUNTY OF FRESNO, CALIFORNIA)

<u>PROGRAM OR PROJECT TITLE</u>		<u>REVENUE F5CA</u>	<u>EXPENDITURES</u>	<u>CHANGE IN NET POSITION</u>	<u>NET POSITION BEG OF YEAR</u>	<u>NET POSITION END OF YEAR</u>
First 5 IMPACT Program	IMPACT Hub Program Funds	\$ 827,603	\$ 827,603	\$ -	\$ -	\$ -
	County, Local IMPACT Funds	663,536	663,536			
	Dual Language Pilot Projects Funds	47,041	47,041	-	-	-
<b>TOTAL F5CA FUNDS</b>		<b>\$ 1,538,180</b>	<b>\$ 1,538,180</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

OTHER INDEPENDENT AUDITOR'S REPORTS

*THIS PAGE IS LEFT BLANK INTENTIONALLY.*





INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners of  
Children and Families Commission of Fresno County

We have audited, in accordance with the 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, the financial statements of the governmental activities, and each major fund of the Children and Families Commission of Fresno County (the Commission), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated October 16, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Commission's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Summary Schedule of Audit Findings, as item 2020-001 that we consider to be a material weakness.

570 N. Magnolia Avenue, Suite 100  
Clovis, CA 93611  
tel 559.299.9540  
fax 559.299.2344

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **The Commission's Response to Findings**

The Commission's response to the findings identified in our audit is described in the accompanying Response – Summary Schedule of Audit Findings. The Commission's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Price Pange & Company*

Clovis, California  
October 16, 2020



INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

To the Board of Commissioners of  
Children and Families Commission of Fresno County

**Report on Compliance for Each Major Federal Program**

We have audited the Children and Families Commission of Fresno County's (the Commission) compliance with the types of compliance requirements specified in the State of California's Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act, issued by the State Controller's Office, applicable to the Commission's statutory requirements identified below for the year ended June 30, 2020.

***Management's Responsibility***

Management is responsible for compliance with the requirements of the laws and regulations applicable to the California Children and Families Act.

***Auditor's Responsibility***

Our responsibility is to express an opinion on the Commission's compliance with the requirements referred to above based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State of California's Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act, issued by the State Controller's Office. Those standards and the State of California's Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the statutory requirements listed below. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance. However, our audit does not provide a legal determination of the Commission's compliance with those requirements. In connection with the audit referred to above, we selected and tested transactions and records to determine the Commission's compliance with the state laws and regulations applicable to the following items:

570 N. Magnolia Avenue, Suite 100  
Clovis, CA 93611

tel 559.299.9540  
fax 559.299.2344

<b>Description</b>	<b>Audit Guide Procedures</b>	<b>Procedures Performed</b>
Contracting and Procurement	6	Yes
Administrative Costs	3	Yes
Conflict-of-Interest	3	Yes
County Ordinance	4	Yes
Long-range Financial Plan	2	Yes
Financial Condition of the Commission	1	Yes
Program Evaluation	3	Yes
Salaries and Benefits Policies	2	Yes

**Opinion**

In our opinion, the Commission, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the California Children and Families Program for the year ended June 30, 2020.

*Price Pange & Company*

Clovis, California  
October 16, 2020

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
SUMMARY SCHEDULE OF AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2020**

**Finding 2020-001 – Financial Close and Reporting Process (Material Weakness)**

- Condition:** The Commission did not properly perform year-end closing procedures as it relates to the recording of revenue/receivables. We identified a missing revenue/receivable amount during our audit for \$653,705 that was not recorded as of June 30, 2020. We proposed the necessary accounting entries to correct the balances of these accounts. Management agrees with our adjustments and will post the entries, so the Commission’s trial balance reconciles to the issued Financial Statements.
- Criteria:** A strong system of internal controls and management review requires that general ledger account balances be properly reconciled to a subsidiary ledger or other adequate supporting documentation on a periodic basis, as well as during the year-end financial close process. Management is responsible for maintaining accounting records in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).
- Cause:** Internal controls over the year-end financial reporting process were not properly designed and were not placed in operation.
- Effect:** As a result of this condition, revenue/receivables were initially misstated.
- Recommendation:** The Commission should enhance its year-end financial close procedures to include the additional steps necessary to ensure proper reconciliation and reporting of all significant account balances, in addition to ensuring there are supporting schedules to support those balances.
- Response:** See Response – Summary Schedule of Audit Findings (next page)



**RESPONSE – SUMMARY SCHEDULE OF AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2020**

**Finding 2020-001**

Journal entries to properly remedy the omitted revenue receivable have been posted to the general ledger and the finding has been resolved. To prevent a similar occurrence in the future, the agency's internal year-end closing checklist has been revised to clearly track all major audit-related tasks including receivable reconciliation. Additionally, the vacant staff position has been filled to assist with accounting workload.

A handwritten signature in black ink that reads "Alix Hillis".

---

Alix Hillis  
Project Director

A handwritten signature in black ink that reads "Fabiola González".

---

Fabiola González  
Executive Director



## County of Fresno

**Oscar J. Garcia, CPA**  
Auditor-Controller/Treasurer-Tax Collector

December 24, 2020

David Pomaville, Director, Department of Public Health  
Fresno County Department of Public Health  
1221 Fulton Street  
Fresno CA, 93721

The Auditor Controller's office has performed the procedures enumerated below, which were agreed to by the Fresno County Department of Public Health Emergency Medical Services Agency (County) and California Health and Human Services Agency Emergency Medical Services Authority (State), solely to assist you in evaluating County's compliance with the requirements of State Revenue Agreement C19-015, dated November 5, 2019, for the period of July 1, 2019 through June 30, 2020.

The accuracy of the Emergency Medical Services Authority (EMSA) Report is the responsibility of the Department of Public Health (DPH). We conducted this engagement in conformance with the International Standards Framework for the Professional Practice of Internal Auditing, as promulgated by the Institute of Internal Auditors. The sufficiency of the procedures performed is solely the responsibility of the Department's management. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings were as follows:

- a. We verified all costs incurred have been in accordance with the contract and EMSA #104.
  - No exceptions were noted.
- b. We verified proper accounting records have been maintained for the administration of the multicounty Emergency Medical Services (EMS) agency and source documents have been filed.
  - No exceptions were noted.
- c. We verified that all reimbursements have been proper and reflect actual and allowable costs.
  - No exceptions were noted.

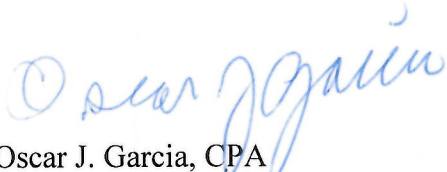
- d. We verified that a physical inventory has been taken of all equipment/property purchased with State General Fund money.
  - No exceptions were noted.
- e. We verified that provisions have been made to retain source documentation support costs incurred for the last three years after the applicant agency has received final payment or until any audit exceptions are resolved.
  - No exceptions were noted.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion, on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users listed above and is not intended to be, nor should it be used by anyone other than those specified parties.

We would like to express our appreciation to the Department's staff for their assistance during our review. If you have any questions, please contact David Richstone at 559-600-1799.

Sincerely,



Oscar J. Garcia, CPA  
Auditor-Controller/Treasurer-Tax Collector





COUNTY OF FRESNO  
STATE OF CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For the Fiscal Year Ended June 30, 2020

Compiled Under the Department of:  
Auditor-Controller/Treasurer-Tax Collector

Oscar J. Garcia, CPA  
Auditor-Controller/Treasurer-Tax Collector

**County of Fresno**  
**Comprehensive Annual Financial Report**  
**Table of Contents**  
**For Fiscal Year Ended June 30, 2020**

**Introductory Section**

Letter of Transmittal	iv
Certificate of Achievement for Excellence in Financial Reporting	x
Organizational Chart	xi
List of Principal Officials	xii

**Financial Section**

Independent Auditor’s Report	1
Management’s Discussion and Analysis	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet - Governmental Funds	17
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in	
Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Net Position - Proprietary Funds	21
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	22
Statement of Cash Flows - Proprietary Funds	23
Statement of Fiduciary Net Position - Fiduciary Funds	25
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	26
Notes to the Basic Financial Statements	27
Required Supplementary Information - (Other than MD&A)	
Budgetary Comparison Schedule – General Fund	70
Budgetary Comparison Schedule – Disaster Claiming Fund	71
Budgetary Comparison Schedule – Behavioral Health-MH Fund	72
Budgetary Comparison Schedule – Social Services Fund	73
Budgetary Comparison Schedule – Local Health and Welfare Fund	74
Budgetary Comparison Schedule – 2011 Realignment Fund	75
Notes to the Budgetary Comparison Schedules	76

**County of Fresno**  
**Comprehensive Annual Financial Report**  
**Table of Contents**  
**For Fiscal Year Ended June 30, 2020**

Required Supplementary Information - Schedule of the County's Proportionate Share of the Net Pension Liability and Schedule of County Contributions	78
Supplementary Information:	
Budgetary Comparison Schedule – Debt Service Fund	82
Combining and Individual Fund Financial Statements and Schedules:	
Combining Balance Sheet - Nonmajor Governmental Funds	83
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	84
Additional Financial Information:	
Special Revenue Funds:	
Combining Balance Sheet - Nonmajor Special Revenue Funds	85
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds	89
Budgetary Comparison Schedule – Road Fund	93
Budgetary Comparison Schedule – CAO Indian Gaming	94
Budgetary Comparison Schedule – County Administrative Office	95
Budgetary Comparison Schedule – Auditor-Controller/Treasurer-Tax Collector	96
Budgetary Comparison Schedule – Assessor/Recorder	97
Budgetary Comparison Schedule – Behavioral Health	98
Budgetary Comparison Schedule – County Clerk Elections	99
Budgetary Comparison Schedule – Child Support Services	100
Budgetary Comparison Schedule – District Attorney	101
Budgetary Comparison Schedule – Probation	102
Budgetary Comparison Schedule – Public Health	103
Budgetary Comparison Schedule – Public Works	104
Budgetary Comparison Schedule – Public Works – CDBG	105
Budgetary Comparison Schedule – Public Works – Community Facilities District	106
Budgetary Comparison Schedule – Public Works – Public Facilities Fees	107
Budgetary Comparison Schedule – Sheriff-Coroner	108
Budgetary Comparison Schedule – Inmate Welfare	109
Budgetary Comparison Schedule – County Free Library	110
Budgetary Comparison Schedule – Fish and Game	111
Budgetary Comparison Schedule – Off-Highway License	112

**County of Fresno**  
**Comprehensive Annual Financial Report**  
**Table of Contents**  
**For Fiscal Year Ended June 30, 2020**

Budgetary Comparison Schedule – Emergency Medical Services	113
Budgetary Comparison Schedule – Community Corrections Performance Incentive	114
Budgetary Comparison Schedule – County Service Areas, Other	115
<b>Internal Service Funds:</b>	
Combining Statement of Net Position - Internal Service Funds	118
Combining Statement of Revenues, Expenses, and Changes in Net Position - Internal Service Funds	120
Combining Statement of Cash Flows - Internal Service Funds	122
<b>Fiduciary Funds:</b>	
Combining Statement of Changes in Assets and Liabilities - Agency Funds	127
<b>Statistical Section</b>	
Net Position by Component	129
Changes in Net Position	130
Fund Balances, Governmental Funds	132
Changes in Fund Balances, Governmental Funds	133
Governmental Funds Revenues by Source	134
Gross Assessed and Estimated Actual Value of Taxable Property	136
Property Tax Rates - Direct and Overlapping Governments	137
Principal Taxpayers	138
Property Tax Levies and Collections	139
Ratio of Outstanding Debt by Type	140
Estimated Direct and Overlapping Bonded Debt	141
Computation of Legal Debt Margin	142
Pledged Revenue Coverage	143
Demographic and Economic Statistics	144
Principal Employers	145
Employees by Function/Program	146
Operating Indicators by Function/Program	147
<b>Glossary</b>	148

THIS PAGE INTENTIONALLY BLANK



## **INTRODUCTORY SECTION**

- Letter of Transmittal
- Certificate of Achievement
- Organizational Chart
- List of Principal Officials



**County of Fresno**  
**Oscar J. Garcia, CPA**  
Auditor-Controller/Treasurer-Tax Collector

December 30, 2020

The Honorable Board of Supervisors and  
Citizens of the County of Fresno, California

Members of the Board and Citizens of the County of Fresno:

The Comprehensive Annual Financial Report (CAFR) of the County of Fresno (County) for the fiscal year ended June 30, 2020, is hereby submitted in accordance with the provisions of Sections 25250 and 25253 of the Government Code of the State of California.

The report contains financial statements that have been prepared in conformity with generally accepted accounting principles (GAAP) prescribed for governmental entities. Responsibility for the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the County's management. An established comprehensive framework of internal controls has been designed to provide reasonable assurance that the enclosed data is accurate in all material respects and that its presentation fairly depicts the financial position and changes in financial position of County funds. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls is designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatements.

The County's financial statements have been audited by the certified public accounting firm of Brown Armstrong Accountancy Corporation. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2020 are free of material misstatement. The independent certified public accounting firm has issued an unmodified ("clean") opinion on the County's financial statements as of and for the fiscal year ended June 30, 2020. The auditor's report is located at the beginning of the financial section of this report.

This letter of transmittal is designed to complement, and should be read in conjunction with, Management's Discussion and Analysis (MD&A), and the included financial statements and financial statement notes. MD&A provides a narrative introduction, overview, and analysis of the financial statements and can be found immediately following the report of the independent auditors.

## **PROFILE OF THE GOVERNMENT**

The County was created from parts of Merced, Tulare, and Mariposa counties in 1856 and is a political subdivision chartered by the State of California (the State). It is the sixth largest county in the State in terms of area, occupying over 6,000 square miles in the heart of the San Joaquin Valley and has a population of 1,023,358 as of January 1, 2020. There are 15 incorporated cities within the County: Fresno, Clovis, Sanger, Reedley, Selma, Coalinga, Parlier, Kerman, Kingsburg, Mendota, Orange Cove, Firebaugh, Huron, Fowler, and San Joaquin. The largest employment categories include public administration, retail trade,



transportation, accommodation & food services, education & health services, administrative services, agriculture, and manufacturing.

Policy making and legislative authority are vested in the County Board of Supervisors (Board), which consists of an elected supervisor from each of five districts. The Board is responsible for, among other things, passing ordinances, adopting budgets, appointing committees, and appointing the County Administrative Officer (CAO). The CAO, in turn, appoints the non-elected department heads that are not otherwise appointed by law. The County has five elected department heads responsible for the offices of Assessor-Recorder, Auditor-Controller/Treasurer-Tax Collector, County Clerk/Registrar of Voters, District Attorney, and Sheriff-Coroner-Public Administrator. The following organizational chart reflects the various functional categories reported in the government-wide Statement of Activities and identifies principal officials in each area.

Board of Supervisors

Brian Pacheco District 1	Steve Brandau District 2	Sal Quintero District 3	Buddy Mendes District 4	Nathan Magsig District 5
-----------------------------	-----------------------------	----------------------------	----------------------------	-----------------------------

Jean M. Rousseau, CPA  
County Administrative Officer

Daniel C. Cederborg  
County Counsel

Public Protection	Health & Public Assistance	Public Ways & Facilities	Education	Culture & Recreation	General Government
Margaret Mims Sheriff-Coroner Public Administrator	Delfino Neira Director Social Services	Stephen E. White Director/Public Works & Planning	Raman Bath County Librarian	Steven E. White Director/Public Works & Planning	Paul Dictos, CPA Assessor-Recorder
Lisa A. Smittcamp District Attorney	David Pomaville Director Public Health	Melissa Cregan Agricultural Commissioner/Sealer of Weights & Measures	Karmjot Randhawa Cooperative Extension		Oscar J. Garcia, CPA Auditor-Controller/ Treasurer-Tax Collector
Kirk Haynes Chief Probation Officer	Dawan Utecht, Director Behavioral Health Public Guardian				Paul Nerland Director Human Resources
Elizabeth Diaz Public Defender	Kari Gilbert Director Child Support Services				Robert W. Bash Director of Internal Services-Chief Information Officer
					Brandi L. Orth County Clerk/Registrar of Voters



The County, with an average of 7,345 full-time equivalent employees, provides a full range of services to its residents as the above organizational chart depicts. Included in reported operations are various component units that provide specific services County-wide or to distinct geographic areas within the County. They include, among others, County Service Areas (CSAs), Fresno County Financing Authority (FCFA), Fresno County Tobacco Funding Corporation, and San Joaquin Valley Insurance Authority. While these entities are legally separate from the County, the County has some financial accountability for them, their governing bodies are substantially the same as the County's Board, and in most cases, provide services exclusively to the County.

For financial planning and control, the Board adopts an annual appropriated budget for the County. Activities of the General Fund, Special Revenue Funds, Capital Projects Fund, and the Debt Service Fund are included in the annual budget. Budgetary control is exercised at the department level in both the General and Special Revenue Funds. The legal level of control is at the object level except for capital assets, which are controlled at the sub-object level. Project-length financial plans are adopted for capital improvements. Budget-to-actual comparisons are provided in this report for each major governmental fund and each nonmajor special revenue fund for which an appropriated annual budget has been adopted.

The County of Fresno internet site at <http://www.co.fresno.ca.us> provides extensive information about the County government and its services to the citizens of Fresno County and to those who visit. The County's website includes information about the Board, including how to contact the Board, and provides Board Agendas, County job listings, bid solicitations, County directories, information on how to appeal assessments, voter information, County permits and forms, and financial information such as the County tax rate book, the annual budget, and recent CAFRs. The site also provides several online services, including the ability to view both live and archived Board meetings, look up election results and polling places, and pay property taxes.

## ECONOMIC OVERVIEW

The County of Fresno serves as a financial, trade, commercial and educational center for central California. The County is one of eight counties in the San Joaquin Valley that routinely account for one-half of California's agricultural production. In addition to an extensive highway and road system, several motor freight carriers and a railway network, the County is also home to Fresno Yosemite International Airport, which provides both passenger and cargo services.

California has the largest labor market in the United States with a labor force of 18,971,200 persons as of June 30, 2020. The employed labor force at June 30, 2020, was 16,140,200 persons on a seasonally adjusted basis. This number demonstrates a decline in the California labor market. The State-wide unemployment rate is 14.9% or 2,830,900 persons. The County of Fresno has experienced a similar decline in labor force and employment with a corresponding increase in unemployment. The County of Fresno labor force consisted of 450,000 persons as of June 30, 2020. Unemployment in the County has increased by 7.5% from the prior year and is at a rate of 14.5% as of June 30, 2020.

The County's economy continues to have moderate growth in property tax and sales tax revenues. The net assessed value of the Property Tax Secured Roll increased to \$82,621,662,237 in the 2019-2020 fiscal year. Property tax revenues increased by 10.5% from fiscal year 2018-2019 to fiscal year 2019-2020, while sales tax revenues increased by 4% over the same time period. This movement indicated a steady and continued recovery in the County's economy.

The housing market in the County continues to show significant growth. The median home price within the County was up to \$325,000 during the month of September 2020; this represents an increase of \$38,000 or 13.24%, as compared to the median home prices in September 2019 of \$287,000. Furthermore, housing sales increased by 6.7% in September compared to the same period last year. The current Unsold Inventory Index, which is a measure in number of months, of current housing inventory, based on current sales volume was at 2.2 months in September 2020 compared to 3.1 in September 2019. A six to seven-month supply is considered typical in a normal market.

The County remained one of the leading agricultural counties in the State and nation. Total gross agricultural production in 2019 decreased by 2.31% from 2018. This is largely due to a 6.79% decrease in the value of vegetables along with a decrease in seed crops, fruit and nut crops, and field products. The number one crop in value was once again Almonds (\$1,577,193,002) followed by Grapes (\$962,856,675). Fruit and nut crops provide 57.36% (\$4,426,673,000) of the gross agricultural production value followed by Vegetables at 18.52% (\$1,429,003,000) and Livestock, et al. at 17.01% (\$1,312,687,000).

While agriculture currently accounts for 10.74% of wage and salary employment, other important sources of employment include: government 18.79%; educational and health services trade 19.28%; transportation and utilities 17.29%; social assistance 6.77%; leisure and hospitality services 6.83%; professional and business services 8.67%; manufacturing 6.62%; and construction 4.59%.

## **MAJOR INITIATIVES, SERVICE EFFORTS AND ACCOMPLISHMENTS**

### **Current Financial Planning**

The County maintains the largest road system in the State covering over 3,488 miles of roads. The 2020-2021 Road Fund adopted budget totals \$91.5 million, which reflects a decrease of 6% from the prior year adopted budget. Major projects anticipated for fiscal year 2020-2021 include participation in the Federal Transportation Improvement Program, which includes \$108 million of Highway Bridge Program funding. Participation in this effort includes increasing staff to manage the more than 20 projects over the next ten years. The 2020-2021 road maintenance programs include \$30.86 million dedicated to pavement seals and maintenance overlays; contracted preventative maintenance; routine maintenance; traffic signs and striping; and traffic safety and operations.

In April 2006, the County issued subordinate Tobacco Settlement Asset-Backed Bonds in the amount of \$39,015,131 to fund future capital projects. As of June 30, 2020, all bond proceeds have been allocated to future capital expenditures. The West Annex Jail project will be three floors with 300 medium/maximum security beds and will be located next to the North Annex Jail. It will replace outdated linear cells with new generation pods to allow greater observation and supervision of inmates along with providing program space for special needs inmates, specifically those with behavioral health issues. Groundbreaking on this project occurred on January 25, 2018 and is expected to be completed in late 2020.

### **Long-term Financial Planning**

The County's budget is strongly influenced by the State economy and local economic conditions along with the State's fiscal budget. The State passed the fiscal year 2020-2021 budget of \$196 billion on June 30, 2020, a decrease of 4% over the revised prior year budget. The budget includes significant projected revenue shortfalls due to the expected economic downturn brought about by the impact of COVID-19. This requires an approximately \$13 billion decrease in general fund appropriations from the prior year's adopted budget.

The County's fiscal year 2020-2021 adopted budget is \$3.9 billion, which is \$258.5 million greater than the prior year. The increase is predominately due to the budgeting of CARES Act funding in the General Fund, Special Revenue Funds, and Internal Services Funds. The County identified a potential \$16 million shortfall in its General Fund due to a projected reduction in Statewide Public Safety Sales Taxes. In order to accommodate the projected shortfall, the County utilized available unassigned fund balance from the 2019-2020 budget for the 2020-2021 fiscal year budget.

## **RELEVANT FINANCIAL POLICIES**

### **Investments**

The County manages the Treasury Investment Pool (Pool). The Pool is comprised of all County and agency funds that are deposited in the County Treasury for operating purposes. A formal investment policy is administered by staff to ensure that investments satisfy legal guidelines, provide liquidity to meet the daily demands upon the Treasury, and provide the highest interest earnings within these constraints. A Treasury Oversight Committee is responsible for regulatory oversight.

Investments authorized under this policy include U.S. Treasury and agency obligations, bankers' acceptances, commercial paper, certificates of deposit, repurchase agreements, medium-term notes, the State's Local Agency Investment Fund (LAIF), mutual funds, and mortgage-backed securities. The policy further restricts investments such that the average weighted maturity of the Pool cannot exceed 1,278 days or 3½ years unless an investment is matched to a specific cash flow.

### **General Fund, Fund Balance Classifications**

During budget preparations, the County establishes various Commitments and Assignments of fund balance within the General Fund to provide for unforeseen expenditures or emergencies that may arise during the course of the fiscal year, and to accumulate funds in the General Fund for designated uses. General Fund Assignments differ from Commitments in that the Board can transfer Assignments during the fiscal year to finance unanticipated expenditures, while Commitments can only be used for the specific purpose for which they were established and are not available to finance current year expenditures except in cases where the Board declares an emergency as defined by Government Code 29127. The Board can approve increases to Commitments and Assignments during the fiscal year.

As part of the County's debt policy, a "pay-as-you-go" financing policy has been deemed an acceptable use of unassigned fund balance to provide a cushion in the event of unanticipated revenue downturns and emergency situations. The County continues to develop fiscal policies for departmental reserve minimums and constraints that will guard against future deficits created by a dependency on fund balance and reserves during times of economic uncertainty.

### **Budget**

Under State law, the County is required to approve an adopted budget by resolution for the County and dependent Special Districts, no later than October 2 of each year. The budget includes the operations of the County and other agencies whose affairs and finances are under the supervision and control of the Board of Supervisors. Before adopting by resolution, the Board holds a public hearing at which anyone may appear and testify on any item in the proposed budget.

Appropriations within the adopted budget will be controlled by the Board at the object level, except for capital assets. Transfers of appropriations between funds and departments require approval from the Board.

Transfers of appropriations between expenditure objects, e.g., Salaries and Employee Benefits, Services and Supplies, Other Charges, and Capital Assets, within a department are permitted with the approval of the County Administrative Officer.

The County Administrative Officer supervises and directs the preparation of the annual budget of the County for the Board and is responsible for its administration after adoption.

### **Debt Limitations**

The County abides by California Constitution Article XVI, section 18, which limits the amount of debt that the County may lawfully incur without approval of 2/3 of the qualified electorate: “(a) No county... shall incur any indebtedness or liability in any manner or for any purpose exceeding in any year the income and revenue provided for such year, without the assent of two-thirds of the voters of the public entity voting at an election to be held for that purpose.”

The County will evaluate legal limitations and affordability of debt prior to any new financing or refinancing. It is important for the County to consider its current debt levels as well as legal restrictions imposed by statute or by existing bond covenants. The County will employ specialized legal and financial advisors, as necessary, to assist in the evaluation of additional debt.

## **AWARDS AND ACKNOWLEDGEMENTS**

### **Certificate of Achievement**


The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its CAFR for the fiscal year ended June 30, 2019. The County has received this prestigious award for over thirty years. In order to be awarded a Certificate of Achievement, the County is required to publish an easily readable and efficiently organized CAFR that satisfies both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to the Government Finance Officers Association to determine its eligibility for another certificate.

### **Acknowledgments**

I wish to express my appreciation to the staff of the Auditor-Controller/Treasurer-Tax Collector's Office, whose hard work, professionalism and dedication are responsible for the timely preparation of this report, and to Brown Armstrong Accountancy Corporation for their professional assistance. Finally, I would like to thank the Board and members of the Audit Committee for their continued efforts in planning and conducting the County's financial operations in a responsible and progressive manner.

Respectfully submitted,



Oscar J. Garcia, CPA  
Auditor-Controller/Treasurer-Tax Collector



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**County of Fresno  
California**

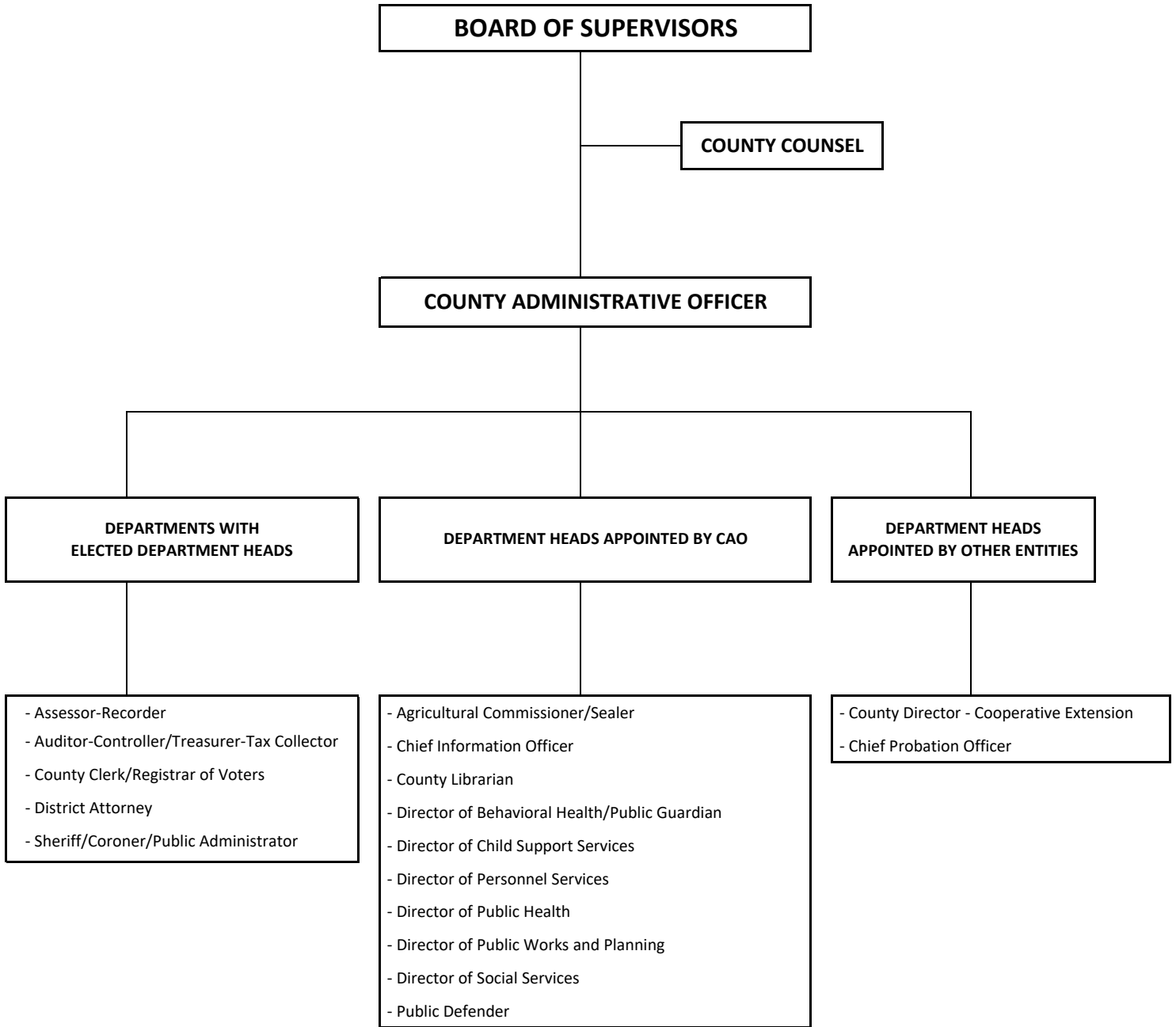
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

# COUNTY OF FRESNO ORGANIZATIONAL CHART



**County of Fresno**  
**List of Principal Officials**  
**June 30, 2020**

**ELECTED OFFICIALS**

Board of Supervisors:

Supervisor, District 1 .....	Brian Pacheco
Vice-Chairman Supervisor, District 2.....	Steve Brandau
Supervisor, District 3 .....	Sal Quintero
Chairman Supervisor, District 4 .....	Buddy Mendes
Supervisor, District 5 .....	Nathan Magsig
Assessor-Recorder .....	Paul Dictos, CPA
Auditor-Controller/Treasurer-Tax Collector .....	Oscar J. Garcia, CPA
County Clerk/Registrar of Voters .....	Brandi L. Orth
District Attorney .....	Lisa A. Smittcamp
Sheriff/Coroner/Public Administrator .....	Margaret Mims

**APPOINTED OFFICIALS**

County Administrative Officer .....	Jean M. Rousseau, CPA
County Counsel.....	Daniel C. Cederborg

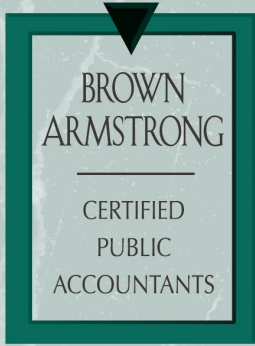
THIS PAGE INTENTIONALLY BLANK





## **FINANCIAL SECTION**

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Notes to the Basic Financial Statements
- Required Supplementary Information



# BROWN ARMSTRONG

*Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of Supervisors  
County of Fresno  
Fresno, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Fresno, California (the County), as of and for the fiscal year ended June 30, 2020, 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.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County'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 County'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.

#### BAKERSFIELD OFFICE (MAIN OFFICE)

4200 TRUXTUN AVENUE  
SUITE 300  
BAKERSFIELD, CA 93309  
TEL 661.324.4971  
FAX 661.324.4997  
EMAIL [info@bacpas.com](mailto:info@bacpas.com)

#### FRESNO OFFICE

10 RIVER PARK PLACE EAST  
SUITE 208  
FRESNO, CA 93720  
TEL 559.476.3592

#### STOCKTON OFFICE

1919 GRAND CANAL BLVD  
SUITE C6  
STOCKTON, CA 95207  
TEL 888.565.1040

[WWW.BACPAS.COM](http://WWW.BACPAS.COM)

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of and for the fiscal year ended June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; the Fresno County Employees' Retirement Association Schedule of the County's Proportionate Share of the Net Pension Liability; the Fresno County Employees' Retirement Association Schedule of the County's Contributions; and the respective budgetary comparison information for the General Fund, Disaster Claiming Fund, Behavioral Health – MH Fund, Social Services Fund, Local Health and Welfare Fund, and 2011 Realignment Fund, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual major and nonmajor fund financial statements and schedules, 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 major and nonmajor fund financial statements and schedules 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 major and nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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 December 30, 2020, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
December 30, 2020

**County of Fresno**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

The County of Fresno's (County) management's discussion and analysis is designed to present a narrative overview of the financial activities of the County and an analysis of the County's financial performance for the fiscal year ended June 30, 2020. Please read it in conjunction with the transmittal letter at the front of this report and the County's basic financial statements following this section. All dollar amounts are expressed in thousands unless otherwise indicated.

**FINANCIAL HIGHLIGHTS**

- At the close of the 2019-2020 fiscal year, the assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources of the County by \$454,959. The residual of this difference is referred to as "net position." The County has an unrestricted net position of (\$376,812). The County's net position also includes a restricted net position of \$1,590 representing assets that may only be used for specific purposes, and \$830,181 representing the County's net investment in capital assets.
- The County's long-term liabilities decreased by \$42,124. Long-term liabilities totaled \$1,903,806 at June 30, 2020.
- The primary government's total net position increased to \$454,959. The governmental activities net position is \$340,594 and business-type activities net position is \$114,365.
- As of June 30, 2020, the County's governmental funds reported combined ending fund balances of \$821,771, which is an increase of \$19,895 in comparison to the prior year. Approximately 88.69% of combined fund balances, or \$728,795, is either nonspendable or restricted for specific uses; 11.31%, or \$92,976, is unassigned to meet the County's current and future uses.
- The total fund balance in the County's primary operating fund, the General Fund, at year-end was \$197,786. Approximately \$104,810 is either nonspendable or restricted for specific uses. The remaining \$92,976, which approximates to 5.91% of the General Fund's total expenditures for the year, is unrestricted.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following narrative is an introduction to the County's basic financial statements. The County's basic financial statements are comprised of 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 the County's 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 2, section (B)* on page 30 for further information on the accrual basis of accounting.

The *Statement of Net Position* presents information on all County assets and liabilities, deferred inflows and outflows of resources, with the residual of these elements being 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.

**County of Fresno**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

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 will result in cash flows in future fiscal periods.

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 a significant 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, sanitation, and public assistance; education; and culture and recreation. The business-type activities of the County include the Fresno County Solid Waste Enterprise (Landfills) and the County Service Areas (CSAs).

Component units are included in our basic financial statements and can be blended or discretely presented. Blended component units consist of legally separate entities for which the County is financially accountable and have substantially the same governing board as the County or provide services entirely to the County. The County's blended component units include the CSAs, the Fresno County Tobacco Funding Corporation, and the Fresno County Financing Authority. Discretely presented component units are legally separate entities, which have some financial accountability to the County Board of Supervisors (Board); though the entity's governing board is substantially different from the County Board. As of June 30, 2020, the County had no discretely presented component units.

**The government-wide financial statements can be found on pages 15-16 of this report.**

**Fund Financial Statements** present the County's financial activities in a traditional fund format. A fund is a grouping of related accounts that is 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. The fund financial statements are reported using the modified accrual basis of accounting. See *Note 2, section (B)* on page 30, which explains the modified accrual basis of accounting. 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 the 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. 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 maintains thirty-one individual governmental funds, seven of which are considered to be major governmental funds. Information for the General Fund, Disaster Claiming, Debt Service, Behavioral Health-MH, Social Services, Local Health and Welfare, and 2011 Realignment Funds is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues,

**County of Fresno**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

Expenditures and Changes in Fund Balances. Data for the other, nonmajor governmental funds are combined into a single, aggregated presentation. Summary fund data by fund type and individual fund data for these nonmajor governmental funds is provided as other supplementary information in the form of *combining statements and schedules* found on pages 82-115 of this report.

The County adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement is provided for the General Fund and other governmental funds to demonstrate compliance with this budget. The County's General Fund, Disaster Claiming, Debt Service, Behavioral Health-MH, Social Services, Local Health and Welfare, and 2011 Realignment Fund budgetary comparison schedules are presented as Required Supplementary Information.

**The governmental funds financial statements can be found on pages 17-20 of this report**

*Proprietary funds* are generally used to account for services provided by the County where fees are charged for these services. The County maintains two different types of proprietary funds – 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 Landfills' and CSAs' operations whose revenues are collected from external user fees. Internal service funds are used to report activities that provide supplies and services for certain County programs and activities. The County uses internal service funds to account for its fleet, information technology, risk management, PeopleSoft software operations, facility services, and security services. Substantially all of the revenues for the County's internal service funds come from other internal County departments. Because these services predominantly benefit governmental rather than business-type functions, they have been included with governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements; however, information is provided in more detail and includes cash flow statements. The Landfills' and CSAs' operations are considered to be major funds of the County. The County's six 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 as supplementary information in the form of combining statements which can be found on pages 118-125 of this report.

**The proprietary funds financial statements can be found on pages 21-24 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 these funds are not available to support the County's own programs. The accounting used for fiduciary funds, except for the agency funds, is much like that used for proprietary funds. Individual fund data for agency funds is provided as supplementary information in the form of combining statements. These statements can be found on page 127 of this report.

**The fiduciary fund financial statements can be found on pages 25-26 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. They are an integral part of the financial statements and should be read in conjunction with them. The notes can be found on pages 27-69 of this report.

**County of Fresno**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

**Required Supplementary Information** includes the Budgetary Comparison Schedules for the General Fund, Disaster Claiming, Behavioral Health-MH, Social Services, Local Health and Welfare, and 2011 Realignment Fund. Additionally, this section includes the Fresno County Employees' Retirement Association (FCERA) Schedule of the County's Proportionate Share of the Net Pension Liability, which provides information regarding the County's portion of the net pension liability, along with the Schedule of County Contributions, which provides information on the actuarially determined contribution amounts for the last 10 fiscal years. Required supplementary information can be found on pages 70-78 of this report.

**The combining and individual fund statements and schedules** referred to earlier provide information for major and nonmajor governmental funds, internal service funds, and fiduciary funds, and are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 82-125 of this report.

**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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$454,959 at June 30, 2020.

**Summary of Net Position**  
**June 30, 2020 and 2019**

	Governmental Activities		Business-type Activities		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Assets:</b>						
Current and other assets	\$1,207,679	\$1,176,491	\$ 108,094	\$97,220	\$ 1,315,773	\$ 1,273,711
Capital assets	956,546	840,492	66,208	62,473	1,022,754	902,965
Total assets	<u>2,164,225</u>	<u>2,016,983</u>	<u>174,302</u>	<u>159,693</u>	<u>2,338,527</u>	<u>2,176,676</u>
<b>Deferred Outflows of Resources:</b>						
Prepaid expenses	14,889	12,934	-	-	14,889	12,934
Deferred pensions	311,075	356,922	2,172	2,766	313,247	359,688
Total deferred outflows of resources	<u>325,964</u>	<u>369,856</u>	<u>2,172</u>	<u>2,766</u>	<u>328,136</u>	<u>372,622</u>
<b>Liabilities:</b>						
Other liabilities	186,697	177,285	5,772	4,464	192,469	181,749
Long-term liabilities	1,848,270	1,892,033	55,536	53,897	1,903,806	1,945,930
Total liabilities	<u>2,034,967</u>	<u>2,069,318</u>	<u>61,308</u>	<u>58,361</u>	<u>2,096,275</u>	<u>2,127,679</u>
<b>Deferred Inflows of Resources:</b>						
Deferred pensions	114,628	104,750	801	813	115,429	105,563
Total deferred inflows of resources	<u>114,628</u>	<u>104,750</u>	<u>801</u>	<u>813</u>	<u>115,429</u>	<u>105,563</u>
<b>Net Position:</b>						
Net investment in capital assets	763,973	647,516	66,208	62,473	830,181	709,989
Restricted	-	-	1,590	1,596	1,590	1,596
Unrestricted (deficit)	(423,379)	(434,745)	46,567	39,216	(376,812)	(395,529)
Total net position	<u>\$ 340,594</u>	<u>\$212,771</u>	<u>\$ 114,365</u>	<u>\$103,285</u>	<u>\$ 454,959</u>	<u>\$ 316,056</u>

The largest portion of the County's net position, \$830,181, represents its investment in capital assets (e.g., land, land improvements, buildings, equipment, infrastructure, intangible assets, construction in progress), less any outstanding debt used to acquire those assets. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the County uses these capital assets to provide services to citizens. Restricted net position balance of \$1,590 represents resources that are subject to external restrictions on how they may be used.



**County of Fresno**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

Current and other assets increased from \$1,273,711 to \$1,315,773 or 3.3%. This increase is primarily due to an increase in accounts and loans receivable to the County along with an increase to due from other governmental units.

Capital assets increased by \$119,789 from \$902,965 to \$1,022,754, or 13.27% from the prior year. The increase was primarily due to the increase in depreciable assets, with a corresponding increase in non-depreciable assets (construction in progress). The corresponding depreciation to those previously non-depreciable assets slightly increased the net book value of the assets.

Long-term liabilities decreased by \$42,124, from \$1,945,929 to \$1,903,806, or 2.16% from the prior year. This is primarily due to a decrease of Net Pension Liability by the amount of \$46,451.

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

Summary of Changes in Net Position For the Fiscal Years Ended June 30, 2020 and 2019						
	Governmental Activities		Business-type Activities		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 100,333	\$ 89,025	\$ 21,882	\$ 25,039	\$ 122,215	\$ 114,064
Operating grants and contributions	1,025,688	919,835	485	367	1,026,173	920,202
General Revenues:						
Property taxes	271,007	262,330	819	796	271,826	263,126
Sales taxes	62,561	58,264	-	-	62,561	58,264
Motor vehicle in-lieu taxes	265,955	258,594	-	-	265,955	258,594
Franchise taxes	17,110	16,192	-	-	17,110	16,192
Gain (Loss) on sale of capital assets	-	-	-	(2,529)	-	(2,529)
Investment earnings	33,511	32,538	4,614	4,007	38,125	36,545
Miscellaneous	8,474	2,934	9,745	3,202	18,219	6,136
Total revenues	<u>1,784,639</u>	<u>1,639,712</u>	<u>37,545</u>	<u>30,882</u>	<u>1,822,184</u>	<u>1,670,594</u>
<b>Expenses:</b>						
General government	266,452	235,530	-	-	266,452	235,530
Public protection	403,010	266,178	-	-	403,010	266,178
Public ways and facilities	69,231	36,765	-	-	69,231	36,765
Health, sanitation & public assistance	853,749	659,419	-	-	853,749	659,419
Education	26,118	18,288	-	-	26,118	18,288
Culture and recreation	2,818	2,122	-	-	2,818	2,122
Interest on long-term debt	35,820	35,302	-	-	35,820	35,302
County Service Areas, other	-	-	12,274	8,265	12,274	8,265
Landfill	-	-	18,260	14,726	18,260	14,726
Total expenses	<u>1,657,198</u>	<u>1,253,604</u>	<u>30,534</u>	<u>22,991</u>	<u>1,687,732</u>	<u>1,276,595</u>
Increase (decrease) in net						
position before transfers	127,441	386,108	7,011	7,891	134,452	393,999
Transfers	15	252	(15)	(252)	-	-
Increase (decrease) in net position	<u>127,456</u>	<u>386,360</u>	<u>6,996</u>	<u>7,639</u>	<u>134,452</u>	<u>393,999</u>
Net position beginning of year	\$212,771	(176,789)	103,285	95,290	316,056	(81,499)
Prior period adjustment	367	3,200	4,084	356	4,451	3,556
Net position end of year	<u>\$ 340,594</u>	<u>\$212,771</u>	<u>\$ 114,365</u>	<u>\$103,285</u>	<u>\$ 454,959</u>	<u>\$ 316,056</u>

**County of Fresno**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

**Governmental activities.** Governmental activities increased the County's net position by \$127,456, which accounts for the majority of the total increase in net position of the County. Revenue related to charges for services increased by \$11,308 due to an increase in service levels. Operating grant revenue increased by \$105,853, primarily due to the increase in Federal Grant revenue, awarded to assist citizens during the COVID-19 pandemic. Property taxes increased by \$8,677. This increase in property taxes is due to a slight increase in assessed values and a slightly decreased property tax delinquency rate. Sales tax revenues increased by \$4,297 due to greater distribution of Bradley-Burns State tax revenues.

Expenses for general government increased by \$30,922, and public protection increased by \$136,832, primarily due to increased costs for salaries and benefits along with an overall increase in expenditures for internal service funds. Health, sanitation, and public assistance increased by \$194,330. Expenses for public ways and facilities increased by \$32,466, due to increased expenditures for road building and repairing activities.

One point to keep in mind when analyzing the increases/decreases noted above is the application of the accrual basis of accounting for the County's governmental activities. Governmental activities budget and subsequently issue fund financial statements that reflect their budget and accounting practices under the modified accrual basis of accounting. Under this approach, capital asset purchases and debt principal payments are expensed. Further, revenues are accrued if measurable and available within the County's availability period (established at 60 days for general revenue or 180 days for grant revenue). In contrast, the Statement of Activities (summarized here as "Summary of Changes in Net Position") is reported under the full accrual basis of accounting, which capitalizes capital asset purchases, reduces liabilities by principal payments and recognizes revenues regardless of if they are available within the 60 to 180 day period. See the reconciliation on page 20, which further explains the difference between changes in the County's fund balance under the modified accrual basis and changes in net position under the accrual basis of accounting.

**Business-type activities.** Business-type activities increased the County's net position by \$6,996. Combined with the prior period adjustment increasing the net position by \$4,084, the result is a net \$11,080 increase in net position from business-type activities, which is attributable an increase in service charges.

**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 reported in the General, Special Revenue, Debt Service, and Capital Projects Funds. 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 financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

**County of Fresno**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

At June 30, 2020, the County's governmental funds reported combined ending fund balances of \$821,771, an increase of \$19,895 in comparison with the prior fiscal year. Approximately 11.31% of this total amount, or \$92,976, constitutes fund balance that is available for appropriation in the upcoming year. The remainder of the fund balance, totaling \$728,795, is restricted or committed; this includes \$5,839 "not in spendable form" for items that are not expected to be converted into cash, such as long-term receivables and imprest cash balances, that are long-term in nature and thus do not represent available spendable resources. The remainder of the fund balance also includes \$722,956 restricted or committed for programs at various levels.

**General Fund.** The General Fund is the chief operating fund of the County. At June 30, 2020, unassigned fund balance of the General Fund was \$92,976, while total fund balance was \$197,786. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 5.91% of total fund expenditures less transfers, while total fund balance represents 12.58% of that same amount.

The fund balance of the County's General Fund decreased \$6,332 during the current fiscal year primarily due to the increase in expenditures related to the general government.

Revenues for the General Fund without transfers totaled \$574,282, which represents a 2.4% increase from fiscal year 2018-2019. Overall revenue increased by \$13,632 from fiscal year 2018-2019.

Expenditures without other financing sources (uses) for the General Fund totaled \$1,572,747 in fiscal year 2019-2020, which represents an increase of 10% from fiscal year 2018-2019. The primary cause for the increase is an overall increase in public protection and assistance.

**Disaster Claiming Fund.** The Disaster Claiming Fund was established during fiscal year 2019-20 to help track funds received that are related to local disaster relief. Funds received during fiscal year 2019-20 was \$83,975, with \$16,627 in disbursements.

**Debt Service Fund.** The Debt Service Fund is a major governmental fund. Fund balance increased by \$5,953 from \$57,369 to \$63,322, or 10.38%. This increase is due to an increase in transfers in during fiscal year 2019-2020.

**Behavioral Health-MH Fund.** The Behavioral Health-MH Fund was established during fiscal year 2014-2015, as this fund was previously reported in the General Fund. This fund was created pursuant to the Mental Health Services Act. This fund received \$48,047 in revenues without transfers and distributed \$85,858 to the General Fund. The fund balance decreased by \$27,402, or 26.54%, from fiscal year 2018-2019. The fund balance decrease was primarily attributable to increased distributions to the General Fund.

**Social Services Fund.** The Social Services Fund was established during fiscal year 2014-2015, as these funds were previously reported in the General Fund. This fund was created primarily to house welfare assistance and administration revenues. This fund received \$416,864 in revenues without transfers and distributed \$426,508 to the General Fund. The fund balance decreased by \$9,607, or 17.61%, from fiscal year 2018-2019. The fund balance decrease was primarily attributable to an increase in distributions to the General Fund.

**Local Health and Welfare Fund.** The Local Health and Welfare Fund existed as a nonmajor special revenue fund in previous fiscal years. This fund was created pursuant to Assembly Bill 1288 of 1991. This fund received \$267,144 in revenues without transfers and distributed \$288,317 to the General Fund which, when combined with the \$50,103 in restricted fund balance from the prior year, resulted in \$43,402 in restricted fund balance for fiscal year 2019-2020.

**County of Fresno**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

**2011 Realignment Fund.** The 2011 Realignment Fund was established in fiscal year 2011-2012. This fund was created pursuant to Assembly Bill 118, which realigned particular Public Safety and Health programs. This fund received \$160,292 in revenues without transfers in and distributed \$194,921 to the General Fund which, when combined with the \$103,255 in restricted fund balance from the prior year, resulted in \$68,582 in restricted fund balance for fiscal year 2019-2020.

**Proprietary funds.** The County's proprietary funds provide the same type of information found in the government-wide financial statements, except in more detail.

Landfills have \$80,796 in net position at June 30, 2020, and the CSAs have \$33,569. The Landfills' and CSAs' unrestricted net positions are \$41,657 and \$4,910, respectively; this comprises 51.6% and 14.6%, respectively, of their total net positions. Overall, net position increased by \$11,080 for the combined Landfills and CSAs funds.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The total change in fund balance between the original budget and the final amended budget was a decrease of \$1,950. Some of the significant differences between the original budget and the final amended budget are briefly summarized as follows:

- The Department of Social Services' CalWORKS and Foster Care programs' appropriations increased by \$22,299 primarily due to increases in services to support the public during the COVID-19 pandemic.
- The Department of Behavioral Health's appropriations increased by \$22,471, primarily due to an increase in contracted services provided to support the public during the COVID-19 pandemic.
- The Department of Public Health's appropriations increased by \$5,919, primarily due to an increase in overtime and services to support the public during the COVID-19 pandemic.
- The Sheriff Department's appropriations increased by \$5,051, primarily due to increased salaries and benefits along with an increase in the purchase of needed equipment.

The actual General Fund revenue balance of \$574,282 was \$95,493, or 14.25%, lower than what was expected. The primary reason for the revenue deficit was a decrease in aid from other governmental agencies and other miscellaneous revenues. Actual General Fund expenditures fell below the total budget estimates by \$287,491, or 15.45%. The savings were achieved by an array of continuous efforts to manage the County's budget effectively.

**County of Fresno**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets**

As of June 30, 2020, the County's investment in capital assets for its governmental and business-type activities was \$1,022,754. This investment in capital assets includes infrastructure, infrastructure in progress, land, land easements, buildings and improvements, equipment, intangible assets, intangible in progress, and construction in progress. The total increase in the County's investment in capital assets for the current period was \$119,789.

Capital asset projects during the current fiscal year included the following:

- Construction of road projects.
- Construction of the West Annex Jail.
- Various improvement projects.

For government-wide financial statement presentation, all depreciable capital assets except land, right-of-way, infrastructure in progress and construction in progress, were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures.

Capital assets for the governmental and business-type activities are presented below to illustrate changes from the prior year:

County of Fresno's Capital Assets  
(Net of depreciation)  
As of June 30, 2020 and 2019

	Governmental		Business-type		Total	
	Activities		Activities			
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>Assets:</b>						
Infrastructure	\$ 323,048	\$ 327,455	\$ -	\$ -	\$ 323,048	\$ 327,455
Infrastructure in progress	29,771	14,546	-	-	29,771	14,546
Land	16,878	17,000	9,183	9,183	26,061	26,183
Land easements	41,838	41,838	-	-	41,838	41,838
Buildings and Improvements	416,179	342,497	40,688	41,732	456,867	384,229
Equipment	36,242	36,224	3,851	2,335	40,093	38,559
Construction in progress	92,355	60,811	12,486	9,223	104,841	70,034
Intangible assets	235	121	-	-	235	121
	<u>\$ 956,546</u>	<u>\$ 840,492</u>	<u>\$ 66,208</u>	<u>\$ 62,473</u>	<u>\$ 1,022,754</u>	<u>\$ 902,965</u>

For more detailed information on capital asset activity, refer to the relevant disclosures (Note 8) in the notes to the basic financial statements.

**County of Fresno**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

**Infrastructure Assets**

The County capitalizes and depreciates the value of bridges, streets, and traffic lights using the straight-line depreciation method. Right-of-way is treated as a non-depreciable asset, labeled as land easements. During fiscal year 2019-2020, the County added infrastructure totaling \$7,207. Accumulated depreciation for infrastructure increased by \$11,614.

**Long-term Liabilities**

At June 30, 2020, the County had total long-term liabilities outstanding of \$1,903,806, compared to \$1,945,930 for the prior fiscal year. This amount includes \$1,848,270 from governmental activities, which was comprised of \$53,253 in compensated absences; \$2,805 in capital leases; \$87,964 in liability for self-insurance; \$354,056 in bonds payable; \$278,491 from accreted interest; \$24,503 from an adverse judgment; and \$1,047,198 in net pension liability. This combined with \$55,536 from business-type activities, which was comprised of \$45,243 in closure and post-closure care liability; \$2,545 in bonds payable; \$59 in loans payable; \$377 in compensated absences; and \$7,312 in net pension liability. Please refer to Note 9 and Note 11 on pages 47 through 55 for further information on the County's long-term debt.

**Economic Factors and Next Year's Budget and Rates**

- The national, state, and local economies have seen solid gains in their recovery from the recession. Fresno County has seen upward trends in property taxes, as well as in program-related revenues. However, high unemployment and overall uncertainty about the economic policies of the government continue to persist, although nonfarm unemployment has decreased. Additionally, while new construction activity in the housing market has occurred, housing inventory remains low, leading to higher median home prices.
- Due to the County being heavily dependent on agriculture, it experiences chronically high unemployment, which places continual pressure on the County to provide adequate social and medical services. In addition, certain types of crime are considered high profile and public protection is a high priority to citizens.
- On March 11, 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) pandemic. In response, the County of Fresno, followed by the Governor of California, issued a Shelter at Home order effective March 19, 2020, requiring non-essential businesses to temporarily close to the public. Although property tax revenues have seen increases, sales tax revenues have significantly decreased. At the same time, the portion of the County's budget that relies on this revenue continues to experience increased costs due to general inflation, medical insurance, workers' compensation, retirement increases, and increases in service demands.
- Realignment funds support the County's public safety, social services, health, and mental health programs. These are comprised of vehicle license fees and sales taxes. Realignment funds increased significantly pursuant to Assembly Bill 118, which realigned additional programs and reassigned responsibility of overseeing and providing core services to local governments. While Realignment funds continue to increase, specific program-related revenue continues to fall to compensate.

**County of Fresno**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

To the extent these factors were known, or could be estimated, they were considered in preparing the County's budget for fiscal year 2020-2021. The County will adjust its budget as necessary to deal with further expected State budget actions.

**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 requests for additional financial information should be addressed to the Office of the Auditor-Controller/Treasurer-Tax Collector, 2281 Tulare Street, Fresno, CA 93721.

THIS PAGE INTENTIONALLY BLANK



**County of Fresno**  
**Statement of Net Position**  
**June 30, 2020**  
(amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 866,932	\$ 59,028	\$ 925,960
Restricted cash and investments	39,811	45,657	85,468
Receivables, net:			
Accounts	13,485	3,253	16,738
Taxes	37,854	-	37,854
Interest	4,219	501	4,720
Loans	46,767	-	46,767
Internal balances	439	(439)	-
Due from other governmental units	198,172	94	198,266
Capital Assets, net:			
Land	16,878	9,183	26,061
Land easements	41,838	-	41,838
Buildings and improvements	416,179	40,688	456,867
Equipment	36,242	3,851	40,093
Construction in progress	92,355	12,486	104,841
Infrastructure	323,048	-	323,048
Infrastructure in progress	29,771	-	29,771
Intangible	235	-	235
Total assets	<u>2,164,225</u>	<u>174,302</u>	<u>2,338,527</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Prepaid expenses	14,889	-	14,889
Deferred pensions	311,075	2,172	313,247
Total deferred outflows of resources	<u>325,964</u>	<u>2,172</u>	<u>328,136</u>
<b>LIABILITIES</b>			
Accounts payable	86,815	508	87,323
Salaries and benefits payable	37,601	132	37,733
Interest payable	2,450	89	2,539
Due to other governmental units	16,922	-	16,922
Deposits and other liabilities	10,066	5,043	15,109
Unearned revenue	32,843	-	32,843
Noncurrent liabilities:			
Due within one year	88,195	6,799	94,994
Due beyond one year	1,760,075	48,737	1,808,812
Total liabilities	<u>2,034,967</u>	<u>61,308</u>	<u>2,096,275</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pensions	114,628	801	115,429
Total deferred inflows of resources	<u>114,628</u>	<u>801</u>	<u>115,429</u>
<b>NET POSITION</b>			
Net investment in capital assets	763,973	66,208	830,181
Restricted for:			
Debt service	-	1,590	1,590
Unrestricted	(423,379)	46,567	(376,812)
Total net position	<u>\$ 340,594</u>	<u>\$ 114,365</u>	<u>\$ 454,959</u>

The notes to the basic financial statements are an integral part of this statement.

**County of Fresno**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

Functions / Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
General government	\$ 266,452	\$ 38,620	\$ 119,297	\$ -	\$ (108,535)	\$ -	\$ (108,535)
Public protection	403,010	26,556	252,646	-	(123,808)	-	(123,808)
Public ways and facilities	69,231	7,334	53,767	-	(8,130)	-	(8,130)
Health, sanitation and public assistance	853,749	24,994	599,361	-	(229,394)	-	(229,394)
Education	26,118	1,962	244	-	(23,912)	-	(23,912)
Culture and recreation	2,818	867	373	-	(1,578)	-	(1,578)
Interest and fiscal charges	35,820	-	-	-	(35,820)	-	(35,820)
Total governmental activities	<u>1,657,198</u>	<u>100,333</u>	<u>1,025,688</u>	<u>-</u>	<u>(531,177)</u>	<u>-</u>	<u>(531,177)</u>
<b>Business activities:</b>							
Water/Sewer services	12,274	5,885	-	-	-	(6,389)	(6,389)
Landfill	18,260	15,997	485	-	-	(1,778)	(1,778)
Total business-type activities	<u>30,534</u>	<u>21,882</u>	<u>485</u>	<u>-</u>	<u>-</u>	<u>(8,167)</u>	<u>(8,167)</u>
Total primary government	<u>\$ 1,687,732</u>	<u>\$ 122,215</u>	<u>\$ 1,026,173</u>	<u>\$ -</u>	<u>(531,177)</u>	<u>(8,167)</u>	<u>(539,344)</u>
<b>General revenues:</b>							
Property tax					271,007	819	271,826
Sales tax					62,561	-	62,561
Franchise tax					17,110	-	17,110
Unrestricted motor vehicle in-lieu taxes					265,955	-	265,955
Other					8,474	9,745	18,219
Unrestricted investment earnings					33,511	4,614	38,125
Transfers in (out)					15	(15)	-
Total general revenues and transfers					<u>658,633</u>	<u>15,163</u>	<u>673,796</u>
Change in net position					<u>127,456</u>	<u>6,996</u>	<u>134,452</u>
Net position - beginning					212,771	103,285	316,056
Prior period adjustments					367	4,084	4,451
Net position - beginning restated					<u>213,138</u>	<u>107,369</u>	<u>320,507</u>
Net position - ending					<u>\$ 340,594</u>	<u>\$ 114,365</u>	<u>\$ 454,959</u>

The notes to the basic financial statements are an integral part of this statement.

**County of Fresno  
Balance Sheet  
Governmental Funds  
June 30, 2020  
(amounts expressed in thousands)**

	General Fund	Disaster Claiming	Debt Service	Behavioral Health - MH	Social Services	Local Health and Welfare	2011 Realignment	Other Governmental Funds	Total Governmental Funds
<b>ASSETS &amp; DEFERRED OUTFLOWS OF RESOURCES</b>									
<b>Assets</b>									
Cash and investments	\$ 91,097	\$ 72,006	\$ 50,778	\$ 70,786	\$ 50,511	\$ 34,604	\$ 81,520	\$ 274,562	\$ 725,864
Restricted cash and investments	19,206	-	12,327	-	-	-	-	3,794	35,327
Receivables, net:									
Accounts	7,169	-	-	-	1,648	-	-	3,955	12,772
Taxes	37,854	-	-	-	-	-	-	-	37,854
Interest	750	305	217	405	232	208	411	1,025	3,553
Loans	46,767	-	-	-	-	-	-	-	46,767
Due from other funds	86,618	-	-	40	25	107	2,354	1,016	90,160
Due from other governmental units	75,896	-	-	4,607	72,398	18,792	5,857	13,355	190,905
Advances to other funds	345	-	-	-	-	-	-	-	345
Total assets	<u>365,702</u>	<u>72,311</u>	<u>63,322</u>	<u>75,838</u>	<u>124,814</u>	<u>53,711</u>	<u>90,142</u>	<u>297,707</u>	<u>1,143,547</u>
<b>Deferred outflows of resources:</b>									
Prepaid expense	14,815	-	-	-	-	-	-	74	14,889
Total deferred outflows of resources	<u>14,815</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74</u>	<u>14,889</u>
Total assets and deferred outflows of resources	<u>\$ 380,517</u>	<u>\$ 72,311</u>	<u>\$ 63,322</u>	<u>\$ 75,838</u>	<u>\$ 124,814</u>	<u>\$ 53,711</u>	<u>\$ 90,142</u>	<u>\$ 297,781</u>	<u>\$ 1,158,436</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, &amp; FUND BALANCES</b>									
<b>Liabilities</b>									
Accounts payable	\$ 61,373	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4	\$ 12,364	\$ 73,741
Salaries and benefits payable	34,200	-	-	-	-	-	-	2,110	36,310
Due to other governmental units	53	-	-	-	8,607	-	-	834	9,494
Due to other funds	12,261	4,963	-	-	41,655	10,309	21,556	9,652	100,396
Deposits and other liabilities	43	-	-	-	-	-	-	9,146	9,189
Unearned revenue	63	-	-	-	29,617	-	-	3,117	32,797
Total liabilities	<u>107,993</u>	<u>4,963</u>	<u>-</u>	<u>-</u>	<u>79,879</u>	<u>10,309</u>	<u>21,560</u>	<u>37,223</u>	<u>261,927</u>
<b>Deferred inflows of resources:</b>									
Unavailable property taxes	32,972	-	-	-	-	-	-	-	32,972
Unavailable HARP loan	41,766	-	-	-	-	-	-	-	41,766
Total deferred inflows of resources	<u>74,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,738</u>
<b>Fund balances:</b>									
Nonspendable	5,803	-	-	-	-	-	-	36	5,839
Restricted	7,590	67,348	63,322	75,838	44,935	43,402	68,582	260,522	631,539
Committed	91,417	-	-	-	-	-	-	-	91,417
Unassigned	92,976	-	-	-	-	-	-	-	92,976
Total fund balances	<u>197,786</u>	<u>67,348</u>	<u>63,322</u>	<u>75,838</u>	<u>44,935</u>	<u>43,402</u>	<u>68,582</u>	<u>260,558</u>	<u>821,771</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 380,517</u>	<u>\$ 72,311</u>	<u>\$ 63,322</u>	<u>\$ 75,838</u>	<u>\$ 124,814</u>	<u>\$ 53,711</u>	<u>\$ 90,142</u>	<u>\$ 297,781</u>	<u>\$ 1,158,436</u>

The notes to the basic financial statements are an integral part of this statement.

**County of Fresno**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2020**  
**(amounts expressed in thousands)**

Fund balances - total governmental funds	\$ 821,771
Amounts reported for net position of governmental activities are different because:	
Capital assets are not recorded in the governmental fund statements but are recorded in government-wide statements to conform with generally accepted accounting principles.	911,258
Deferred outflows of resources are not recorded in the governmental fund statements but are recorded in the government-wide statements.	296,290
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds. This amount is net of internal service fund activity.	(1,704,817)
Unmatured interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. This amount is net of internal service fund activity.	(2,450)
Deferred inflows of resources are not recorded in the governmental fund statements but are recorded in the government-wide statements.	(109,181)
Because the focus of governmental funds is not short-term financing, some assets will not be available to pay current period expenditures. Those assets are offset by deferred revenues in the governmental funds. This amount is net of internal service fund activity.	74,738
Internal service funds are used by management to charge the cost of fleet services, information systems, printing and mailing services, facility services, security, risk management and communications to individual funds. The assets, deferred outflow of resources, liabilities, and deferred inflow of resources of the internal service funds are included in the statement of net position.	52,985
Net position of governmental activities	\$ 340,594

The notes to the basic financial statements are an integral part of this statement.

**County of Fresno**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

	General Fund	Disaster Claiming	Debt Service	Behavioral Health - MH	Social Services	Local Health and Welfare	2011 Realignment	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>									
Taxes	\$ 284,330	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,451	\$ 331,781
Licenses and permits	13,316	-	-	-	-	-	-	5,580	18,896
Fines, forfeitures and penalties	4,610	-	-	-	-	-	-	3,863	8,473
Use of money and property	5,041	2,395	2,371	3,595	2,272	1,862	3,773	12,202	33,511
Aid from other governmental agencies:									
State	100,576	-	-	44,452	135,157	265,282	156,519	76,603	778,589
Federal	104,161	81,580	-	-	277,249	-	-	41,746	504,736
Other	360	-	2,086	-	1,236	-	-	1,125	4,807
Charges for services	52,113	-	-	-	948	-	-	15,826	68,887
Other revenues	9,775	-	9,161	-	2	-	-	12,509	31,447
<b>Total revenues</b>	<b>574,282</b>	<b>83,975</b>	<b>13,618</b>	<b>48,047</b>	<b>416,864</b>	<b>267,144</b>	<b>160,292</b>	<b>216,905</b>	<b>1,781,127</b>
<b>Expenditures</b>									
Current:									
General government	45,253	-	-	-	-	-	44	9,262	54,559
Public protection	467,157	-	-	-	-	-	-	-	467,157
Public ways and facilities	2,493	-	-	-	-	-	-	65,237	67,730
Health, sanitation, and public assistance	968,621	-	-	-	-	-	-	1,049	969,670
Education	252	-	-	-	-	-	-	28,618	28,870
Culture and recreation	3,250	-	-	-	-	-	-	-	3,250
Capital outlay	85,721	-	-	-	-	-	-	38,741	124,462
Debt service:									
Principal	-	-	29,314	-	-	-	-	-	29,314
Interest and fiscal charges	-	-	9,307	-	-	-	-	-	9,307
<b>Total expenditures</b>	<b>1,572,747</b>	<b>-</b>	<b>38,621</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44</b>	<b>142,907</b>	<b>1,754,319</b>
Excess (deficiency) of revenues over (under) expenditures	(998,465)	83,975	(25,003)	48,047	416,864	267,144	160,248	73,998	26,808
<b>Other Financing Sources (Uses)</b>									
Proceeds from sale of capital assets	199	-	-	-	-	-	-	-	199
Transfers in	1,061,157	-	33,244	10,409	37	14,472	-	23,451	1,142,770
Transfers (out)	(69,223)	(16,627)	(2,288)	(85,858)	(426,508)	(288,317)	(194,921)	(66,140)	(1,149,882)
<b>Total other financing sources (uses)</b>	<b>992,133</b>	<b>(16,627)</b>	<b>30,956</b>	<b>(75,449)</b>	<b>(426,471)</b>	<b>(273,845)</b>	<b>(194,921)</b>	<b>(42,689)</b>	<b>(6,913)</b>
<b>Net change in fund balances</b>	<b>(6,332)</b>	<b>67,348</b>	<b>5,953</b>	<b>(27,402)</b>	<b>(9,607)</b>	<b>(6,701)</b>	<b>(34,673)</b>	<b>31,309</b>	<b>19,895</b>
Fund balances - beginning	204,118	-	57,369	103,240	54,542	50,103	103,255	229,249	801,876
<b>Fund balances - ending</b>	<b>\$ 197,786</b>	<b>\$ 67,348</b>	<b>\$ 63,322</b>	<b>\$ 75,838</b>	<b>\$ 44,935</b>	<b>\$ 43,402</b>	<b>\$ 68,582</b>	<b>\$ 260,558</b>	<b>\$ 821,771</b>

The notes to the basic financial statements are an integral part of this statement.

**County of Fresno**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

Net change in fund balances - total governmental funds		\$ 19,895
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures.		
However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for general capital assets, infrastructure and other related capital asset adjustments	\$ 124,462	
Less - current year depreciation expense	<u>(11,116)</u>	113,346
Interest is expended in the governmental funds when paid, while interest on long-term debt is accrued in the Statement of Net Position. This is the amount by which the current year accrued interest decreased from the prior year's reported total.		
		53
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. This amount is net of internal service fund activity.		
		2,020
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. This amount is net of internal service fund activity.		
		(11,179)
Certain revenues are deferred because they are not available within the County's 180 day availability period. However, they are recognized in the government-wide financial statements. Amounts at the beginning of the fiscal year are netted with those at the end of the fiscal year. This amount is net of internal service fund activity.		
		3,511
Internal service funds are used by management to charge the cost of fleet services, information systems, printing and mailing services, facility services, security, risk management and communications to individual funds. The net expense of certain activities of the internal service funds is reported with governmental activities.		
		(190)
Change in net position of governmental activities		<u><u>\$ 127,456</u></u>

The notes to the basic financial statements are an integral part of this statement.

**County of Fresno**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2020**  
**(amounts expressed in thousands)**

	Business-type Activities - Enterprise Funds			Governmental Activities
	Solid Waste Enterprise	County Service Areas, Other	Total	Internal Service Funds
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 49,567	\$ 9,461	\$ 59,028	\$ 141,068
Restricted cash and cash equivalents	44,067	1,590	45,657	4,484
Accounts receivable (net of allowance)	2,091	1,162	3,253	486
Interest receivable	446	55	501	666
Due from other funds	1,308	229	1,537	13,616
Due from other governmental units	94	-	94	7,267
Total current assets	<u>97,573</u>	<u>12,497</u>	<u>110,070</u>	<u>167,587</u>
Noncurrent assets:				
Accounts receivable	-	-	-	229
Nondepreciable:				
Land	7,956	1,227	9,183	-
Construction in progress	1,824	10,662	12,486	7,177
Depreciable:				
Buildings and improvements	65,490	35,115	100,605	10,581
Equipment	15,909	4,720	20,629	75,618
Less accumulated depreciation	(52,040)	(24,655)	(76,695)	(48,088)
Intangible	-	-	-	20,563
Less accumulated amortization	-	-	-	(20,563)
Total noncurrent assets	<u>39,139</u>	<u>27,069</u>	<u>66,208</u>	<u>45,517</u>
Total assets	<u>136,712</u>	<u>39,566</u>	<u>176,278</u>	<u>213,104</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pensions	1,416	756	2,172	14,785
Total deferred outflows of resources	<u>1,416</u>	<u>756</u>	<u>2,172</u>	<u>14,785</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	185	323	508	13,074
Salaries and benefits payable	129	3	132	1,291
Due to other funds	1,210	421	1,631	3,288
Due to other governmental units	-	-	-	7,428
Advances from other funds	-	345	345	-
Liability for self-insurance	-	-	-	23,204
Interest payable	-	89	89	-
Deposits and other liabilities	5,021	22	5,043	877
Loans payable	-	3	3	-
General obligation bonds payable	-	250	250	-
Unearned revenue	-	-	-	46
Compensated leave and absences	152	58	210	1,336
Accrued closure/post-closure liability	6,336	-	6,336	-
Capital lease obligations	-	-	-	1,177
Total current liabilities	<u>13,033</u>	<u>1,514</u>	<u>14,547</u>	<u>51,721</u>
Noncurrent liabilities:				
Liability for self-insurance	-	-	-	64,760
Compensated leave and absences	101	66	167	1,636
General obligation bonds payable	-	2,295	2,295	-
Loans payable	-	56	56	-
Accrued closure/post-closure liability	38,907	-	38,907	-
Capital lease obligations	-	-	-	1,570
Net pension liability	4,768	2,544	7,312	49,770
Total noncurrent liabilities	<u>43,776</u>	<u>4,961</u>	<u>48,737</u>	<u>117,736</u>
Total liabilities	<u>56,809</u>	<u>6,475</u>	<u>63,284</u>	<u>169,457</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred pensions	523	278	801	5,447
Total deferred inflows of resources	<u>523</u>	<u>278</u>	<u>801</u>	<u>5,447</u>
<b>NET POSITION</b>				
Net investment in capital assets	39,139	27,069	66,208	42,541
Restricted for:				
Debt service	-	1,590	1,590	-
Unrestricted	41,657	4,910	46,567	10,444
Total net position	<u>\$ 80,796</u>	<u>\$ 33,569</u>	<u>\$ 114,365</u>	<u>\$ 52,985</u>

The notes to the basic financial statements are an integral part of this statement.

**County of Fresno**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities
	Solid Waste	County Service Areas, Other	Total	Internal Service Funds
<b>Operating revenues:</b>				
Charges for services	\$ 15,997	\$ 5,885	\$ 21,882	\$ 221,548
Other revenues	1,877	7,868	9,745	1,289
Total operating revenues	<u>17,874</u>	<u>13,753</u>	<u>31,627</u>	<u>222,837</u>
<b>Operating expenses:</b>				
Salaries and benefits	3,933	2,086	6,019	40,766
Insurance	26	127	153	115,119
Professional services	3,467	4,118	7,585	18,631
General and administrative	4,228	2,063	6,291	28,917
Repairs and maintenance	1,424	1,786	3,210	3,026
Rents and leases	12	1	13	8,239
Parts and supplies	201	20	221	5,362
Accrued closure/post-closure costs	3,186	-	3,186	-
Utilities	118	859	977	13,390
Depreciation	1,381	792	2,173	7,685
Total operating expenses	<u>17,976</u>	<u>11,852</u>	<u>29,828</u>	<u>241,135</u>
<b>Operating income (loss)</b>	<u>(102)</u>	<u>1,901</u>	<u>1,799</u>	<u>(18,298)</u>
<b>Nonoperating revenues (expenses):</b>				
(Loss) on sale of capital assets	(159)	(311)	(470)	(825)
Use of money and property	4,227	387	4,614	6,315
Interest expense	-	(111)	(111)	-
Tax revenues	-	819	819	-
Insurance recoveries	-	-	-	5,491
Closure/post-closure expense/fees	(125)	-	(125)	-
Grants and other revenues	485	-	485	-
Total nonoperating revenues (expenses)	<u>4,428</u>	<u>784</u>	<u>5,212</u>	<u>10,981</u>
Net income (loss) before transfers	<u>4,326</u>	<u>2,685</u>	<u>7,011</u>	<u>(7,317)</u>
<b>Transfers in (out)</b>				
Transfers in	219	5	224	8,756
Transfers out	(157)	(82)	(239)	(1,629)
Total transfers in (out)	<u>62</u>	<u>(77)</u>	<u>(15)</u>	<u>7,127</u>
<b>Change in net position</b>	<u>4,388</u>	<u>2,608</u>	<u>6,996</u>	<u>(190)</u>
Net position - beginning	75,750	27,535	103,285	52,808
Prior period adjustment	658	3,426	4,084	367
Net position - beginning restated	<u>76,408</u>	<u>30,961</u>	<u>107,369</u>	<u>53,175</u>
Net position - ending	<u>\$ 80,796</u>	<u>\$ 33,569</u>	<u>\$ 114,365</u>	<u>\$ 52,985</u>

The notes to the basic financial statements are an integral part of this statement.



**County of Fresno**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

	Business-type Activities - Enterprise Funds			Governmental Activities
	Solid Waste	County Service Areas, Other		Internal Service Funds
		Total		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from users	\$ 18,324	\$ 15,954	\$ 34,278	\$ 225,896
Cash paid to suppliers	(10,432)	(13,372)	(23,804)	(173,762)
Cash paid to employees	(3,846)	(2,038)	(5,884)	(39,842)
Cash paid for claims	-	-	-	(15,473)
Net cash provided by (used in) operating activities	<u>4,046</u>	<u>544</u>	<u>4,590</u>	<u>(3,181)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Tax revenues	-	812	812	-
Transfers from other funds	219	5	224	8,756
Transfers to other funds	(157)	(82)	(239)	(1,629)
Advances paid to/returned to other funds	-	326	326	-
Cash paid to closure/post-closure liability	(2,457)	-	(2,457)	-
Net cash provided by (used in) non-capital financing activities	<u>(2,395)</u>	<u>1,061</u>	<u>(1,334)</u>	<u>7,127</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	762	2,282	3,044	(13,055)
Insurance recoveries	-	-	-	5,491
Principal paid on long-term liabilities	-	(235)	(235)	-
Interest paid on long-term liabilities	-	(103)	(103)	-
Net cash (used in) capital and related financing activities	<u>762</u>	<u>1,944</u>	<u>2,706</u>	<u>(7,564)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Use of money and property received	4,196	418	4,614	6,431
Net cash provided by (used in) investing activities	<u>4,196</u>	<u>418</u>	<u>4,614</u>	<u>6,431</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	6,609	3,967	10,576	2,813
<b>Cash and cash equivalents - beginning</b>	87,025	7,084	94,109	142,739
<b>Cash and cash equivalents - ending</b>	<u>\$ 93,634</u>	<u>\$ 11,051</u>	<u>\$ 104,685</u>	<u>\$ 145,552</u>
<b>Reconciliation of cash and cash equivalents to the statement of net position:</b>				
Cash and cash equivalents in cash and investments	\$ 49,567	\$ 9,461	\$ 59,028	\$ 141,068
Cash and cash equivalents in restricted cash and investments	44,067	1,590	45,657	4,484
Total	<u>\$ 93,634</u>	<u>\$ 11,051</u>	<u>\$ 104,685</u>	<u>\$ 145,552</u>

The notes to the basic financial statements are an integral part of this statement.

**County of Fresno**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

	Business-type Activities - Enterprise Funds			Governmental Activities
	Solid Waste	County Service Areas, Other	Total	Internal Service Funds
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
<b>Operating income (loss)</b>	\$ (102)	\$ 1,901	\$ 1,799	\$ (18,298)
<b>Adjustments to reconcile operating income (loss) to net cash provided by operating activities:</b>				
Landfill closure and post-closure costs	3,186	-	3,186	-
Pension expense	45	24	69	466
Depreciation expense	1,381	792	2,173	7,685
Decrease (increase) in accounts receivable	190	(343)	(153)	(121)
Decrease (increase) in due from other funds	(544)	44	(500)	532
Decrease (increase) in due from other governmental units	-	(104)	(104)	2,679
Decrease (increase) in construction in progress	(1,812)	(1,983)	(3,795)	834
(Decrease) increase in accounts payable	198	(97)	101	877
(Decrease) increase in salaries and benefits payable	42	24	66	458
(Decrease) increase in unearned revenue	-	104	104	-
(Decrease) increase in deposits held for others	1,273	-	1,273	-
(Decrease) increase in due to other funds	234	203	437	(2,773)
(Decrease) increase in due to other governmental units	(45)	(21)	(66)	912
(Decrease) increase in liability for self-insurance	-	-	-	3,568
Total adjustments	4,148	(1,357)	2,791	15,117
Net cash provided by (used in) operating activities	<u>\$ 4,046</u>	<u>\$ 544</u>	<u>\$ 4,590</u>	<u>\$ (3,181)</u>

The notes to the basic financial statements are an integral part of this statement.

**County of Fresno**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2020**  
(amounts expressed in thousands)

	Investment Trust	Agency
<b>ASSETS</b>		
Cash and investments	\$ 3,167,865	\$ 130,930
Accounts receivable	5,163	7,897
Taxes receivable	-	2
Interest receivable	-	775
Property held by public administrator	-	4,034
Total assets	\$ 3,173,028	\$ 143,638
<b>LIABILITIES</b>		
Due to other taxing units	\$ -	\$ 63,627
Due to other governmental units	5,594	30,157
Fiduciary liability	-	49,854
Total liabilities	5,594	\$ 143,638
<b>NET POSITION</b>		
Net position held in trust	\$ 3,167,434	

The notes to the financial statements are an integral part of this statement.

**County of Fresno**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

	Investment Trust
<b>ADDITIONS</b>	
Contributions:	
Contributions to pooled investments	\$ 10,629,207
Total contributions	10,629,207
Interest and investment revenue:	
Use of money and property	141,090
Total interest and investment revenue	141,090
Total additions	10,770,297
<b>DEDUCTIONS</b>	
Distributions from pooled investments	10,423,067
Total deductions	10,423,067
Change in net position	347,230
Net position - beginning	2,820,204
Net position - ending	\$ 3,167,434

The notes to the financial statements are an integral part of this statement.

THIS PAGE INTENTIONALLY BLANK

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

**NOTE 1 - The Financial Reporting Entity**

The County of Fresno (County) is a political subdivision chartered by the State of California (State) and, as such, can exercise the powers specified by the Constitution and laws of the State. The County operates under its Charter and is governed by an elected, five-member Board of Supervisors (Board). The Board is responsible for the legislative and executive control of the County. The County provides various services on a countywide basis including law and justice; education; detention; social; health; road construction; road maintenance; park and recreation facilities; elections and records; communications; planning; zoning; and tax collection.

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. The following circumstances set forth a primary government's financial accountability for a legally separate organization (from Governmental Accounting Standards Board (GASB) Statement No. 61):

- a. The primary government is financially accountable if it appoints a voting majority of the organization's governing body *and* (1) it is able to impose its will on that organization *or* (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.
- b. The primary government is financially accountable if an organization is fiscally dependent on *and* there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

The basic financial statements include blended component units. The blended component units, although legally separate entities are, in substance, part of the County's operations and data from these units is combined with data of the primary government.

For financial reporting purposes, the County's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the County's Board. The financial statements of the individual component units may be obtained by making a request to the County of Fresno, Auditor-Controller/Treasurer-Tax Collector's Office, 2281 Tulare Street, Room 105, Fresno, California 93721.

**Blended Component Units:** The following organizations are included in the County's financial statements as blended components.

County Service Areas, Other (CSAs), which include Lighting Districts, Maintenance Districts, and Waterworks Districts, are blended as Special Revenue funds and Enterprise funds since they are an integral part of the County, their governing bodies are comprised of the Board, and there is potential that the organizations can provide specific financial benefits or impose financial burdens on the County.

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

The Fresno County Financing Authority (FCFA) was formed to finance the construction, installation and equipping of the County facilities. The bonds issued by the FCFA are recorded in the County's Debt Service Fund. The FCFA and the County have a financial and operational relationship (FCFA is financially accountable to the County), which requires that the FCFA's financial statements be blended into the County's financial statements. A five-member board, appointed by the Board, determines the FCFA's policies.

The Fresno County Tobacco Funding Corporation (FCTFC) is reported in the County's Debt Service Fund. The FCTFC and the County have a financial relationship, which requires that the FCTFC's financial statements be blended into the County's financial statements. The FCTFC's board consists of members of the Board or members appointed by the Board. A separate financial report can be reviewed at the Auditor-Controller/Treasurer-Tax Collector's office.

**Discretely Presented Component Unit:** Discretely presented component units are legally separate entities, which have some financial accountability to the Board, though the entities' governing boards are substantially different from the Board. As of June 30, 2020, the County had no discretely presented component units.

**NOTE 2 - Summary of Significant Accounting Policies**

**(A) Basis of Presentation**

*Government-wide Financial Statements*

The statement of net position and statement of activities display information about the primary government (the County) and its component units. 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. Governmental activities, which normally are supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities presents a comparison between direct 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 function and therefore are clearly identifiable to a particular function. Program revenues include: 1) charges paid by the recipients of goods or services offered by the programs, and 2) 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 for use, restricted resources are used prior to depleting unrestricted resources.

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

*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. These funds are each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and combined into one column for reporting as nonmajor funds in the fund financial statements.

Proprietary funds distinguish *operating* revenues, such as charges for services, which 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.

The County reports seven major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out the basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes the following services: public protection; public ways and facilities; health and sanitation; public assistance; education; and recreation.
- The *Disaster Claiming Fund* accounts for all activities used in providing relief to County citizens and businesses as a result of any ongoing or preceding catastrophic events (such as the Creek Fire or the COVID-19 pandemic).
- The *Debt Service Fund* accounts for all activities involving the issuance and payment of debt. This includes receipt of bond issuance proceeds, the distribution of those proceeds, along with the payment of principal and interest to extinguish the debt.
- The *Behavioral Health – Mental Health (MH) Fund* is used to account for health services mandated under the California Mental Health Act. Revenue is derived primarily from state grants.
- The *Social Services Fund* accounts for a variety of public assistance and social service programs that are funded primarily from federal and state grants.
- The *Local Health and Welfare Fund* is used to account for proceeds of sales tax and vehicle license fees designated for State & local programs that were realigned to counties in 1991 (1991 Realignment). In addition, the fund is used to deposit County general fund revenues to satisfy the mandated Maintenance of Effort (MOE) county contribution for mental health and health programs.
- The *2011 Realignment Fund* is utilized to account for funds provided by the State pursuant to Assembly Bill 118, which required counties to use County Local Revenue Fund 2011 exclusively for specific public safety services related to appropriate rehabilitative, housing, and supervision services to youth offenders.



**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

The County reports both of its enterprise activities as major proprietary funds:

- The *Solid Waste Enterprise Fund* is used to account for the County's operation of one transfer station, three disposal sites located in various areas of the County, one planning joint powers agreement, and one administrative fund.
- The *County Service Areas, Other Fund* is used to account for special districts, governed by the Board, which include County Service Areas (CSAs), Lighting Districts, Waterworks Districts, and one administrative fund.

The County reports the following additional fund types:

*Internal Service Funds* account for the financing of goods or services provided by one County department to another County department on a cost reimbursement basis. Internal service funds account for the activities of fleet maintenance, information services, the County's financial software, centralized facility services, and security. In addition, the County's Risk Management Fund accounts for the County's self-insurance programs – worker's compensation; long-term disability; employee benefits; personal injury; and property damage – on a cost-reimbursement basis.

*Fiduciary Funds* are utilized to account for funds held by the County for other entities. The Investment Trust Fund accounts for the investments of legally separate entities that deposit cash with the County Treasurer. These entities include school and community college districts; other special districts governed by local boards; regional boards; and authorities. The Investment Trust Fund also accounts for tax collections passed through to cities within the County. This fund reports the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand. The Agency Funds account for assets held by the County as an agent for various local governments. Refer to Note 12 for more information on Fresno County Employees' Retirement Association (FCERA).

**(B) Basis of Accounting**

The Government-Wide, Proprietary, and Internal Service Funds are reported using the economic resources measurement focus and the accrual basis of accounting. The Investment Trust Fund and other Agency Funds do not use a measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are 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. Using the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property taxes are accrued when their receipt is within sixty days after the end of the accounting period, to be both measurable and available. Sales taxes, interest, certain state and federal grants, and charges for services are accrued when their receipt occurs within one hundred eighty days after the end of the accounting period. Expenditures are generally recorded when a liability is incurred, as under the accrual basis of accounting. However, debt service expenditures, as well as expenditures related to compensated

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the County's enterprise funds and the various other funds of the County.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating*. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**(C) Budgeting**

In accordance with the provisions of Sections 29000 through 29144 and Section 30200 of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares and legally adopts a final balanced budget on or before October 2 for each fiscal year. Until the adoption of this final balanced budget, the appropriations are based on the budget of the preceding year as allowed per California Government Code 29124. The final adopted budget (County Budget) is available for review in the Auditor-Controller/Treasurer-Tax Collector's office.

A balanced operating budget is adopted each fiscal year for the General and Special Revenue funds and the Debt Service Fund on the modified accrual basis of accounting with some exceptions. The FCTFC is an exception, because it has no adopted budget. A budget is not adopted for the Capital Projects Fund. Public hearings are conducted on the proposed budget to review all appropriations and the source of financing. Because the final budget must be balanced, any shortfall in revenue requires an equal reduction in appropriations.

Budgetary control is exercised at the department level in both the General and Special Revenue funds. Some Special Revenue funds benefit multiple departments, while most operate under a single department. The legal level of control is at the object level except for capital assets, which are controlled at the sub-object level. All amendments, expenditures that exceed appropriations and transfers of appropriations between levels within the same department, or between departments, within any fund are authorized by the County Administrative Office and must be approved by the Board. The Board must also approve supplemental appropriations financed by unanticipated revenues.

The General Fund, Disaster Claiming Fund, Behavioral Health-MH, Social Services, Local Health and Welfare, and 2011 Realignment Budgetary Comparison Schedules are part of Required Supplementary Information on pages 70-75.

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

**(D) Cash and Cash Equivalents**

Cash and cash equivalents, as reported in the Statement of Cash Flows, consist of cash and short-term, highly liquid investments that are readily convertible to known amounts of cash and have an original maturity of three months or less.

**(E) Restricted Cash and Investments**

The County reports restricted cash and investments in the General Fund, Debt Service Fund, Capital Projects Fund, and the enterprise funds. Amounts reported in the Debt Service Fund and CSA, Other enterprise fund are restricted for debt service payments. Amounts reported in the Capital Projects Fund are restricted for future projects. The amount reported in the Solid Waste enterprise fund is money set aside based on estimates to cover closure costs and thirty years of post-closure maintenance costs to provide financial assurance once the landfills are closed.

**(F) Investments**

Statutes authorize the County to invest its surplus cash (excluding cash belonging to the FCERA) in obligations of the U.S. Treasury, agencies and instrumentalities, corporate bonds rated P-1 by Standard & Poor's Corporation or A-1 by Moody's Investor Service, bankers' acceptances, certificates of deposit, commercial paper, repurchase agreements, and the State Local Agency Investment Fund (LAIF). Gains and losses are recognized based upon the specific identification method. All pooled investments are reported at fair value. The fair values of equity and fixed income securities are derived from quoted market prices. The fair values of private market investments are estimated from fair values provided by the real estate investment funds, futures investment managers, and alternative investment managers.

**(G) Receivables**

The County accrues revenues at fiscal year-end in both the governmental and government-wide statements. Certain receivables have an element of uncertainty in their ability to be collected; as such, County receivables are reported net of uncollectible accounts.

The County is responsible for the assessment, collection, and apportionment of property taxes for all jurisdictions including the school and special districts within the County. The Board levies property taxes as of September 1, on property values certified on July 1. Secured property tax payments are due in two equal installments. The first is generally due November 1 and delinquent with penalties after December 10 and the second is generally due on February 1 and delinquent with penalties after April 10. Secured property taxes become a lien on the property on January 1. Property taxes on the unsecured roll are due upon receipt of the tax bill and become delinquent if unpaid on August 31. Property taxes are accounted for in the Property Tax Collection fund, an Agency fund, until apportionment and disbursement to taxing jurisdictions.

All jurisdictions within California derive their taxing authority from the State Constitution and various legislative provisions contained in the State Government Code along with Revenue and Taxation Code. Pursuant to Article XIII A (known as Proposition 13) of the State Constitution, the County is permitted to levy a maximum tax of 1 percent of full cash value. For fiscal year 2019-20, the County recorded \$271,007 in property taxes that were used to finance general governmental services.

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

*Teeter Plan* - The County elected the alternative property tax treatment (Teeter Plan) effective July 1, 1993, whereby the County, through the Property Tax Collection fund, purchases the current secured unpaid taxes remaining at year-end from participating agencies. In return, the Property Tax Collection fund records tax receivable and receives the delinquent penalties and redemption interest accruing to delinquent collections related to participating agencies. The participating agencies, including the County, special districts, and school districts, in turn, receive their full tax distribution with no liability for uncollected taxes to the Property Tax Collection fund. Therefore, for participating agencies, revenue is measurable and available and is recorded in the period the payment of current secured unpaid taxes is received.

**(H) Prepaid Items**

Prepaid items consist primarily of cash aid provided by social services programs for various public support and care needs, such as EBTs. Issuances are calculated at fiscal month end and recorded as prepaid items for the following period.

**(I) Capital Assets**

Capital assets, including infrastructure, are recorded at historical cost, or at estimated historical cost, if the actual cost is not available. Contributed capital assets are valued at their estimated fair value on the date contributed. Certain donated property uses the entry price measurement, also known as acquisition value, which measures the price that would be paid to acquire that asset with equivalent service potential in an orderly market transaction at the acquisition date.

The County defines capital assets as assets with an initial, individual, cost of more than \$5 for equipment and \$100 for buildings, infrastructure and intangible assets. Capital assets also have an estimated useful life in excess of one year. Capital assets used in operations are depreciated or amortized (applicable to assets procured under capital leases) using the straight-line method over the asset's estimated life (or capital lease period) in the government-wide financial statements and proprietary fund financial statements. Maintenance and repairs are charged to operations when incurred. Betterments and major improvements, which 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.

Depreciation on capital assets is taken over the following estimated lives:

<u>Type of Asset</u>	<u>Estimated Useful Life in Years</u>
Land	0
Buildings and improvements	20-50
Equipment	3-15
Infrastructure	40
Intangible	5-15

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

**(J) Deferred Outflows and Inflows of Resources**

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the County recognizes deferred outflows and inflows of resources on the face of its financial statements.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the government that is applicable to a future reporting period.

**(K) Liability for Earned Compensated Absences**

The County reports a liability for compensated absences attributable to services already rendered as of the Statement of Net Position date. This liability is based on the probability that the County will eventually compensate employees for these benefits through paid time off or some other means, such as annual leave cash-outs or cash payments at termination or retirement. The liability is calculated based on pay or salary rates in effect at the statement of net position date and includes amounts for salary-related payments, such as Social Security and Medicare taxes. The County has included the liability within the government-wide financial statements and the proprietary fund financial statements.

**(L) Allocation of Pension and Net Pension Liability**

The County reports a net pension liability in its proprietary and government-wide financial statements, resulting from the application of GASB Statement No. 68. The County has allocated this liability amongst the governmental and business-type activities based on calculated shares of pension contributions as of the first year of implementation (fiscal year 2015). For the sake of comparability and consistency, the County has elected to utilize that basis to allocate; should there be a material operational shift (wherein projected contributions from the various funds change substantially), the allocation methodology will be updated and an accounting estimate adjustment will be made and disclosed.

**(M) Bond Issuance Costs and Discounts**

In the government-wide financial statements and the proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund Statement of Net Position. Bond discounts, as well as issuance costs, due to the implementation of GASB Statement No. 65, are expensed in the period in which they are incurred. Bonds payable are reported net of the applicable bond discount or premium.

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

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

**(N) Fund Balance**

In the fund financial statements, in accordance with GASB Statement No. 54, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the County is bound to constraints on how specific amounts can be spent. The Board, the County's highest decision-making authority, establishes, modifies, or rescinds fund balance commitments by passage of an ordinance or resolution. Ordinances and resolutions are considered of equal authority with respect to fund balance. Please refer to Note 14 for more information on fund balance.

**(O) Special Assessments**

The total amount of special assessments for special districts paid on June 30, 2020, was \$73,075. Special assessments take many forms and are authorized to exist under various state codes such as Streets and Highways, Government, Health and Safety, Water, Public Utilities, and others. Certain special assessments may be authorized to be bonded. They can include both debt collection activity and fees for services provided by the special district. The County is not liable for this. Rather, the County acts solely as an agent for the special district, which is liable for the debt or providing the services. Accordingly, this liability is not reflected in these financial statements. The assessments are added to the tax bill in accordance with several state codes as mentioned herein such as Proposition 218.

**(P) Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period.

**(Q) Recently Issued Accounting Pronouncements**

During the fiscal year ended June 30, 2020, the County implemented the following GASB Statements:

The GASB has issued Statement No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance*. This statement provides temporary relief to governments in light of the COVID-19 pandemic by postponing the effective dates of certain provisions and pronouncements. The requirements of this statement are effective immediately. The County will implement GASB Statements No. 84, 87, 89, 90, 91, 92, and 93 in accordance with the postponed effective dates as stated in GASB Statement No. 95.

The following GASB Statements will be implemented and are currently being analyzed to determine the potential impact on the County's future financial statements:

The GASB has issued Statement No. 84 – *Fiduciary Activities*. The requirements of this statement are effective for periods beginning after December 15, 2019.

The GASB has issued Statement No. 87 – *Leases*. The requirements of the statement are effective for reporting periods beginning after June 15, 2021.

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

The GASB has issued Statement No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*. The requirements of this statement are effective for reporting periods beginning after December 15, 2020.

The GASB has issued Statement No. 91 – *Conduit Debt Obligations*. The requirements of this statement are effective for reporting periods beginning after December 15, 2021.

The GASB has issued Statement No. 92 – *Omnibus 2020*. The requirements of this statement are effective for reporting periods beginning after June 15, 2021.

The GASB has issued Statement No. 93 – *Replacement of Interbank Offered Rates*. The requirements of this statement are effective for reporting periods beginning after June 15, 2021.

The GASB has issued Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

The GASB has issued Statement No. 96 – *Subscription-Based Information Technology Arrangements*. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

The GASB has issued Statement No. 97 – *Certain Component Units Criteria, and Accounting and Financial Reporting of Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment to GASB Statements No. 14 and No. 84 and a supersession of GASB Statement No. 32*. The requirements in paragraph 4 as it applies to defined contribution plans, defined OPEB plans, and other employee benefit plans, and paragraph 5 are effective immediately. All other requirements are applicable for reporting periods beginning after June 15, 2020.

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

**NOTE 3 - Cash and Investments**

Cash and investments as of June 30, 2020 are classified in the accompanying basic financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 925,960
Restricted cash and investments	85,468
Fiduciary Funds:	
Cash and investments	3,298,795
Total cash and investments	<u>\$ 4,310,223</u>

Cash and investments as of June 30, 2020 consist of the following:

Cash on hand	\$ 3,566
Imprest cash	125
Postage funds	637
Total cash & cash equivalents	<u>\$ 4,328</u>
Deposits with financial institutions	37,555
Investments (pooled)	4,212,442
Total pooled cash and investments	<u>4,254,325</u>
Debt Investments (fiscal agents)	12,759
External Investments (fiscal agents)	43,139
Total cash, investments, and investments with fiscal agents	<u>\$ 4,310,223</u>

The following represents a condensed statement of net position for the Treasury Investment Pool as of June 30, 2020.

Cash and investments	\$ 4,333,103
Less: transitory items/warrants payable	<u>(78,778)</u>
Net position held in trust for pool participants	<u>\$ 4,254,325</u>
Equity of internal pool participants	\$ 955,530
Equity of external pool participants (voluntary and involuntary)	<u>3,298,795</u>
	<u>\$ 4,254,325</u>



**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

The following represents a condensed statement changes in net position for the Treasury Investment Pool as of June 30, 2020.

**Statement of Changes in Net Position**

Net position at July 1, 2019	\$ 3,853,452
Net change in investments by pool participants	<u>400,873</u>
Net position held in trust for pool participants at June 30, 2020	<u><u>\$ 4,254,325</u></u>

**Investments authorized by the California Government Code (CGC) and the County of Fresno Treasury Investment Pool Investment Policy (IP)**

The following table identifies the investment types that are authorized for the County by CGC, or the IP, where more restrictive. The table also identifies the more restrictive provisions of the CGC or the IP that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investment of debt proceeds held by bond trustees that are governed by the provisions of the County’s debt agreements, rather than the general provisions of either the CGC or the IP.

<b>Authorized Investment Types</b>	<b>Maximum Percentage Of Portfolio</b>	<b>Maximum Maturity</b>
U.S. Treasury Bills, Notes and Bonds	100%	5 Years
U.S. Government Agency Obligations	100%	5 Years
Bankers’ Acceptances	40%	180 Days
Commercial Paper	40%	270 Days
Negotiable Certificates of Deposit	30%	13 Months
Non-negotiable Certificates of Deposit	50%	13 Months
Repurchase Agreements	15%	Overnight/Weekend
Local Agency Investment Fund	\$65,000	Daily Liquidity
Medium Term Notes	30%	5 Years
Mutual Funds	20%	Daily Liquidity
Mortgage-Backed Securities	10%	5 Years

**Investment Authorized by Debt Agreements**

The County and its component units have \$12,759 in investments held by bond trustees pledged to the payment or security of certain debt issues. These funds are invested in accordance with bond covenants and are pledged for payment of principal, interest, and specified capital improvements.

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

**Interest Rate Risk**

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity is of its fair value to changes in market interest rates. A way the County manages its exposure to interest rate risk is by purchasing a combination of short-term and long-term investments as well as timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturing evenly over time as necessary to provide the cash flow and liquidity needed for operations.

**Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations**

Information about the sensitivity of the fair values of the County's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the County's investments by maturity:

**Pooled Investments in County Treasury:**

	<b>Totals</b>	<b>Remaining Maturity (in months)</b>			
		<b>12 months or less</b>	<b>13 to 24 months</b>	<b>25 to 36 months</b>	<b>37 to 60 months</b>
U.S. Government Agency Obligations	\$ 1,978,788	\$ 227,657	\$ 405,595	\$ 398,938	\$ 946,598
Medium-Term Corporate Notes	992,898	153,474	236,579	209,061	393,784
U.S. Treasury Notes	177,520	111,061	20,602	20,737	25,120
Commercial Paper	299,898	299,898	-	-	-
Municipal Bonds	161,164	25,110	35,815	46,896	53,343
Mutual Fund	110,000	110,000	-	-	-
Bank Accounts	612,835	612,835	-	-	-
<b>Total</b>	<b>\$ 4,333,103</b>	<b>\$ 1,540,035</b>	<b>\$ 698,591</b>	<b>\$ 675,632</b>	<b>\$ 1,418,845</b>
Less: Outstanding Warrants Still Invested	(78,778)				
<b>Total Financial Statement Pooled Investments</b>	<b>\$ 4,254,325</b>				

**Investments with Fiscal Agents:**

	<b>Totals</b>	<b>Remaining Maturity (in months)</b>			
		<b>12 months or less</b>	<b>13 to 24 months</b>	<b>25 to 36 months</b>	<b>37 to 60 months</b>
Cash Balance	\$ 3,569	\$ 3,569	\$ -	\$ -	\$ -
Federated Government Obligation Fund	451	451	-	-	-
Money Market Mutual Funds	8,739	8,739	-	-	-
<b>Total</b>	<b>\$ 12,759</b>	<b>\$ 12,759</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Presented in the following schedule is the minimum rating required by the CGC, the IP, or debt agreements, and the actual rating as of year-end for each investment type.

**Pooled Investments in County Treasury:**

Investment Type	Total	Minimum Legal Rating	Exempt from Disclosure	Ratings as of the Year End 6/30/2020			
				A-AAA	B-BBB	C-CCC	Not Rated
U.S. Government Agency Obligations	\$ 1,978,788	N/A	\$ -	\$ 1,978,788	\$ -	\$ -	\$ -
Medium-Term Corporate Notes	992,898	A3	-	992,898	-	-	-
U.S. Treasury Notes	177,520	N/A	-	177,520	-	-	-
Commercial Paper	299,898	A-1	-	299,898	-	-	-
Municipal Bonds	161,164	N/A	-	161,164	-	-	-
Mutual Fund	110,000	N/A	-	35,000	-	-	75,000
Bank Accounts	612,835	N/A	-	-	-	-	612,835
Total	<u>\$ 4,333,103</u>		<u>\$ -</u>	<u>\$ 3,645,268</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 687,835</u>

**Investments with Fiscal Agents:**

Investment Type	Total	Minimum Legal Rating	Exempt from Disclosure	Ratings as of the Year End 6/30/2020			
				A-AAA	B-BBB	C-CCC	Not Rated
Cash Balance	\$ 3,569	N/A	\$ -	\$ 3,569	\$ -	\$ -	\$ -
Federated Government Obligation Fund	451	N/A	-	451	-	-	-
Money Market Mutual Funds	8,739	N/A	-	8,739	-	-	-
Total	<u>\$ 12,759</u>		<u>\$ -</u>	<u>\$ 12,759</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Concentration of Credit Risk**

The IP does not limit the amount that can be invested in any one issuer beyond the limitations stipulated by the CGC. Investments in any one issuer (other than U.S. Treasury securities, mutual funds and external investment pools) that represent 5% or more of the County's total investments are as follows:

Issuer	Investment Type	Reported Amount
Federal Farm Credit Bank	Federal Agency Securities	\$ 581,985
Federal Home Loan Bank	Federal Agency Securities	811,533
Federal National Mortgage Association	Federal Agency Securities	541,918
Toyota Motor Credit	Medium Term Corporate Note	243,569

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

**Custodial Credit Risk**

Custodial credit risk for *deposits* is the risk that the County will not be able to recover its deposits or will not be able to recover collateral securities in the possession of an outside party if a depository institution fails. The custodial credit risk for *investments* is the risk that the County will not be able to recover the value of its investment or collateral securities held by another party if the counterparty (e.g., broker-dealer) to a transaction fails. The CGC and IP do not contain legal or policy requirements that would limit exposure to custodial credit risk for deposits or investments, other than the following provision applicable to *deposits*: to guarantee the safety of the public funds, any deposits must be collateralized in accordance with CGC Section 53652 et.al.

As of June 30, 2020, all of the County's deposits with financial institutions in excess of Federal Depository Insurance Corporation (FDIC) limits were held in fully collateralized accounts, as permitted by the CGC. As of June 30, 2020, all of the County's investments were held with the County's custodian or by a broker-dealer (counterparty) other than the broker-dealer used by the County to purchase the securities.

**Investment in State Investment Pool**

The County is a voluntary participant in the LAIF that is regulated by the CGC under the oversight of the Treasurer of the State. The fair value of the County's investments in this pool is reported in the accompanying financial statements at amounts based upon the County's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawals is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis, which is different from the fair value of the County's position in the LAIF pool. A copy of the most recent annual report of the State's Pooled Money Investment Board, which manages the LAIF pool, is available at the following link: <http://www.treasurer.ca.gov/pmia-laif/reports/annual.asp>.

GASB Statement No. 79 established specific criteria used to determine whether a qualifying external investment pool might elect to use an amortized cost exception to fair value measurement. Those criteria will provide qualifying external investment pools and participants in those pools with consistent application of an amortized cost-based measurement for financial reporting purposes. The statement also establishes additional note disclosures for qualifying investment pools. There was no material impact on the County's financial statements due to the implementation of GASB Statement No. 79.

**Fair Value Measurements**

In fiscal year 2016, the County implemented GASB Statement No. 72, *Fair Value Measurement and Application*. The statement provides guidance on fair value measurements under accounting principles generally accepted in the United States of America (GAAP) and recognizes them within a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and,
- Level 3: Investments reflect prices based upon unobservable sources.

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

The County judges its investment pricing based upon Interactive Data with the exception of Commercial Paper, which is priced from the Union Bank statement. Both entities use evaluated pricing models to determine values.

The County's pooled investments have the following recurring fair value measurements as of June 30, 2020:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Other Observable Inputs (Level 2)</u>	<u>Unobservable Inputs (Level 3)</u>
U.S. Government Agency Obligations	\$ 1,978,788	\$ -	\$ 1,978,788	\$ -
Medium-Term Corporate Notes	992,898	-	992,898	-
U.S. Treasury Notes	177,520	-	177,520	-
Commercial Paper	299,898	-	299,898	-
Municipal Bonds	161,164	-	161,164	-
Total Investments Measured at Fair Value	<u>\$ 3,610,268</u>	<u>\$ -</u>	<u>\$ 3,610,268</u>	<u>\$ -</u>
Investments at Net Asset Value:				
Mutual Fund	110,000			
Bank Account	612,835			
	<u>\$ 4,333,103</u>			

**NOTE 4 - Restricted Cash and Investments**

Cash and investments are restricted for various purposes in the funds that comprise governmental and business-type activities. Restricted cash and investments consist of the following:

Governmental activities:	
General Fund:	
EBT/other social services accounts	\$ 19,206
Debt Service:	
Bond repayment	12,327
Capital Projects:	3,794
Internal Service Funds:	4,484
Total	<u>\$ 39,811</u>
Business-type activities:	
Enterprise funds:	
Solid Waste Enterprise:	
American Avenue post-closure care - other	\$ 43,075
Corrective action	992
Subtotal	<u>44,067</u>
CSAs:	
Bond repayment/construction	1,590
Subtotal	<u>1,590</u>
Total	<u>\$ 45,657</u>

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

**NOTE 5 - Receivables**

Taxes and accounts receivable balances for the General, Debt Service, Nonmajor Governmental, Internal Service, and Proprietary funds are stated net of allowances for uncollectible accounts.

At June 30, 2020, the General Fund had a HARP loans allowance of \$854 while the Internal Services Risk Management fund had an allowance of \$115. The total allowance for uncollectible accounts was \$969.

GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, requires disclosure of significant receivable balances not expected to be collected within one year of the date of the financial statements. The detail of receivable balances not expected to be collected within the next fiscal year is as follows:

*Loans Receivable*

The County engages in affordable housing programs and housing assistance rehabilitation programs designed to encourage construction or improvement of housing for persons with low to moderate incomes. Under these programs, loans are provided under favorable terms to homeowners or developers who agree to spend these funds in accordance with County terms. Since the County does not expect to collect these loans in the near term, they have been offset by deferred inflows of resources in the fund financials statements. The amount not expected to be collected within the next fiscal year is \$41,767.

The County Board approved a loan for \$5,000 from the General Fund to the San Joaquin Valley Insurance Authority (SJVIA) to assist with cash flow needs. The borrowed funds, including accrued interest at the County Treasury pool rate, are to be repaid no later than December 31, 2021.

The County established a County Service Area (CSA) Revolving Fund to provide temporary financial assistance to CSAs that have or are projected to have short-term financial deficits.

**NOTE 6 - Interfund Transactions and Balances**

Loans reported as receivables and payables are referred to as either “due to/from other funds” (the current portion of interfund loans) or “advances to/from other funds” (the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.”

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are reflected as expenditures or expenses in the reimbursing fund and reductions to expenditures or expenses in the reimbursed fund. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statement presentation.

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

The composition of interfund balances as of June 30, 2020 was as follows:

<b>Payable Fund</b>	<b>Receivable Fund</b>						<b>Total</b>
	General Fund	Major Govt.	Nonmajor Govt.	Solid Waste	CSAs	Internal Service	
General Fund	\$ -	\$ 1,202	\$ 313	\$ 550	\$ 148	\$ 10,048	\$ 12,261
Major Governmental	77,159	1,324	-	-	-	-	78,483
Nonmajor Governmental	8,382	-	705	-	14	551	9,652
Solid Waste Enterprise	454	-	-	715	-	41	1,210
CSAs	180	-	-	-	67	174	421
Internal Service	443	-	-	43	-	2,802	3,288
<b>Totals</b>	<b>\$ 86,618</b>	<b>\$ 2,526</b>	<b>\$ 1,018</b>	<b>\$ 1,308</b>	<b>\$ 229</b>	<b>\$ 13,616</b>	<b>\$ 105,315</b>

The following schedule briefly summarizes the County's transfer activity for the fiscal year ended June 30, 2020:

<b>Transfers To</b>	<b>Transfers From</b>						<b>Total</b>
	General Fund	Major Govt.	Nonmajor Govt.	Solid Waste	CSAs	Internal Service	
General Fund	\$ -	\$ 43,018	\$ 17,264	\$ 185	\$ -	\$ 8,756	\$ 69,223
Major Governmental	999,375	15,144	-	-	-	-	1,014,519
Nonmajor Governmental	59,914	-	6,187	34	5	-	66,140
Solid Waste Enterprise	157	-	-	-	-	-	157
CSAs	82	-	-	-	-	-	82
Internal Service Funds	1,629	-	-	-	-	-	1,629
<b>Totals</b>	<b>\$ 1,061,157</b>	<b>\$ 58,162</b>	<b>\$ 23,451</b>	<b>\$ 219</b>	<b>\$ 5</b>	<b>\$ 8,756</b>	<b>\$ 1,151,750</b>

Transfers are comprised principally of transfers between the General Fund and special revenue funds and are related to State/Local Program Realignment (Assembly Bill 1288), Vehicle License Fees, and to debt service transfers to pay principal and interest payments on pension obligation bonds. In addition, significant transfers occurred between the various special revenue funds and the General Fund due to the County's budgetary practice of receiving revenues in the special revenue funds but budgeting for and spending expenditures in the General Fund. Resources are subsequently transferred to reimburse the General Fund.

The following schedule briefly summarizes the County's advances between funds for the fiscal year ended June 30, 2020:

	<b>To Other Funds</b>	<b>From Other Funds</b>
General Fund	\$ 345	\$ -
CSAs	-	345
	<b>\$ 345</b>	<b>\$ 345</b>

Advances from the General Fund to the CSAs are specifically for construction projects, wherein the County has entered into grant agreements with the State to fund specific projects and is spending funding upfront with reimbursement trailing from the grant agreements. While the expenditures and expected revenue are budgeted for and spent out of the General Fund, they are truly construction expenditures of the CSAs and therefore are reported in that fund, with advances representing the amount owed to the General Fund.

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

**NOTE 7 – Tax Abatements**

The County provides property tax abatements through the California Land Conservation (Williamson) Act of 1965. The program enrolls land in Williamson Act or Farmland Security Zone contracts within established agricultural preserves whereby the land is restricted to agricultural or qualified recreational uses in exchange for reduced property tax assessments. Participation in the program is voluntary. Enrollment of new land in the Williamson Act or the Farmland Security Zone programs has been placed on hold until such time that the State of California re-instates full subvention payment for partial replacement of local property tax revenue foregone resulting from the participation in the Williamson Act Program. The Williamson Act Program is administered according to the statute and the County of Fresno's Interim Program Guidelines adopted by the Board of Supervisors. The Development Services Division of the Public Works and Planning Department is responsible for administering the County's Williamson Act Program.

The Fresno County Assessor administers the property tax reduction that parcels enrolled in the program receive. Parcels enrolled in the Williamson Act Program are assessed for property tax purposes at a rate consistent with their actual use, rather than the market value of the property. The minimum contract term for the Williamson Act is ten years and for the Farmland Security Zone is twenty years. Both the Williamson Act and the Farmland Security Zone contracts automatically renew until a notice of non-renewal or a certificate of cancellation is recorded. Under the non-renewal process, the annual tax assessment gradually increases over a defined period until the assessment reflects the market value of the property. Under the cancellation process, a onetime cancellation fee is assessed based upon a certain percentage of the unrestricted, current fair market value of the property.

No other commitments were made by the County as part of the Williamson Act or Farmland Security Zone contracts. For the fiscal year ended June 30, 2020, the Williamson Act Program tax abatements were \$44,898.



**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

**NOTE 8 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	<b>Balance July 1, 2019</b>	<b>Additions</b>	<b>Retirements</b>	<b>Adjustments</b>	<b>Balance June 30, 2020</b>
<b>Governmental activities</b>					
Capital assets, not being depreciated					
Land	\$ 17,000	\$ -	\$ -	\$ (122)	\$ 16,878
Land easements	41,838	-	-	-	41,838
Construction in progress	60,811	44,844	(11,757)	(1,543)	92,355
Infrastructure in progress	14,546	16,310	(1,349)	264	29,771
Total capital assets, not being depreciated	<u>134,195</u>	<u>61,154</u>	<u>(13,106)</u>	<u>(1,401)</u>	<u>180,842</u>
Capital assets, being depreciated					
Buildings and improvements	569,600	85,459	-	(6,411)	648,648
Equipment	116,070	12,724	(10,288)	(1,771)	116,735
Infrastructure	642,121	7,207	-	-	649,328
Intangible	45,726	135	-	-	45,861
Total capital assets, being depreciated	<u>1,373,517</u>	<u>105,525</u>	<u>(10,288)</u>	<u>(8,182)</u>	<u>1,460,572</u>
Less accumulated depreciation for:					
Buildings and improvements	(227,103)	(15,202)	-	9,836	(232,469)
Equipment	(79,846)	(8,943)	10,145	(1,849)	(80,493)
Infrastructure	(314,666)	(11,614)	-	-	(326,280)
Intangible	(45,605)	(280)	-	259	(45,626)
Total accumulated depreciation	<u>(667,220)</u>	<u>(36,039)</u>	<u>10,145</u>	<u>8,246</u>	<u>(684,868)</u>
Total capital assets, being depreciated, net	<u>706,297</u>	<u>69,486</u>	<u>(143)</u>	<u>64</u>	<u>775,704</u>
Governmental activities capital assets, net	<u>\$ 840,492</u>	<u>\$ 130,640</u>	<u>\$ (13,249)</u>	<u>\$ (1,337)</u>	<u>\$ 956,546</u>
<b>Business-type activities</b>					
Capital assets, not being depreciated					
Land	\$ 9,183	-	-	-	\$ 9,183
Construction in progress	9,223	3,623	(387)	27	12,486
Total capital assets, not being depreciated	<u>18,406</u>	<u>3,623</u>	<u>(387)</u>	<u>27</u>	<u>21,669</u>
Capital assets, being depreciated					
Buildings and improvements	100,326	-	-	279	100,605
Equipment	19,930	2,293	(1,695)	101	20,629
Total capital assets, being depreciated	<u>120,256</u>	<u>2,293</u>	<u>(1,695)</u>	<u>380</u>	<u>121,234</u>
Less accumulated depreciation for:					
Buildings and improvements	(58,594)	(1,407)	-	84	(59,917)
Equipment	(17,595)	(766)	1,687	(104)	(16,778)
Total accumulated depreciation	<u>(76,189)</u>	<u>(2,173)</u>	<u>1,687</u>	<u>(20)</u>	<u>(76,695)</u>
Total capital assets being depreciated, net	<u>44,067</u>	<u>120</u>	<u>(8)</u>	<u>360</u>	<u>44,539</u>
Business-type activities capital assets, net	<u>\$ 62,473</u>	<u>\$ 3,743</u>	<u>\$ (395)</u>	<u>\$ 387</u>	<u>\$ 66,208</u>

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
(amounts expressed in thousands)

**Depreciation**

Depreciation expense was charged to governmental functions as follows:

General government	\$ 9,956
Public protection	2,294
Public ways and facilities	10,444
Health, sanitation, and public assistance	4,227
Education	1,064
Culture and recreation	9
Depreciation on capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets	8,045
Total depreciation expense - governmental functions	\$ 36,039

Depreciation expense was charged to business-type functions as follows:

Solid waste enterprise	\$ 1,381
County service areas, other	792
Total depreciation expense - business-type functions	\$ 2,173

**NOTE 9 - Leases**

**Operating Leases**

The County conducts some of its operations from leased facilities. The total rental expense for the fiscal year ended June 30, 2020, for operating leases was \$14,440.

The following is a schedule of future minimum rental payments required under operating leases entered into by the County that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2020:

<b>Fiscal Year Ended June 30</b>	<b>Governmental Activities</b>
2021	\$ 12,946
2022	11,941
2023	9,475
2024	8,565
2025	8,516
2026-2030	37,784
2031-2035	34,160
2036-2040	24,427
Total	\$ 147,814

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
(amounts expressed in thousands)

**Capital Leases**

The County has entered into certain capital lease agreements under which the related equipment will become the property of the County when all terms of the lease agreements are met. The County has also entered into similar capital lease agreements for buildings. In addition, the County has entered into certain equipment and building lease agreements under which the assets, while not becoming property of the County when all terms of the agreement are met, still qualify as capital leases.

The following is a schedule of future minimum lease payments under capital leases together with the present value of future minimum lease payments as of June 30, 2020:

<b>Governmental Activities Fiscal Year Ended June 30</b>	<b>Total Payments</b>	<b>Imputed Interest</b>	<b>Net Present Value of Minimum Lease Payments</b>
2021	\$ 1,296	\$ 103	\$ 1,193
2022	1,007	52	955
2023	510	17	493
2024	154	5	149
2025	16	1	15
Total	<u>\$ 2,983</u>	<u>\$ 178</u>	<u>\$ 2,805</u>

The following is a schedule of property under capital leases segregated by major class at June 30, 2020:

	<b>Governmental Activities</b>
Equipment	\$ 29,370
Accumulated depreciation	(26,777)
Net	<u>\$ 2,593</u>

**NOTE 10 – Service Concession Arrangements (SCA)**

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

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

The County has determined that it has no arrangements that meet the criteria set forth above.

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
(amounts expressed in thousands)

**NOTE 11 - Long-Term Liabilities**

Long-term obligations of the County consist of bonds, capital lease obligations, post-closure care costs of landfills, earned compensated absences, adverse judgments, a liability for self-insurance, and the County's proportionate share of net pension liability.

Compensated absences typically have been liquidated in the General, Other Governmental, Enterprise, and Internal Service Funds.

The following is a schedule of long-term liabilities for governmental and business-type activities for the fiscal year ended June 30, 2020:

	<b>Balance</b>			<b>Balance</b>		<b>Amounts</b>
	<b>July 1, 2019</b>	<b>Additions</b>	<b>Deductions</b>	<b>June 30, 2020</b>	<b>due within</b>	
					<b>one year</b>	
<b>Governmental activities</b>						
Earned compensated absences	\$ 47,222	\$ 52,093	\$ (46,062)	\$ 53,253	\$ 22,933	
Capital lease obligations (Note 9)	3,154	716	(1,065)	2,805	1,193	
Liability for self-insurance (Note 13)	84,395	19,081	(15,512)	87,964	23,204	
Adverse Judgment (Note 16)	23,000	1,503	-	24,503	24,503	
Bonds payable	389,833	-	(35,777)	354,056	16,362	
Accreted interest	251,935	26,556	-	278,491	-	
Net pension liability (Note 12)	1,092,494	-	(45,296)	1,047,198	-	
Total governmental activities	<u>\$ 1,892,033</u>	<u>\$ 99,949</u>	<u>\$ (143,712)</u>	<u>\$ 1,848,270</u>	<u>\$ 88,195</u>	
<b>Business-type activities</b>						
Earned compensated absences	\$ 301	\$ 76	\$ -	\$ 377	\$ 207	
Bonds	2,780	-	(235)	2,545	250	
Loans	62	-	(3)	59	3	
Closure and post-closure	42,287	2,956	-	45,243	6,339	
Net pension liability	8,467	-	(1,155)	7,312	-	
Total business-type activities	<u>\$ 53,897</u>	<u>\$ 3,032</u>	<u>\$ (1,393)</u>	<u>\$ 55,536</u>	<u>\$ 6,799</u>	
<b>Totals</b>	<u>\$ 1,945,930</u>	<u>\$ 102,981</u>	<u>\$ (145,105)</u>	<u>\$ 1,903,806</u>	<u>\$ 94,994</u>	

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

The following is a schedule of future bonds payable requirements for governmental activities:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2021	\$ 16,362	\$ 8,593	\$ 24,955
2022	16,486	8,423	24,909
2023	15,587	8,262	23,849
2024	14,744	8,123	22,867
2025	14,782	7,992	22,774
2026-2030	71,622	38,492	110,114
2031-2035	142,976	30,128	173,104
2036-2040	18,500	3,399	21,899
2041-2045	-	-	-
2046-2050	19,496	-	19,496
2051-2055	19,519	-	19,519
Sub-total	350,074	113,412	463,486
Less: Original issue premium	4,707	-	4,707
Original issue discount	(725)	-	(725)
Total	<u>\$ 354,056</u>	<u>\$ 113,412</u>	<u>\$ 467,468</u>

**Pension Obligation Bonds**

In March 2002, the County issued \$117,055 in Taxable Pension Obligation Bonds; Refunding Series 2002 to advance refund a portion of the County's Taxable Pension Obligation Bonds, Series 1998. The 1998 Series bonds were originally issued in March 1998 in the amount of \$184,910. The proceeds of the refunding issue were used to purchase U.S. Government Securities and to provide cash, which was placed into an irrevocable escrow account with a trustee bank. The purpose of the escrow account is to provide resources to service a portion of the 1998 Series when the respective bonds come due between August 2002 and August 2008. As a result, the refunded bonds are considered defeased and the liability is not reported in the governmental activities column of the statement of net position. This advance refunding was undertaken to reduce the debt service requirements for the next six fiscal years by extending the overall payments by eleven years and resulted in a net present value loss of \$7,704.

The portion of the County's taxable Pension Obligation Bonds, Series 1998 that were not refunded have various maturity dates between 2002 and 2008. The interest rates range from 6.01% to 6.26%. The County's taxable Pension Obligation Bonds, Refunding Series 2002 include both serial and term bonds. The serial bonds have various maturity dates between 2009 and 2014 with interest rates ranging between 6.06% and 6.45%. The term bonds matured in 2018 with an interest rate of 6.67% and a mandatory sinking fund redemption commencing in 2016. The 1998 Pension obligation bonds that were refunded in 2002 have matured.

In March 2004, the County issued Series 2004A and 2004B Pension Obligation Bonds for \$327,898 and \$75,000, respectively. These were issued to fund a portion of the County's unfunded accrued actuarial liability in the retirement system. The Series 2004A Pension Obligation Bonds include current interest bonds, term bonds, and capital appreciation bonds. The Series 2004B bonds were issued as auction rate bonds. The debt matures between 2005 and 2033. In September 2006, the Series 2004B Pension Obligation

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

Bonds were converted from auction rate to fixed rate securities. The Series 2004A Pension Obligation Bonds (Fixed Rate Bonds) maturing in August 2019 (totaling \$26,765) were refunded from the issuance of Series 2015A Taxable Pension Obligation Refunding Bonds.

In September 2015, the County issued \$27,255 in Series 2015A Taxable Pension Obligation Refunding Bonds, maturing in fiscal year 2020. The Taxable Pension Obligation Refunding Bonds generated a net present value savings (net of all costs) of \$2,018 or 7.5% of the refunded bond par amount. This financing refunded, on a current basis, a portion of the Series 2004A Pension Obligation Bonds totaling \$26,765.

The Debt Service fund is utilized to pay for pension obligation bonds. Payments for pension obligation bonds for the current year are shown as transfers out in the General, Special Revenue, Enterprise and Internal Service Funds and as transfers-in in the Debt Service Fund.

### **Lease Revenue Bonds**

In February 2004 the FCFA, which was established to provide for the acquisition, disposition and/or financing of capital improvements and/or working capital for the County, issued \$26,000 in lease revenue bonds for the Juvenile Justice Campus. These bonds were refunded from the issuance of Series 2012A Refunding Lease Revenue Bonds.

The FCFA issued \$14,375 of lease revenue bonds October 1, 2004 to fund the County's Energy Project. The majority of the debt issued was to fund a gas energy generating plant, which will produce energy for the County Jail and other facilities. The remaining portion was used to upgrade lighting and electrical fixtures. These bonds were refunded from the issuance of Series 2012A Refunding Lease Revenue Bonds.

On April 16, 2007, the FCFA issued \$55,350 in lease revenue bonds for the construction of a juvenile court and offices for joint occupancy and use by the County and the County of Fresno Superior Court. The Series 2007 Bonds consist of \$25,605 in serial bonds maturing between 2010 and 2021 with interest rates ranging from 4.0% to 4.125%, and \$29,745 in term bonds maturing between 2023 and 2030 with interest rates ranging between 4.3% and 4.75%. These bonds were refunded from the issuance of Series 2016 Lease Revenue Refunding Bonds.

In September 2012, the County issued \$22,425 in Series 2012A Refunding Lease Revenue Bonds, maturing between 2013 and 2022. The Series 2012A Refunding Lease Revenue Bonds generated present value savings (net of all costs) of \$2,790 or 10.66% of the refunded bond par amount. This financing refunded, on a current basis, all outstanding maturities of the County's Series 2004 and 2004B Lease Revenue Bonds.

In June 2016, the County issued \$37,270 in Series 2016 Lease Revenue Refunding Bonds, maturing between 2017 and 2030, with interest rates ranging from 3.0% to 5.0%. The Series 2016 Lease Revenue Refunding Bonds generated present value savings (net of all costs) of \$5,946 or 14.2% of the refunded par amount. This was an advance, in-substance defeasance of the Series 2007 Lease Revenue Bonds, refunding that bond series in its entirety.

### **Tobacco Settlement Asset-Backed Bonds**

In July 2002, the California County Tobacco Securitization Agency (the Agency) issued \$9,925 in Series 2002 asset-backed serial maturities and \$83,030 in Series 2002 asset-backed term bonds. These bonds mature between 2005 and 2038. The interest rates for the asset-backed serial maturities range from 3% to 5%. The interest rates for the asset-backed term bonds range from 5.63% to 6.13%.

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

In April of 2006, the Agency issued the Tobacco Settlement Asset-Backed Bonds, Subordinate Series 2006 for \$39,015. The FCTFC entered into a loan agreement with the Agency to borrow the bond proceeds and to secure the loan with County Tobacco Assets consisting of seventy-five percent of its rights to future tobacco settlement revenues. The 2006 Tobacco Bonds are turbo capital appreciation bonds, issued in four series and maturing in 2046 through 2055. The interest rates on the bonds range from 6.50% to 7.75%.

**Capital Appreciation and Series Bonds**

The County has issued two series of capital appreciation bonds. The first series is the Series 2004 A Pension Obligation Bonds for \$327,898. The second is the Series 2006 Tobacco Settlement Asset-Backed Bonds. Capital appreciation bonds are debt securities on which the investment return on an initial principal amount is reinvested at a stated compounded rate until maturity, at which time the investor receives a single payment (the “maturity value”) representing both the initial principal amount and the total investment return.

The following schedule represents the capital appreciation bonds issued by the County and the California County Tobacco Securitization Agency:

**Pension Obligation Bonds**

Series	Maturity Date	Interest Rate	Initial Principal Amount	Accreted Value June 30, 2020	Accreted Value at Maturity
2004A	August 15, 2033	1.3% to 5.67%	\$ 327,898	\$ 542,688	\$ 711,250
			Less principal	(327,898)	
			Accreted interest	\$ 214,790	

**Tobacco Securitization Tax Bonds**

Series	Maturity Date	Interest Rate	Initial Principal Amount	Accreted Value June 30, 2020	Accreted Value at Maturity
2006A	June 1, 2046	6.50%	\$ 16,606	\$ 41,020	\$ 216,420
2006B	June 1, 2046	6.65%	2,890	7,286	39,920
2006C	June 1, 2055	7.00%	9,757	25,806	286,800
2006D	June 1, 2055	7.75%	9,762	28,604	409,500
Total			\$ 39,015	\$ 102,716	\$ 952,640
			Less principal	(39,015)	
			Accreted interest	\$ 63,701	
			Total accreted	\$ 278,491	

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
(amounts expressed in thousands)

**Limited Obligation Improvement Bonds**

In September of 1997, the FCFA issued \$5,392 limited obligation improvement bonds reported in the CSAs fund with an average interest rate of 5.92% payable semi-annually to purchase infrastructure improvements for Quail Lake, a planned community. The bonds are payable from assessments on the property owners within the special district and are not payable from any funds of the County.

The following is a schedule of future debt service requirements for business-type activities bonds:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2021	\$ 250	\$ 162	\$ 412
2022	270	145	415
2023	285	126	411
2024	305	106	411
2025	325	86	411
2026-2028	1,110	114	1,224
Total	<u>\$ 2,545</u>	<u>\$ 739</u>	<u>\$ 3,284</u>

**Loans Payable**

CSA No. 49, as part of funding for a Surface Water Treatment Plant, received a \$80 loan payable from the California Department of Public Health. The note is to be repaid in semi-annual installments beginning in fiscal year 2015. As of June 30, 2020, the special district's unpaid loan balance was \$59.

**Landfill Closure and Post-Closure Costs**

The County accounts for all solid waste landfill closure and post-closure costs based on the provisions of GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Post-closure Care Costs*. State and federal laws and regulations require the County to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure costs as an operating expense and liability in each period based on landfill capacity used as of each balance sheet date.

The County owns a solid waste landfill which is currently operating, the American Avenue Disposal Site, as well as two landfills which ceased accepting waste in fiscal years 1991 and 2010, the Southeast Regional Disposal Site and the Coalinga Disposal Site, respectively. Southeast Regional completed its closure activities during fiscal year 1999 and began post-closure activities, which are still ongoing as of June 30, 2020. Coalinga completed its closure activities during fiscal year 2017 and began post-closure activities in fiscal year 2018.

The \$45,243 reported as landfill closure and post-closure care liability at June 30, 2020, represents the cumulative amount reported to date based on the landfill capacity used to date. The County will recognize the remaining estimated cost of closure and post-closure care of \$35,133 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all remaining closure and post-closure care as of June 30, 2020. The total current cost of landfill closure and post-closure care is an



**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

estimate and subject to changes resulting from inflation, deflation, technology, or changes in applicable laws or regulations.

The percentage of landfill capacity used to date, the estimated remaining landfill life, the liability for closure and post-closure care at the balance sheet date, and the estimated remaining local closure and post-closure costs to be recognized for the three landfills are as follows:

<b>Landfill</b>	<b>Capacity used at June 30, 2020</b>	<b>Estimated Years Remaining</b>	<b>Total Estimated Liability June 30, 2020</b>	<b>Liability Recognized June 30, 2020</b>	<b>Remaining Liability to be Recognized</b>
American Avenue	52.70%	30	\$ 74,274	\$ 39,141	\$ 35,133
Coalinga	49.30%	-	3,006	3,006	-
Southeast Regional	100.00%	-	3,096	3,096	-
Total			<u>\$ 80,376</u>	<u>\$ 45,243</u>	<u>\$ 35,133</u>

The increase from fiscal year 2018-2019 in the closure and post-closure care liability for American Avenue was reported as an operating expense in 2019-2020. Closure and post-closure costs for Southeast Regional and Coalinga Disposal Sites are reported as non-operating expenses. The County is required by state and federal laws to finance closure and post-closure care. Amounts collected from current users for these costs are reported in restricted cash and investments. Regarding the American Avenue Site, the County expects that future user fees and interest earnings over the remaining landfill lives will fund the closure and post-closure liabilities. Regarding the Southeast Regional and Coalinga Disposal Sites, the County expects any ongoing costs to be funded from interest earnings and from quarterly payments from waste haulers and cities by agreement.

Additionally, Title 22 of the California Code of Regulations (CFR) requires that counties finance certain closure and post-closure maintenance and monitoring activities for their hazardous waste disposal sites. Post-closure activities are required for a minimum of 30 years after closure. The County's Blue Hills Hazardous Waste Disposal Site closed in the fiscal year 1992-93.

The County is further required by 40 CFR 264.144 to establish a financial assurance for post-closure care in accordance with the approved post-closure plan for the facility 60 days prior to the initial receipts of hazardous waste or the effective date of the regulation, whichever was later. The County used the financial test under 40 CFR 264.145(f) for over twenty years to provide financial assurance before being informed in 2008 by the California Department of Toxic Substances Control that this financial test was unusable by local governments to provide financial assurance. The County changed financial assurance options in April 2012 changing to a Post-Closure letter of credit as allowed under 40 CFR 264.145(d). The Irrevocable Standby Letter of Credit was established for \$1,468 in favor of the Department of Toxic Substances Control.

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

**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 at June 30, 2020, does not expect to incur a liability.

**NOTE 12 - Pensions**

*Plan Description* - The County of Fresno provides pension benefits to eligible employees through a cost sharing multiple-employer defined benefit pension plan (pension plans) administered by the Fresno County Employees Retirement Association (FCERA). FCERA is governed by the Board of Retirement under the County Employees Retirement Law of 1937 (CERL). Readers should refer to the 1937 CERL Act for more complete information. Members of the pension plans include all permanent employees working full-time or at least 50% part-time for the County and the following entities: Superior Court of California-County of Fresno, Clovis Veterans Memorial District, Fresno Mosquito and Vector Control District, and Fresno/Madera Area Agency on Aging (FMAAA). Employees become eligible for membership commencing with the pay period following the date of employment in a permanent position.

FCERA is a contributory defined pension plan established on January 1, 1945 under the provisions of the 1937 CERL Act and provides service retirement, disability, death, and survivor benefits for employees of the County of Fresno and participating entities. The County of Fresno Board of Supervisors and governing boards of participating entities adopt resolutions, as permitted by State of California Government Code 31450 (County Employees Retirement Law of 1937 (CERL)), which affect the benefits of FCERA members. FCERA is governed by the California Constitution, CERL, and the bylaws, policies and procedures adopted by FCERA Board of Retirement.

FCERA issues a stand-alone financial report that can be reviewed at the FCERA website: <https://fresnocountyretirement.org/financial/#cafr> or FCERA's office, located at 7772 North Palm Avenue, Fresno, CA, 93711.

FCERA administers nine (9) pension tiers for General and Safety members. Due to the passage of the Public Employee Pension Reform Act (PEPRA), the County established two (2) new tiers for General and Safety members: General Tier V and Safety Tier V. PEPRA changed the benefits that may be offered to employees hired on or after January 1, 2013 including increasing the minimum retirement age, increasing the percentage for member contributions, and excluding certain types of compensation as pensionable. PEPRA also created limits on pensionable compensation. The cumulative effect of PEPRA changes will reduce the County's long-term retirement costs.

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

**Summary of Pension Plans and Eligible Participants**

General Members

- Tier I General members hired on or before June 30, 2005 and General members of certain bargaining units hired after June 30, 2005.
- Tier II General Members of certain bargaining units hired after June 30, 2005 and General Tier I members hired on or before June 30, 2005 who elect to transfer to Tier II.
- Tier III General Members of certain bargaining units hired after December 17, 2007 and eligible Tier II members hired on or before December 17, 2007 who elect to transfer to Tier III per elective bargaining agreements.
- Tier IV General Members hired on or after June 11, 2012.
- Tier V General Members hired on or after January 1, 2013.

Safety Members

- Tier I Safety members hired on or before June 30, 2005 and Safety members of certain bargaining units hired after June 30, 2005.
- Tier II Safety members of certain bargaining units hired after June 30, 2005 and Safety Tier I members hired on or before June 30, 2005 who elect to transfer to Tier II.
- Tier III Not offered.
- Tier IV Safety members hired on or after June 11, 2012.
- Tier V Safety members hired on or after January 1, 2013.

**Benefits Provided**

All pension tiers provide benefits in accordance with CERL regulations upon retirement, disability, or death of members. Retirement benefits are based upon years of service, final average compensation, and retirement age. Employees terminating before accruing five (5) years of service credit forfeit the right to receive retirement benefits unless they establish reciprocity with another eligible public agency within the prescribed time period. Non-vested employees who terminate service are entitled to withdraw their accumulated contribution plus accrued interest. Employees who terminate service after earning five (5) years of retirement service credit, may leave their contributions on deposit and elect to take a deferred retirement. The difference between expected and actual experience for vested and non-vested benefits may result in an increase or decrease to pension expense and net pension liability.

Service related disability benefits are based upon final average compensation or retirement benefits (if eligible). Non-service related disability benefits are based upon (1) years of service and final average compensation or (2) retirement benefits (if eligible). Death benefits are based upon a variety of factors including whether the employee was retired or not.

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

Annual cost-of-living adjustments (COLA) after retirement are provided to General Member Tiers I, II, and III and Safety Member Tiers I and II. General and Safety Member Tiers IV and V are not eligible for COLA increases. COLAs are granted to eligible retired members effective in April of each year based upon the Bureau of Labor statistics Consumer Price Index, West Region as of the preceding January 1 and is subject to an annual maximum of three percent (3%).

Specific details for retirement, disability, or death benefit calculations and COLA information are available in the FCERA Comprehensive Annual Financial Report (CAFR). The FCERA CAFR is available at <https://fresnocountyretirement.org/financial/#cafr>.

**Contributions**

The FCERA Board of Retirement is authorized under Article 16 of the Constitution of the State to establish and amend retirement contributions for active employees and participating employers. Contributions are made by the members and the employers at rates recommended by FCERA's independent actuary and approved by the Board of Retirement and the County of Fresno Board of Supervisors. Employee contribution rates vary according to age and classification (safety or general) and, depending on Tier, are designed to provide funding for approximately one-fourth to one-half of the regular retirement benefits and one-half of all cost of living benefits. Members are required to contribute between 8.11% and 16.22% of their annual covered salary. Employee contribution rates are established and may be amended pursuant to Articles 6 and 6.8 of CERL. Employer contribution rates are determined pursuant to Section 31453 of CERL and are designed to provide funding for the remaining regular retirement and cost of living benefits, as well as all regular disability and survivor's benefits.

Employer and employee contributions and active members are as follows:

<u>Retirement Plan</u>	<u>Employer Contribution Rates</u>	<u>Employee Contribution Rates</u>	<u>Active Members</u>
General Tier I	62.85%	9.88%	2,679
General Tier II	59.58%	6.89%	99
General Tier III	59.93%	7.99%	588
General Tier IV	51.85%	7.23%	241
General Tier V	49.28%	7.30%	3,070
Safety Tier I	86.75%	12.53%	435
Safety Tier II	87.91%	11.40%	52
Safety Tier IV	73.62%	10.22%	60
Safety Tier V	69.73%	11.96%	452
All Categories	60.84%	9.18%	7,676

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
(amounts expressed in thousands)

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

At June 30, 2020, the County reported a pension liability of \$1,054,510 for its proportionate share of the net pension liability (NPL). The NPL was measured as of June 30, 2019, and the total pension liability used to calculate the NPL was determined by an actuarial valuation as of that date. The County's proportion of the NPL 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 Pension Plan (FCERA) participants, actuarially determined.

For the fiscal year ended June 30, 2020, the County recognized a debit to pension expense of \$9,858. Pension expense represents the change in the NPL during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions of methods, and plan benefits. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual	\$ 11,246	\$ 64,631
Experience changes in assumptions	18,204	49,698
Net difference between projected and actual earnings on retirement plan investments	57,022	-
Changes in proportion and differences between County contributions and proportionate share of contributions	4,415	1,100
Contributions by County subsequent to the actuarial measurement date	222,360	-
	<u>\$ 313,247</u>	<u>\$ 115,429</u>

Deferred outflows of resources of \$313,247 and deferred inflows of resources of \$115,429, above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

\$222,360 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 fiscal year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Fiscal Year</u>	
<u>Ending June 30</u>	<u>Amount</u>
2021	\$ 17,537
2022	(44,995)
2023	(5,101)
2024	8,017
Thereafter	-
	<u>\$ (24,542)</u>

**Actuarial Assumptions**

The total pension liability as of June 30, 2020, based on an actuarial valuation in accordance with Governmental Accounting Standards Board (GASB) 68, was based on the June 30, 2019 measurement date, and determined using the following actuarial assumptions. Total pension liability represents the portion of the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees.

Inflation	2.75% per year.
Employee Contribution Crediting Rate	2.75% compounded semi-annually.
Administrative Expenses	1.20% of payroll allocated to both the employer and member based on the components of the total contribution rate (before expenses) for the employer and member.
Salary increases	General Members: 4.35% to 11.75%; and Safety Members: 4.75% to 11.75%, varying by service, including inflation.
COLA increases	Investment rate of return 3.00% maximum for retiree COLA increase applicable to General Member Tiers I, II and III and Safety Member Tiers I and II.
Post-Retirement Mortality: Healthy	For General Members and all Beneficiaries: Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table projected 20 years with two-dimensional scale MM2015D; set forward one year for females.  For Safety Members: Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table projected 20 years with two-dimensional scale MM2015D, set back two years.

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

Disabled	<p>For General Members: Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table projected 20 years with two-dimensional scale MM2015D, set forward eight years.</p> <p>For Safety Members: Headcount-Weighted RP-2014 Mortality projected with 20 years with two-dimensional scale MM2015D set forward seven years.</p> <p>The above mortality tables contain about a 20% margin, based on actual to expected deaths, to reflect future mortality improvement, based on a review of mortality experience as of the measurement date.</p>
Contribution Rates	<p>For General Members and all Beneficiaries: Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table projected 20 years with two-dimensional scale MM2015D, set forward one year for females, weighted 35% males and 65% females for members and weighted 65% male and 35% female for beneficiaries.</p> <p>For Safety Members: Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table projected 20 years with two-dimensional scale MM2015D, set back two years weighted 80% male and 20% female.</p> <p>For Safety Beneficiaries; Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table projected 20 years with two-dimensional scale MM2015D; set forward one year for females, weighted 20% male and 80% female.</p>
Actuarial Cost Method	<p>Entry Age Cost Method. Entry Age is age at the member's hire date. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are based on costs allocated as a level percentage of compensation.</p>
Expected Remaining Service Lives	<p>Average expected service lives of all employees is determined by:</p> <ul style="list-style-type: none"><li>- Calculating each active employee's expected remaining service life as the present value of \$1 per year of future services at zero percent interest.</li><li>- Setting remaining service life to zero for each nonactive or retired member.</li><li>- Dividing the sum of the above amounts by the total number of active employees, nonactive and retired members.</li></ul>

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

The information and analysis used in selecting each assumption that has a significant effect on the actuarial valuation is shown in the July 1, 2015 through June 30, 2018 Actuarial Experience Study dated April 9, 2019. Unless otherwise noted, all actuarial assumptions and methods shown apply to members for all tiers.

The long-term expected rate of return on pension plan investments (7.00%) was determined using a building block method in which expected future real return (expected return, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return through weighting the expected future real rates of return by the targeted asset allocation percentage, adding expected inflation, and subtracting expected investment expenses and a risk margin. The target allocation and best estimated of arithmetic real rates of returns for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. Equity	20.00%	5.44%
Small Cap U.S. Equity	5.00%	6.18%
Developed International Large Cap Equity	15.00%	6.54%
Developed International Small Cap Equity	3.00%	6.64%
Emerging Markets Equity	6.00%	8.73%
Core Bonds	4.00%	1.42%
High Yield Bonds	3.00%	3.64%
Global Sovereign	7.00%	0.16%
Bank Loan	3.00%	3.45%
TIPS	3.00%	1.20%
Local Emerging Market Debt	3.00%	4.72%
Real Estate	3.00%	4.51%
Value Add Real Estate	1.00%	8.80%
Opportunistic Real Estate	1.00%	12.00%
Infrastructure	3.00%	7.90%
Hedge Funds	6.00%	3.20%
Private Equity	6.00%	9.90%
Private Credit	8.00%	5.80%
Total	<u>100.00%</u>	

**Discount Rate**

The discount rate used to measure the total pension liability (TPL) was 7.00%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and employer contributions will be made at the rates equal to the actuarially determined contribution rates. 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 costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based upon these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. The long-



**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the TPL as of June 30, 2016.

**Sensitivity of the County’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following table presents the NPL of FCERA, as of June 30, 2020, which is allocated to all employers and is calculated using the discount rate of 7.00%. Additionally, the table reflects the County’s proportionate share of net pension liability should it be calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate.

	<b>6.00%</b>	<b>7.00%</b>	<b>8.00%</b>
County's proportionate share of the NPL	\$ 1,835,553	\$ 1,054,510	\$ 415,943

**Pension Fund Fiduciary Net Position**

Detailed information about the pension fund’s fiduciary net position is available in the separately issued FCERA GASB 68 Actuarial Valuation Report.

**NOTE 13 - 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; and natural disasters. The County has established a Risk Management Fund (an Internal Service Fund) to account for and finance its uninsured risks of loss. The Fund is also used to account for the unemployment benefits program and for employee medical coverage provided through contracts with various health maintenance organizations.

The Risk Management Fund provides coverage of the general liability, workers' compensation, medical malpractice, and property-other programs. Property-other consists of fire, bond, and miscellaneous insurance and damaged vehicle loss programs. General liability coverage self-insured up to a maximum of \$750 per claim. Coverage above \$750, up to a maximum amount of \$25,000, is provided through a risk pool agreement with the Public Risk Innovation Solutions and Management (“PRISM”) Program. PRISM was formerly known as the California State Association of Counties Excess Insurance Authority (the “CSAC-EIA”). The risk pool is reinsured through commercial companies from \$5,000 to \$25,000 per claim.

Crime bond coverage is self-insured up to a maximum of \$2.5 per occurrence and excess coverage of \$15,000 per occurrence is provided through a risk pool agreement with PRISM.

Pollution liability coverage is self-insured for \$75 per claim and excess coverage up to a maximum of \$10,000 is provided through a risk pool agreement with PRISM.

Workers' compensation claims are self-insured up to a maximum of \$500 per claim. Excess coverage up to a statutory amount per claim is provided through a risk pool agreement with PRISM.

The County is entirely self-insured for medical malpractice claims.

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

Property-other is self-insured up to a deductible of \$25 per claim with a maximum of \$800,000 in All Risk excess coverage per annual occurrence, and \$600,000 in Flood limits per annual occurrence. Earthquake coverage has maximums in excess insurance of \$25,000. Excess insurance is provided through a risk pool agreement with PRISM.

Cyber liability coverage is self-insured up to a maximum of \$100 per claim. Coverage above \$100, up to \$5,000, is provided through a risk pool agreement with PRISM. Policy limits vary based on the type of loss. Aircraft coverage has a maximum limit in excess insurance of \$25,000 provided through a risk pool agreement with PRISM.

County departmental contributions to the workers' compensation, general liability, and medical malpractice programs are based on actuarial recommendations. The reported actuarial liabilities for workers' compensation, general liability, and medical malpractice assume a long-term annual rate of return of 1.5 percent. The undiscounted actuarial liability for these programs is \$86,815. Reserves for self-insurance for these programs include estimated liability amounts for claims filed against the County for their programs, as well as the estimated amount of claims incurred but not reported, as computed by the actuary. Contributions to the property damage, unemployment, and vehicle damage programs are based on actual historical claim loss experience.

The claims liability of \$87,964 reported in the Risk Management Fund at June 30, 2020 is based on the requirement that claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The claims liability includes all allocated loss adjustment expenses. While the ultimate amount of claims is dependent on future developments, management is of the opinion that the claims liability at June 30, 2020 is adequate to cover such claims. Changes in the Risk Management fund's claims liability amount during the last two fiscal years were as follows:

	<b>June 30, 2020</b>	<b>June 30, 2019</b>
Beginning of fiscal year liability	\$ 84,395	\$ 80,615
Current year claims provision and changes in estimates	19,081	38,423
Claim payments	<u>(15,512)</u>	<u>(34,643)</u>
Balance at fiscal year-end	<u>\$ 87,964</u>	<u>\$ 84,395</u>

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

**NOTE 14 - Fund Balance**

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2020, fund balance for governmental funds are made up of the following:

- **Nonspendable Fund Balance** – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, such as prepaid items and amounts available for loans.
- **Restricted Fund Balance** – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- **Committed Fund Balance** – includes amounts that can only be used for the specific purposes determined by a formal action of the County’s highest level of decision-making authority, the County’s Board. Commitments may be changed or lifted only by the County taking the same formal action that imposed the constraint originally, which is achieved by the County’s Board approving the commitment with a 4/5 majority vote.
- **Assigned Fund Balance** – comprises amounts intended to be used by the County for specific purposes that are neither restricted nor committed. Intent is expressed by (1) the County’s Board or (b) a body (for example, a budget or finance committee) or official to which the County’s Board has delegated the authority to assign amounts to be used for specific purposes. The CAO has been delegated this authority for the County of Fresno.
- **Unassigned Fund Balance** – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned and unassigned.

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

Fund balances for all the major and nonmajor governmental funds as of June 30, 2020, were distributed as follows:

	General Fund	Disaster Claiming	Debt Service	Behavioral Health - MH	Social Services	Local Health and Welfare	2011 Realignment Fund	Other Governmental Funds	Total
<b>Nonspendable:</b>									
Postage/imprest cash	\$ 427	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36	\$ 463
SJVIA loan	5,000	-	-	-	-	-	-	-	5,000
CSA loans	376	-	-	-	-	-	-	-	376
Subtotal	5,803	-	-	-	-	-	-	36	5,839
<b>Restricted for:</b>									
General government	266	67,348	-	-	-	-	-	33,108	100,722
Public protection	6,886	-	-	-	-	-	68,582	35,627	111,095
Public ways and facilities	6	-	-	-	-	-	-	53,066	53,072
Health, sanitation & public assistance	432	-	-	75,838	44,935	43,402	-	39,420	204,027
Education	-	-	-	-	-	-	-	45,779	45,779
Capital projects	-	-	-	-	-	-	-	53,522	53,522
Debt service	-	-	63,322	-	-	-	-	-	63,322
Subtotal	7,590	67,348	63,322	75,838	44,935	43,402	68,582	260,522	631,539
<b>Committed to:</b>									
General government:									
Reserve	54,000	-	-	-	-	-	-	-	54,000
Third party	23,287	-	-	-	-	-	-	-	23,287
SJVIA	3,000	-	-	-	-	-	-	-	3,000
Public protection:									
Sheriff vehicle replacement	600	-	-	-	-	-	-	-	600
Rowell lease payoff	10,000	-	-	-	-	-	-	-	10,000
Eagle 2 replacement	200	-	-	-	-	-	-	-	200
Public ways and facilities:									
CSA revolving fund	330	-	-	-	-	-	-	-	330
Subtotal	91,417	-	-	-	-	-	-	-	91,417
<b>Unassigned</b>	92,976	-	-	-	-	-	-	-	92,976
<b>Total</b>	<b>\$ 197,786</b>	<b>\$ 67,348</b>	<b>\$ 63,322</b>	<b>\$ 75,838</b>	<b>\$ 44,935</b>	<b>\$ 43,402</b>	<b>\$ 68,582</b>	<b>\$ 260,558</b>	<b>\$ 821,771</b>

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

**NOTE 15 – Net Position**

The government-wide and proprietary fund 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 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 reflects net position that is subject to constraints either (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the County to assess, levy, charge, or otherwise mandate payment of resources and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. A legally enforceable enabling legislation restriction is one that a party external to a government – such as citizens, public interest groups, or the judiciary – can compel a government to honor.
- Unrestricted Net Position represents net position of the County that is not restricted for any project or purpose.

**NOTE 16 - Contingent Liabilities and Commitments**

The County is subject to various lawsuits and claims involving public liability and other actions incidental to the ordinary course of County operations. Taken together, these claims seek monetary damages in significant amounts. To the extent the outcome of such litigation has been determined to result in probable financial loss to the County, a liability for litigation of \$24,502, representing the County's best estimate of the ultimate loss, has been accrued in the government-wide Statement of Net Position. Refer to Note 11 for more information on these and other long-term liabilities.

A number of lawsuits and claims are pending against the County for which the financial loss to the County has been determined to be reasonably possible. The County intends to vigorously defend itself against these lawsuits. The County has recorded actuarially determined reserves in the internal service funds to adequately cover estimated potential material adverse losses at June 30, 2020.

The County participates in many state and federal assisted grant programs, which are subject to program compliance audits by the grantors or their representatives. The amounts, if any, of current or previous expenditures, which may be disallowed upon future audits by the grantors, cannot be determined until such an audit occurs. The County expects such amounts, if any, will not be material to its financial statements. Amounts have been accrued for disallowed expenditures resulting from completed audits.

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

**NOTE 17 – Deficit Fund Equity**

The County has an internal service fund with a deficit net position caused by presenting its proportionate share of net pension liability due to the implementation of GASB Statement No. 68.

<b>Internal Service Funds</b>	<b>Deficit Net Position</b>
Security Services	\$5,319

**NOTE 18 – Joint Venture**

A joint venture is defined by GASB Statement No. 14, *The Financial Reporting Entity*, as “a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain either (a) an ongoing financial interest, or (b) an ongoing financial responsibility.” The County participates in the following joint venture:

San Joaquin Valley Insurance Authority (SJVIA) - On September 29, 2009, the Counties of Tulare and Fresno entered into a Joint Exercise of Powers Agreement by which they created the SJVIA as a separate public agency charged with the responsibility of providing health and medical benefits for over 9,000 Fresno and Tulare County employees. Independently audited financial statements can be obtained from the Fresno County Auditor-Controller’s Office, 2281 Tulare Street #105, Fresno, California 93724.

**NOTE 19 – Prior Period Adjustments**

A prior period adjustment, increasing net position by \$367, was made in the governmental activities Risk Management Internal Service Fund. This adjustment recognizes an overestimated accrual and reversal in prior fiscal years relating to worker’s compensation expenses. No additional prior-period adjustments were made for other governmental activities funds.

The business-type activities had additional prior period adjustments decreasing net position by \$4,084. These adjustments were due to adjusting beginning balances for various asset related adjustments.

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

The following table outlines the change in net position affected by prior period adjustments in the government-wide financial statements:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Totals</b>
Net position, stated at June 30, 2019	\$ 212,771	\$ 103,285	\$ 316,056
CSA Special Revenue Fund - assets	-	3,426	3,426
Solid Waste - assets	-	658	658
ISF Risk Management - Worker's Comp. adj.	367	-	367
Net position, restated at June 30, 2019	213,138	107,369	320,507
Change in net position	127,456	6,996	134,452
Net position at June 30, 2020	<u>\$ 340,594</u>	<u>\$ 114,365</u>	<u>\$ 454,959</u>

**NOTE 20 - Subsequent Events**

In accordance with accounting standards generally accepted in the United States, subsequent events have been evaluated through December 30, 2020, the date in which the financial statements have been issued.

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) pandemic. In response, the County of Fresno, followed by the Governor of California, issued a Shelter at Home order effective March 19, 2020, requiring non-essential businesses to temporarily close to the public. After a brief period in which the order was removed and several restrictions were lifted, the County issued a new Regional Stay Home Order, effective December 6, 2020, reapplying those restrictions due to increased COVID-19 cases and severely limited ICU availability. At the current time, management is unable to quantify the potential effects of this ongoing pandemic for future financial statements.

On July 1, 2020, the County issued \$100,000 of 5 percent fixed-rate, priced to yield 0.17 percent, tax and revenue anticipation notes. The notes received SP-1+ ratings from Standard and Poor's Ratings Services (S&P). Proceeds from the notes will be used to meet fiscal year 2020-21 expenditures and the discharge of other obligations of the County. The maturity date of the notes is June 30, 2021.

On September 4, 2020, the Creek Fire started. As a result, the Governor of California proclaimed a State of Emergency on September 6, 2020, to exist in multiple counties, including the County of Fresno. On September 10, 2020, the Board of Supervisors of the County of Fresno ratified the proclamation by the Emergency Services Director and adopted a resolution proclaiming the local emergency status. On October 16, 2020, a Presidential Major Disaster Declaration was issued in response to the Creek Fire.

During the week of September 14, 2020, the County's recommended budgets for the fiscal year 2020-21 were submitted to the Board and were approved.

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2020**  
**(amounts expressed in thousands)**

On October 20, 2020, the County authorized the acquisition of property at 5555 E. Olive Ave and 5520 E. Hedges Ave. in Fresno, including two buildings, a parking area, and other improvements. The purchase price of the property is \$9,500 and includes the assumption of a lease of a portion of the property which shall be phased out over an eighteen-month period, assumption of an existing cell tower license, and three easement agreements granting easements to the seller for existing communication equipment.

During the month of October 2020, the County incurred a loss of approximately \$1,534 due to a fraudulent vendor scheme. As of the issuance date, the County remains involved in an ongoing investigation with several law enforcement agencies and is actively pursuing recovery of the funds through its insurance policies. The County expects to incur a total loss of \$25 after insurance recoveries are received for the remaining total.



THIS PAGE INTENTIONALLY BLANK

**Required Supplementary Information  
(Other than MD&A)**

**County of Fresno**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Resources (inflows):</b>				
Taxes	\$ 273,570	\$ 273,570	\$ 284,330	\$ 10,760
Licenses and permits	12,652	12,652	13,316	664
Fines, forfeitures and penalties	5,819	5,819	4,610	(1,209)
Use of money and property	2,956	2,956	5,041	2,085
Aid from other governmental agencies:				
State	108,294	110,156	100,576	(9,580)
Federal	151,414	165,276	104,161	(61,115)
Other	4,138	4,287	360	(3,927)
Charges for services	51,767	54,388	52,113	(2,275)
Other revenues	40,450	40,671	9,775	(30,896)
<b>Total resources</b>	<b>651,060</b>	<b>669,775</b>	<b>574,282</b>	<b>(95,493)</b>
<b>Charges to appropriations (outflows):</b>				
General government	62,181	62,181	45,253	16,928
Public protection	499,648	512,908	468,737	44,171
Public ways and facilities	4,218	4,218	2,493	1,725
Health, sanitation and public assistance	1,219,728	1,276,298	1,052,762	223,536
Education	247	247	252	(5)
Culture and recreation	4,419	4,386	3,250	1,136
<b>Total charges to appropriations</b>	<b>1,790,441</b>	<b>1,860,238</b>	<b>1,572,747</b>	<b>287,491</b>
Excess (deficiency) of resources over (under) appropriations	(1,139,381)	(1,190,463)	(998,465)	(382,984)
<b>Other financing sources (uses)</b>				
Proceeds from sale of capital assets	-	187	199	12
Transfers in	1,137,163	1,223,580	1,061,157	(162,423)
Transfers out	(42,804)	(80,276)	(69,223)	11,053
<b>Total other financing sources (uses)</b>	<b>1,094,359</b>	<b>1,143,491</b>	<b>992,133</b>	<b>(151,358)</b>
Net change in fund balance	(45,022)	(46,972)	(6,332)	40,640
<b>Fund balance - beginning</b>	<b>204,118</b>	<b>204,118</b>	<b>204,118</b>	<b>-</b>
<b>Fund balance - ending</b>	<b>\$ 159,096</b>	<b>\$ 157,146</b>	<b>\$ 197,786</b>	<b>\$ 40,640</b>

See accompanying notes to budgetary comparison schedules

**County of Fresno**  
**Budgetary Comparison Schedule**  
**Disaster Claiming Fund**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Use of money and property	\$ -	\$ -	\$ 2,395	\$ 2,395
Intergovernmental revenues	-	-	81,580	81,580
Total revenues	<u>-</u>	<u>-</u>	<u>83,975</u>	<u>83,975</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>83,975</u>	<u>83,975</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	-	(82,000)	(16,627)	65,373
Total other financing sources (uses)	<u>-</u>	<u>(82,000)</u>	<u>(16,627)</u>	<u>65,373</u>
Net change in fund balance	-	(82,000)	67,348	149,348
<b>Fund balance - beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ -</u>	<u>\$ (82,000)</u>	<u>\$ 67,348</u>	<u>\$ 149,348</u>

See accompanying notes to budgetary comparison schedules

**County of Fresno**  
**Budgetary Comparison Schedule**  
**Behavioral Health - MH Fund**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Use of money and property	\$ -	\$ -	\$ 3,595	\$ 3,595
Intergovernmental revenues	48,676	48,676	44,452	(4,224)
Total revenues	<u>48,676</u>	<u>48,676</u>	<u>48,047</u>	<u>(629)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>48,676</u>	<u>48,676</u>	<u>48,047</u>	<u>(629)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	9,790	9,790	10,409	619
Transfers out	(135,776)	(135,776)	(85,858)	49,918
Total other financing sources (uses)	<u>(125,986)</u>	<u>(125,986)</u>	<u>(75,449)</u>	<u>50,537</u>
Net change in fund balance	(77,310)	(77,310)	(27,402)	49,908
<b>Fund balance - beginning</b>	<u>103,240</u>	<u>103,240</u>	<u>103,240</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 25,930</u>	<u>\$ 25,930</u>	<u>\$ 75,838</u>	<u>\$ 49,908</u>

See accompanying notes to budgetary comparison schedules

**County of Fresno**  
**Budgetary Comparison Schedule**  
**Social Services Fund**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Use of money and property	\$ 485	\$ 485	\$ 2,272	\$ 1,787
Intergovernmental revenues	402,751	426,732	413,642	(13,090)
Charges for services	487	487	948	461
Other revenues	129	129	2	(127)
Total revenues	<u>403,852</u>	<u>427,833</u>	<u>416,864</u>	<u>(10,969)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>403,852</u>	<u>427,833</u>	<u>416,864</u>	<u>(10,969)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	37	37
Transfers out	<u>(405,806)</u>	<u>(429,787)</u>	<u>(426,508)</u>	<u>3,279</u>
Total other financing sources (uses)	<u>(405,806)</u>	<u>(429,787)</u>	<u>(426,471)</u>	<u>3,316</u>
Net change in fund balance	(1,954)	(1,954)	(9,607)	(7,653)
<b>Fund balance - beginning</b>	<u>54,542</u>	<u>54,542</u>	<u>54,542</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 52,588</u>	<u>\$ 52,588</u>	<u>\$ 44,935</u>	<u>\$ (7,653)</u>

See accompanying notes to budgetary comparison schedules

**County of Fresno**  
**Budgetary Comparison Schedule**  
**Local Health and Welfare Fund**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Use of money and property	\$ 484	\$ 484	\$ 1,862	\$ 1,378
Intergovernmental revenues	258,210	260,659	265,282	4,623
Total revenues	<u>258,694</u>	<u>261,143</u>	<u>267,144</u>	<u>6,001</u>
Excess (deficiency) of revenues over (under) expenditures	<u>258,694</u>	<u>261,143</u>	<u>267,144</u>	<u>6,001</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	11,199	11,199	14,472	3,273
Transfers out	(316,380)	(318,831)	(288,317)	30,514
Total other financing sources (uses)	<u>(305,181)</u>	<u>(307,632)</u>	<u>(273,845)</u>	<u>33,787</u>
Net change in fund balance	(46,487)	(46,489)	(6,701)	39,788
<b>Fund balance - beginning</b>	50,103	50,103	50,103	-
<b>Fund balance - ending</b>	<u>\$ 3,616</u>	<u>\$ 3,614</u>	<u>\$ 43,402</u>	<u>\$ 39,788</u>

See accompanying notes to budgetary comparison schedules

**County of Fresno**  
**Budgetary Comparison Schedule**  
**2011 Realignment Fund**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Use of money and property	\$ -	\$ -	\$ 3,773	\$ 3,773
Intergovernmental revenues	184,986	187,436	156,519	(30,917)
Total revenues	<u>184,986</u>	<u>187,436</u>	<u>160,292</u>	<u>(27,144)</u>
<b>Expenditures</b>				
General government	-	50	44	6
Total expenditures	<u>-</u>	<u>50</u>	<u>44</u>	<u>6</u>
Excess (deficiency) of revenues over (under) expenditures	<u>184,986</u>	<u>187,386</u>	<u>160,248</u>	<u>(27,150)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers (out)	<u>(202,736)</u>	<u>(218,475)</u>	<u>(194,921)</u>	<u>23,554</u>
Total other financing sources (uses)	<u>(202,736)</u>	<u>(218,475)</u>	<u>(194,921)</u>	<u>23,554</u>
Net change in fund balance	(17,750)	(31,089)	(34,673)	(3,596)
<b>Fund balance - beginning</b>	103,255	103,255	103,255	-
<b>Fund balance - ending</b>	<u>\$ 85,505</u>	<u>\$ 72,166</u>	<u>\$ 68,582</u>	<u>\$ (3,596)</u>

See accompanying notes to budgetary comparison schedules



**County of Fresno**  
**Notes to the Budgetary Comparison Schedules**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

**BUDGETARY BASIS OF ACCOUNTING**

In accordance with the provisions of Sections 29000 through 29143 and Section 30200 of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County of Fresno (County) is required to prepare a balanced budget for each fiscal year on or before October 2. Budgeted expenditures are enacted into law through the passage of a resolution of adoption. The resolution of adoption specifies the maximum authorized expenditures for each budget unit for that fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County Board of Supervisors (Board).

In June of each year, the County Administrative Officer (CAO) prepares and submits a temporary recommended budget document to the County Board. In September of that year, the CAO submits the recommended budget to the Board, and public hearings are held at that time to provide the general public with an opportunity to speak on any budget items before the Board. The recommended budget, once adopted, is uploaded to the County's financial system in late September so that budget monitoring for the new fiscal year can begin. After fiscal year-end closing activities are completed and the State Budget is approved, the CAO presents quarterly budget updates to the Board for adjustments to the recommended budget, as necessary, as a result of State Budget adjustments or other unforeseen changes.

An operating budget is adopted each fiscal year for governmental funds and proprietary funds. Governmental funds that are budgeted include the general fund, special revenue funds, and the debt service fund but do not include the capital projects fund. Proprietary funds include the enterprise funds. Expenditures are controlled at the object level within each budget unit of the County except for capital assets, which are controlled at the sub-object level. The object level (sub-object level for capital assets) within a budget unit is the legal level of budgetary control at which the County's management may not reallocate resources without special approval. Any amendments or transfers of appropriations between object levels (sub-object level for capital assets) within the same budget unit, or between budget units or funds, must be authorized by the CAO and approved by the Board. Supplemental appropriations, normally financed by unanticipated revenues during the year, require the Board's approval as well. Pursuant to Government Code Section 29092, the CAO is authorized to approve transfers and revision of appropriations within a single budget unit as deemed necessary and appropriate. Budgeted amounts in the budgetary comparison schedules are reported as originally adopted and as amended during the fiscal year.

The budget approved by the Board for the General Fund includes budgeted expenditures and reimbursements for amounts disbursed on behalf of other governmental funds. In the accompanying budgetary comparison schedules, actual reimbursements for these items have been eliminated from the resources and related expenditures have been eliminated from the charges to appropriations to provide a meaningful comparison of actual and budgeted results of operations.

**County of Fresno**  
**Notes to the Budgetary Comparison Schedules**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

The budgets for governmental funds may include an account known as “Intrafund Revenue.” This account is used by the County to show reimbursements between operations within the same fund (an example would be charges by one budget unit to another budget unit within the General Fund).

The amounts reported on the budgetary basis differ from the basis used to present the basic financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). Annual budgets are prepared using the modified accrual basis of accounting; reimbursements for amounts disbursed on behalf of other governmental funds are reported as resources and related expenditures as charges to the appropriation; certain transactions are accounted for in different periods between budgetary and GAAP reporting basis; and securities lending activities and transactions from sub-funds reclassified from County Agency funds are reported in GAAP reporting basis.

**County of Fresno**  
**Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts in thousands)**

**Fresno County Employees' Retirement Association – Schedule of the County's Proportionate Share of the Net Pension Liability**

Last 10 Fiscal Years*	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
County's portion of the net pension liability (asset)	93.330%	93.145%	92.747%	92.992%	93.078%	92.930%	92.708%
County's proportionate share of the net pension liability (asset)	\$ 1,054,510	\$ 1,100,961	\$ 1,211,572	\$ 1,425,569	\$ 1,010,008	\$ 815,975	\$ 1,252,321
County's covered payroll	\$ 393,997	\$ 373,992	\$ 357,538	\$ 343,435	\$ 325,382	\$ 324,102	\$ 319,905
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	267.64%	294.38%	338.87%	415.09%	310.41%	251.760%	391.470%
Plan fiduciary net position as a percentage of the total pension liability	81.35%	79.87%	77.11%	72.31%	78.77%	82.14%	72.11%

\*Amounts presented above were determined as of 6/30.  
Additional years will be presented as they become available.

**Fresno County Employee's Retirement System – Schedule of County Contributions**

Last 10 Fiscal Years*	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Actuarially determined contribution	\$ 210,452	\$ 196,103	\$ 184,077	\$ 178,107	\$ 171,462	\$ 153,622	\$ 147,009
Contributions in relation to actuarially determined contribution	210,712	196,073	184,317	178,220	171,577	153,542	147,091
Contribution deficiency (excess)	\$ (260)	\$ 30	\$ (240)	\$ (113)	\$ (115)	\$ 80	\$ (82)
County's covered payroll	\$ 433,783	\$ 373,992	\$ 357,538	\$ 343,435	\$ 325,382	\$ 324,102	\$ 319,905
Contributions as a percentage of covered payroll	48.58%	52.43%	51.55%	51.89%	52.73%	47.37%	45.98%

\*Amounts presented above were determined as of 6/30.  
Additional years will be presented as they become available.

THIS PAGE INTENTIONALLY BLANK

**Combining and Individual  
Fund Financial Statements and Schedules**

**County of Fresno  
Nonmajor Governmental Funds**

**Capital Projects Fund**

The Capital Projects Fund is used to account for the acquisition and construction of major facilities other than those financed by Proprietary and certain Trust Funds. Budgets are adopted in the General Fund at the beginning of projects and are periodically modified by the Board of Supervisors during the course of construction as circumstances require. Transfers are made from the General Fund to the Capital Projects Fund to finance capital expenditures. There are no combining statements because the County uses one Capital Projects Fund, which is reported on the nonmajor combining financial statements.

**Special Revenue Funds**

Special Revenue Funds are established to finance particular governmental activities and are funded by receipts of specific taxes or other earmarked revenues. Such funds are authorized by statutory or charter provisions to pay for certain activities of a continuing nature.

**Road Fund**

The Road fund is used to finance operations to provide maintenance, rehabilitation, and reconstruction of County roads, bridges, and attendant facilities as authorized by California Streets and Highways Code and to provide for traffic safety.

**County Administrative Office (CAO) Indian Gaming**

The CAO Indian Gaming fund, established pursuant to Government Code Sections 12710-12718, is used to account for funding and administrative costs for Indian Gaming activities.

**County Administrative Office**

The CAO fund was established and is used to receive and distribute discretionary revenues received by the County through payments made for parking, misdemeanor, and felony fees & fines owed.

**Auditor-Controller/Treasurer-Tax Collector**

The Auditor-Controller/Treasurer-Tax Collector fund was established to account for the collection and retention of fees used specifically for the preparation of delinquent tax records and giving notice of delinquency.

**Assessor/Recorder**

California Revenue and Taxation Code Section 95.35 allowed for the establishment of the Assessor/Recorder fund to account for resources that support, maintain, improve, and/or provide for the full operation of modernized computer systems.

**Behavioral Health**

The Behavioral Health fund accounts for revenues generated by various code section fines and fees, to be used in specified mental health and substance abuse categories.

**County of Fresno  
Nonmajor Governmental Funds**

**County Clerk Elections**

Pursuant to Health and Safety Code Section 103625(i)(f), the County Clerk Elections fund was established to provide enhanced services to the public through improvements of the record systems.

**Child Support Services**

The Child Support Services fund was established to account for mandated accountability pursuant to FSD Letter 00-03 in order to receive deposits from the State for administering child support programs and related costs.

**District Attorney**

The District Attorney fund was established to account for revenues and assets seized as authorized by the Health and Safety Code. Funds are later transferred to other divisions to cover costs in District Attorney operations.

**Probation**

The Probation fund receives its funds from the State Victim Compensation Program and uses it specifically for the purpose of emergency needs of crime victims in Fresno County.

**Public Health**

The Public Health fund was established to account for revenues received from fees and grants. Monies received provide for such activities as health preparedness, emergency medical system administrative costs, and other various health programs for the County.

**Public Works**

The Public Works fund was established to account for a variety of specified fines and fees, which are subsequently utilized for an assortment of public way and facility projects.

**Public Works-CDBG**

The Public Works-CDBG fund was established to house revenues related to the Community Development Block Grant (CDBG) program.

**Community Facilities Districts**

The Community Facilities Districts fund was created to segregate amounts to be utilized in improvements to the various Community Facilities Districts within the County.

**Public Facilities Fees**

Traffic mitigation fees are collected by Board action from property owners, developers, and builders to be used for road infrastructure improvements.

**County of Fresno  
Nonmajor Governmental Funds**

**Sheriff-Coroner**

The Sheriff-Coroner Fund was established to account for state-authorized fees as well as asset forfeiture. These funds are subsequently used in the Sheriff's Civil Division for specific projects.

**Inmate Welfare**

California Penal Code requires the Sheriff's Office to maintain an Inmate Welfare Fund. These funds are solely for the benefit of inmates, and cannot be used to supplant required levels of service by the Sheriff's Office.

**County Free Library**

The Fresno County Free Library is a Special District, under the governance of the Board of Supervisors, which provides informational, cultural, and recreational services to the public through 35 library outlets.

**Fish and Game**

This fund was established to receive the County's share of fines levied for violations of fish and game laws within its boundaries. Expenditures are made from time to time for purposes of improving the habitat for wildlife propagation and for incidental administrative matters.

**Off-Highway License**

The Off-Highway Vehicle Law of 1971 requires users of trail bikes, dune buggies, and similar vehicles designed for off-highway use to purchase an identification certificate. This fund can only be used to account for acquisition and development of off-road recreation areas. Such expenditures include feasibility studies, planning studies, and environmental impact reports.

**Emergency Medical Services (EMS)**

The EMS fund was established in 1989-90 to receive deposits associated with Senate Bill (SB) 12 and Proposition 99 monies. Disbursements from this fund must be in accordance with Health & Safety Code Section 1797.98a and Assembly Bill (AB) 75. Such expenditures include reimbursing physicians and hospitals for emergency treatment performed on individuals who are unable to pay.

**Community Corrections Performance Incentive**

This fund was established as a result of California SB 678. These funds are utilized to reduce recidivism of felony probationers by improving probation services.

**County Service Areas, Other**

These special districts, governed by the Fresno County Board of Supervisors, include County Service Areas, and Lighting and Maintenance Districts. These districts were established to provide services such as road, park, and lighting maintenance to specific areas in the County. They are financed by ad valorem property taxes in the area benefited, or by special assessments levied on specific properties.



THIS PAGE INTENTIONALLY BLANK

**County of Fresno**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Resources (inflows):</b>				
Use of money and property	\$ -	\$ -	\$ 2,371	\$ 2,371
Intergovernmental revenues	-	-	2,086	2,086
Other revenues	-	-	9,161	9,161
Total resources	<u>-</u>	<u>-</u>	<u>13,618</u>	<u>13,618</u>
<b>Charges to appropriations (outflows):</b>				
Principal	31,250	31,250	29,314	1,936
Interest & fiscal charges	6,017	9,827	9,307	520
Total charges to appropriations	<u>37,267</u>	<u>41,077</u>	<u>38,621</u>	<u>2,456</u>
Excess (deficiency) of resources over (under) appropriations	<u>(37,267)</u>	<u>(41,077)</u>	<u>(25,003)</u>	<u>11,162</u>
<b>Other financing sources (uses)</b>				
Transfers in	33,244	33,244	33,244	-
Transfers out	-	(4,500)	(2,288)	2,212
Total other financing sources (uses)	<u>33,244</u>	<u>28,744</u>	<u>30,956</u>	<u>2,212</u>
Net change in fund balance	(4,023)	(12,333)	5,953	18,286
<b>Fund balance - beginning</b>	<u>57,369</u>	<u>57,369</u>	<u>57,369</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 53,346</u>	<u>\$ 45,036</u>	<u>\$ 63,322</u>	<u>\$ 18,286</u>

**County of Fresno**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2020**  
**(amounts expressed in thousands)**

	Capital Projects Fund	Special Revenue Funds	Total
<b>ASSETS</b>			
Cash and investments	\$ 57,322	\$ 217,240	\$ 274,562
Restricted cash and investments	3,794	-	3,794
Receivables, net:			
Accounts	-	3,955	3,955
Interest	31	994	1,025
Due from other funds	325	691	1,016
Due from other governmental units	-	13,355	13,355
Total assets	<u>61,472</u>	<u>236,235</u>	<u>297,707</u>
<b>Deferred outflows of resources:</b>			
Prepaid expense	-	74	74
Total deferred outflows of resources	<u>-</u>	<u>74</u>	<u>74</u>
Total assets and deferred outflows of resources	<u>\$ 61,472</u>	<u>\$ 236,309</u>	<u>\$ 297,781</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 7,261	\$ 5,103	\$ 12,364
Salaries and benefits payable	-	2,110	2,110
Due to other funds	689	8,963	9,652
Due to other governmental units	-	834	834
Deposits and other liabilities	-	9,146	9,146
Unearned revenue	-	3,117	3,117
Total liabilities	<u>7,950</u>	<u>29,273</u>	<u>37,223</u>
<b>Fund balances:</b>			
Nonspendable	-	36	36
Restricted	53,522	207,000	260,522
Total fund balances	<u>53,522</u>	<u>207,036</u>	<u>260,558</u>
Total liabilities and fund balances	<u>\$ 61,472</u>	<u>\$ 236,309</u>	<u>\$ 297,781</u>

**County of Fresno**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

	Capital Projects Fund	Special Revenue Funds	Total
<b>REVENUES</b>			
Taxes	\$ -	\$ 47,451	\$ 47,451
Licenses and permits	-	5,580	5,580
Fines, forfeitures and penalties	-	3,863	3,863
Use of money and property	1,974	10,228	12,202
Aid from other governmental agencies:			
State	19,761	56,842	76,603
Federal	-	41,746	41,746
Other	-	1,125	1,125
Charges for services	356	15,470	15,826
Other revenues	6,016	6,493	12,509
Total revenues	<u>28,107</u>	<u>188,798</u>	<u>216,905</u>
<b>EXPENDITURES</b>			
General government	7,876	1,386	9,262
Public ways and facilities	-	65,237	65,237
Health, sanitation, and public assistance	-	1,049	1,049
Education	-	28,618	28,618
Capital outlay	38,615	126	38,741
Total expenditures	<u>46,491</u>	<u>96,416</u>	<u>142,907</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18,384)</u>	<u>92,382</u>	<u>73,998</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	21,514	1,937	23,451
Transfers (out)	(124)	(66,016)	(66,140)
Total other financing sources (uses)	<u>21,390</u>	<u>(64,079)</u>	<u>(42,689)</u>
Net change in fund balances	3,006	28,303	31,309
Fund balances - beginning	50,516	178,733	229,249
Fund balances - ending	<u>\$ 53,522</u>	<u>\$ 207,036</u>	<u>\$ 260,558</u>

**County of Fresno**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2020**  
**(amounts expressed in thousands)**

	Road Fund	CAO Indian Gaming	County Administrative Office	Auditor- Controller/ Treasurer- Tax Collector	Assessor/ Recorder	Behavioral Health
<b>ASSETS</b>						
Cash and investments	\$ 37,132	\$ 144	\$ -	\$ 8,744	\$ 26,801	\$ 23,128
Receivables, net:						
Accounts	1,865	-	111	-	51	16
Interest	158	1	1	42	130	110
Due from other funds	461	-	15	-	107	3
Due from other governmental units	3,391	-	-	-	-	787
Total assets	<u>43,007</u>	<u>145</u>	<u>127</u>	<u>8,786</u>	<u>27,089</u>	<u>24,044</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Prepaid expense	-	-	-	-	-	-
Deferred pensions	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 43,007</u>	<u>\$ 145</u>	<u>\$ 127</u>	<u>\$ 8,786</u>	<u>\$ 27,089</u>	<u>\$ 24,044</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ 4,128	\$ -	\$ -	\$ -	\$ 29	\$ -
Salaries and benefits payable	1,102	-	-	-	81	-
Due to other funds	858	-	-	-	232	-
Due to other governmental units	-	-	-	-	31	-
Deposits and other liabilities	78	-	-	-	2,666	-
Unearned revenue	27	-	-	-	-	-
Total liabilities	<u>6,193</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,039</u>	<u>-</u>
<b>Fund balances</b>						
Nonspendable	-	-	-	-	-	-
Restricted	36,814	145	127	8,786	24,050	24,044
Total fund balances	<u>36,814</u>	<u>145</u>	<u>127</u>	<u>8,786</u>	<u>24,050</u>	<u>24,044</u>
Total liabilities and fund balances	<u>\$ 43,007</u>	<u>\$ 145</u>	<u>\$ 127</u>	<u>\$ 8,786</u>	<u>\$ 27,089</u>	<u>\$ 24,044</u>

**County of Fresno**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2020**  
**(amounts expressed in thousands)**

	County Clerk Elections	Child Support Services	District Attorney	Probation	Public Health	Public Works
<b>ASSETS</b>						
Cash and investments	\$ 1,260	\$ 25	\$ 9,105	\$ 4,414	\$ 10,358	\$ 6,389
Receivables, net:						
Accounts	-	-	1,084	2	19	50
Interest	7	8	34	21	51	30
Due from other funds	-	-	-	-	8	-
Due from other governmental units	-	1,215	79	-	2,067	-
Total assets	<u>1,267</u>	<u>1,248</u>	<u>10,302</u>	<u>4,437</u>	<u>12,503</u>	<u>6,469</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Prepaid expense	-	-	-	-	-	-
Deferred pensions	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 1,267</u>	<u>\$ 1,248</u>	<u>\$ 10,302</u>	<u>\$ 4,437</u>	<u>\$ 12,503</u>	<u>\$ 6,469</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ 3	\$ -	\$ 65
Salaries and benefits payable	-	-	-	-	-	-
Due to other funds	-	1,222	3,014	108	1,000	576
Due to other governmental units	-	-	99	-	-	704
Deposits and other liabilities	-	-	5,536	4	-	-
Unearned revenue	-	-	-	-	1,141	-
Total liabilities	<u>-</u>	<u>1,222</u>	<u>8,649</u>	<u>115</u>	<u>2,141</u>	<u>1,345</u>
<b>Fund balances</b>						
Nonspendable	-	-	-	-	-	-
Restricted	1,267	26	1,653	4,322	10,362	5,124
Total fund balances	<u>1,267</u>	<u>26</u>	<u>1,653</u>	<u>4,322</u>	<u>10,362</u>	<u>5,124</u>
Total liabilities and fund balances	<u>\$ 1,267</u>	<u>\$ 1,248</u>	<u>\$ 10,302</u>	<u>\$ 4,437</u>	<u>\$ 12,503</u>	<u>\$ 6,469</u>

**County of Fresno**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2020**  
**(amounts expressed in thousands)**

	Public Works- CDBG	Community Facilities Districts	Public Facilities Fees	Sheriff- Coroner	Inmate Welfare	County Free Library
<b>ASSETS</b>						
Cash and investments	\$ 3,246	\$ 7,824	\$ 5,471	\$ 6,297	\$ 11,377	\$ 42,965
Receivables, net:						
Accounts	-	-	-	-	154	-
Interest	18	31	20	34	54	196
Due from other funds	-	-	2	8	-	87
Due from other governmental units	-	-	-	1,930	-	3,886
Total assets	<u>3,264</u>	<u>7,855</u>	<u>5,493</u>	<u>8,269</u>	<u>11,585</u>	<u>47,134</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Prepaid expense	-	-	-	-	-	74
Deferred pensions	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74</u>
Total assets and deferred outflows of resources	<u>\$ 3,264</u>	<u>\$ 7,855</u>	<u>\$ 5,493</u>	<u>\$ 8,269</u>	<u>\$ 11,585</u>	<u>\$ 47,208</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 216
Salaries and benefits payable	-	-	-	-	-	927
Due to other funds	-	-	-	299	430	230
Due to other governmental units	-	-	-	-	-	-
Deposits and other liabilities	-	133	630	-	-	-
Unearned revenue	-	-	-	1,929	-	20
Total liabilities	<u>-</u>	<u>133</u>	<u>630</u>	<u>2,228</u>	<u>430</u>	<u>1,393</u>
<b>Fund balances</b>						
Nonspendable	-	-	-	-	-	36
Restricted	3,264	7,722	4,863	6,041	11,155	45,779
Total fund balances	<u>3,264</u>	<u>7,722</u>	<u>4,863</u>	<u>6,041</u>	<u>11,155</u>	<u>45,815</u>
Total liabilities and fund balances	<u>\$ 3,264</u>	<u>\$ 7,855</u>	<u>\$ 5,493</u>	<u>\$ 8,269</u>	<u>\$ 11,585</u>	<u>\$ 47,208</u>

**County of Fresno**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2020**  
**(amounts expressed in thousands)**

	Fish and Game	Off-Highway License	Emergency Medical Services	Community Corrections Performance Incentive	County Service Areas, Other	Total Special Revenue Funds
<b>ASSETS</b>						
Cash and investments	\$ 6	\$ 130	\$ 802	\$ 932	\$ 10,690	\$ 217,240
Receivables, net:						
Accounts	-	5	-	598	-	3,955
Interest	-	1	4	6	37	994
Due from other funds	-	-	-	-	-	691
Due from other governmental units	-	-	-	-	-	13,355
Total assets	<u>6</u>	<u>136</u>	<u>806</u>	<u>1,536</u>	<u>10,727</u>	<u>236,235</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Prepaid expense	-	-	-	-	-	74
Deferred pensions	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74</u>
Total assets and deferred outflows of resources	<u>\$ 6</u>	<u>\$ 136</u>	<u>\$ 806</u>	<u>\$ 1,536</u>	<u>\$ 10,727</u>	<u>\$ 236,309</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ 534	\$ -	\$ 128	\$ 5,103
Salaries and benefits payable	-	-	-	-	-	2,110
Due to other funds	-	-	95	845	54	8,963
Due to other governmental units	-	-	-	-	-	834
Deposits and other liabilities	-	-	52	-	47	9,146
Unearned revenue	-	-	-	-	-	3,117
Total liabilities	<u>-</u>	<u>-</u>	<u>681</u>	<u>845</u>	<u>229</u>	<u>29,273</u>
<b>Fund balances</b>						
Nonspendable	-	-	-	-	-	36
Restricted	6	136	125	691	10,498	207,000
Total fund balances	<u>6</u>	<u>136</u>	<u>125</u>	<u>691</u>	<u>10,498</u>	<u>207,036</u>
Total liabilities and fund balances	<u>\$ 6</u>	<u>\$ 136</u>	<u>\$ 806</u>	<u>\$ 1,536</u>	<u>\$ 10,727</u>	<u>\$ 236,309</u>



**County of Fresno**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

	Road Fund	CAO Indian Gaming	County Administrative Office	Auditor- Controller/ Treasurer- Tax Collector	Assessor/ Recorder	Behavioral Health
<b>Revenues</b>						
Taxes	\$ 15,560	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	573	-	-	-	4	-
Fines, forfeitures and penalties	-	-	1,529	38	-	265
Use of money and property	2,106	7	3	393	1,217	1,029
Aid from other governmental agencies:						
State	39,477	-	-	-	-	894
Federal	14,090	-	-	-	-	7,077
Other	183	-	-	-	-	-
Charges for services	2,343	-	-	-	3,616	-
Other revenues	-	-	-	-	17	4,009
Total revenues	<u>74,332</u>	<u>7</u>	<u>1,532</u>	<u>431</u>	<u>4,854</u>	<u>13,274</u>
<b>Expenditures</b>						
General government	-	-	-	-	1,381	-
Public ways and facilities	63,814	-	-	-	-	-
Health, sanitation, and public assistance	-	-	-	-	-	-
Education	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>63,814</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,381</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,518</u>	<u>7</u>	<u>1,532</u>	<u>431</u>	<u>3,473</u>	<u>13,274</u>
<b>Other financing sources (uses):</b>						
Transfers in	641	-	-	-	106	-
Transfers out	(1,818)	-	(1,527)	(23)	(1,303)	(10,951)
Total other financing sources (uses)	<u>(1,177)</u>	<u>-</u>	<u>(1,527)</u>	<u>(23)</u>	<u>(1,197)</u>	<u>(10,951)</u>
Net change in fund balances	9,341	7	5	408	2,276	2,323
Fund balances - beginning	27,473	138	122	8,378	21,774	21,721
Fund balances - ending	<u>\$ 36,814</u>	<u>\$ 145</u>	<u>\$ 127</u>	<u>\$ 8,786</u>	<u>\$ 24,050</u>	<u>\$ 24,044</u>

**County of Fresno**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

	County Clerk Elections	Child Support Services	District Attorney	Probation	Public Health	Public Works
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	5,003
Fines, forfeitures and penalties	-	-	-	-	18	2
Use of money and property	60	49	374	202	458	292
Aid from other governmental agencies:						
State	-	9,426	1,978	894	1,155	-
Federal	-	18,298	-	-	2,254	-
Other	-	-	-	-	942	-
Charges for services	-	-	930	-	972	-
Other revenues	-	-	1,200	54	61	525
Total revenues	<u>60</u>	<u>27,773</u>	<u>4,482</u>	<u>1,150</u>	<u>5,860</u>	<u>5,822</u>
<b>Expenditures</b>						
General government	-	-	-	-	-	-
Public ways and facilities	-	-	-	-	-	-
Health, sanitation, and public assistance	-	-	-	-	-	-
Education	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>60</u>	<u>27,773</u>	<u>4,482</u>	<u>1,150</u>	<u>5,860</u>	<u>5,822</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	90	-
Transfers out	(127)	(27,768)	(5,906)	(437)	(3,219)	(698)
Total other financing sources (uses)	<u>(127)</u>	<u>(27,768)</u>	<u>(5,906)</u>	<u>(437)</u>	<u>(3,129)</u>	<u>(698)</u>
Net change in fund balances	(67)	5	(1,424)	713	2,731	5,124
Fund balances - beginning	1,334	21	3,077	3,609	7,631	-
Fund balances - ending	<u>\$ 1,267</u>	<u>\$ 26</u>	<u>\$ 1,653</u>	<u>\$ 4,322</u>	<u>\$ 10,362</u>	<u>\$ 5,124</u>

**County of Fresno**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

	Public Works- CDBG	Community Facilities Districts	Public Facilities Fees	Sheriff- Coroner	Inmate Welfare	County Free Library
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,835
Licenses and permits	-	-	-	-	-	-
Fines, forfeitures and penalties	802	-	-	587	-	-
Use of money and property	165	351	253	294	509	1,882
Aid from other governmental agencies:						
State	-	-	-	391	-	225
Federal	-	-	-	-	-	19
Other	-	-	-	-	-	-
Charges for services	-	-	-	355	3,985	1,648
Other revenues	150	-	-	72	-	314
Total revenues	<u>1,117</u>	<u>351</u>	<u>253</u>	<u>1,699</u>	<u>4,494</u>	<u>35,923</u>
<b>Expenditures</b>						
General government	-	-	-	-	-	-
Public ways and facilities	-	-	-	-	-	-
Health, sanitation, and public assistance	-	-	-	-	-	-
Education	-	-	-	-	-	28,618
Capital outlay	-	-	-	-	-	126
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,744</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,117</u>	<u>351</u>	<u>253</u>	<u>1,699</u>	<u>4,494</u>	<u>7,179</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	17	-	1,083
Transfers out	(1,673)	-	-	(2,593)	(3,654)	(968)
Total other financing sources (uses)	<u>(1,673)</u>	<u>-</u>	<u>-</u>	<u>(2,576)</u>	<u>(3,654)</u>	<u>115</u>
Net change in fund balances	(556)	351	253	(877)	840	7,294
Fund balances - beginning	3,820	7,371	4,610	6,918	10,315	38,521
Fund balances - ending	<u>\$ 3,264</u>	<u>\$ 7,722</u>	<u>\$ 4,863</u>	<u>\$ 6,041</u>	<u>\$ 11,155</u>	<u>\$ 45,815</u>

**County of Fresno**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

	Fish and Game	Off-Highway License	Emergency Medical Services	Community Corrections Performance Incentive	County Service Areas, Other	Total Special Revenue Funds
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 56	\$ 47,451
Licenses and permits	-	-	-	-	-	5,580
Fines, forfeitures and penalties	3	-	619	-	-	3,863
Use of money and property	-	5	32	50	497	10,228
Aid from other governmental agencies:						
State	-	9	-	2,393	-	56,842
Federal	-	8	-	-	-	41,746
Other	-	-	-	-	-	1,125
Charges for services	-	-	-	-	1,621	15,470
Other revenues	-	-	-	-	91	6,493
Total revenues	<u>3</u>	<u>22</u>	<u>651</u>	<u>2,443</u>	<u>2,265</u>	<u>188,798</u>
<b>Expenditures</b>						
General government	5	-	-	-	-	1,386
Public ways and facilities	-	-	-	-	1,423	65,237
Health, sanitation, and public assistance	-	-	1,049	-	-	1,049
Education	-	-	-	-	-	28,618
Capital outlay	-	-	-	-	-	126
Total expenditures	<u>5</u>	<u>-</u>	<u>1,049</u>	<u>-</u>	<u>1,423</u>	<u>96,416</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2)</u>	<u>22</u>	<u>(398)</u>	<u>2,443</u>	<u>842</u>	<u>92,382</u>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	1,937
Transfers out	-	-	(101)	(3,250)	-	(66,016)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(101)</u>	<u>(3,250)</u>	<u>-</u>	<u>(64,079)</u>
Net change in fund balances	(2)	22	(499)	(807)	842	28,303
Fund balances - beginning	8	114	624	1,498	9,656	178,733
Fund balances - ending	<u>\$ 6</u>	<u>\$ 136</u>	<u>\$ 125</u>	<u>\$ 691</u>	<u>\$ 10,498</u>	<u>\$ 207,036</u>

**County of Fresno**  
**Budgetary Comparison Schedule**  
**Road Fund**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Taxes	\$ 9,517	\$ 9,517	\$ 15,560	\$ 6,043
Licenses and permits	615	615	573	(42)
Use of money and property	300	300	2,106	1,806
Intergovernmental revenues	71,763	71,763	53,750	(18,013)
Charges for services	1,533	1,533	2,343	810
Other revenues	10	10	-	(10)
Total revenues	<u>83,738</u>	<u>83,738</u>	<u>74,332</u>	<u>(9,406)</u>
<b>Expenditures</b>				
Public ways and facilities	97,669	95,197	63,814	31,383
Total expenditures	<u>97,669</u>	<u>95,197</u>	<u>63,814</u>	<u>31,383</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,931)</u>	<u>(11,459)</u>	<u>10,518</u>	<u>(40,789)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,252	1,352	641	(711)
Transfers out	-	(2,572)	(1,818)	754
Total other financing sources (uses)	<u>1,252</u>	<u>(1,220)</u>	<u>(1,177)</u>	<u>43</u>
Net change in fund balance	(12,679)	(12,679)	9,341	(40,746)
<b>Fund balance - beginning</b>	<u>27,473</u>	<u>27,473</u>	<u>27,473</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 14,794</u>	<u>\$ 14,794</u>	<u>\$ 36,814</u>	<u>\$ (40,746)</u>

**County of Fresno**  
**Budgetary Comparison Schedule**  
**CAO Indian Gaming**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Use of money and property	\$ -	\$ -	\$ 7	\$ 7
Total revenues	<u>-</u>	<u>-</u>	<u>7</u>	<u>7</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>7</u>	<u>7</u>
Net change in fund balance	-	-	7	7
<b>Fund balance - beginning</b>	138	138	138	-
<b>Fund balance - ending</b>	<u>\$ 138</u>	<u>\$ 138</u>	<u>\$ 145</u>	<u>\$ 7</u>

**County of Fresno**  
**Budgetary Comparison Schedule**  
**County Administrative Office**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Fines, forfeitures and penalties	\$ 1,692	\$ 1,692	\$ 1,529	\$ (163)
Use of money and property	9	9	3	(6)
Total revenues	<u>1,701</u>	<u>1,701</u>	<u>1,532</u>	<u>(169)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,701</u>	<u>1,701</u>	<u>1,532</u>	<u>(169)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	<u>(1,700)</u>	<u>(1,700)</u>	<u>(1,527)</u>	173
Total other financing sources (uses)	<u>(1,700)</u>	<u>(1,700)</u>	<u>(1,527)</u>	173
Net change in fund balance	1	1	5	4
<b>Fund balance - beginning</b>	<u>122</u>	<u>122</u>	<u>122</u>	-
<b>Fund balance - ending</b>	<u><u>\$ 123</u></u>	<u><u>\$ 123</u></u>	<u><u>\$ 127</u></u>	<u><u>\$ 4</u></u>

**County of Fresno**  
**Budgetary Comparison Schedule**  
**Auditor-Controller/Treasurer-Tax Collector**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Fines, forfeitures and penalties	\$ -	\$ -	\$ 38	\$ 38
Use of money and property	-	-	393	393
Total revenues	<u>-</u>	<u>-</u>	<u>431</u>	<u>431</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>431</u>	<u>431</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	<u>(1,319)</u>	<u>(1,319)</u>	<u>(23)</u>	<u>1,296</u>
Total other financing sources (uses)	<u>(1,319)</u>	<u>(1,319)</u>	<u>(23)</u>	<u>1,296</u>
Net change in fund balance	(1,319)	(1,319)	408	1,727
<b>Fund balance - beginning</b>	<u>8,378</u>	<u>8,378</u>	<u>8,378</u>	<u>-</u>
<b>Fund balance - ending</b>	<u><u>\$ 7,059</u></u>	<u><u>\$ 7,059</u></u>	<u><u>\$ 8,786</u></u>	<u><u>\$ 1,727</u></u>



**County of Fresno**  
**Budgetary Comparison Schedule**  
**Assessor/Recorder**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Licenses and permits	\$ 5	\$ 5	\$ 4	\$ (1)
Use of money and property	225	225	1,217	992
Charges for services	2,387	2,387	3,616	1,229
Other revenues	-	-	17	17
Total revenues	<u>2,617</u>	<u>2,617</u>	<u>4,854</u>	<u>2,237</u>
<b>Expenditures</b>				
General government	<u>3,572</u>	<u>3,572</u>	<u>1,381</u>	<u>2,191</u>
Total expenditures	<u>3,572</u>	<u>3,572</u>	<u>1,381</u>	<u>2,191</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(955)</u>	<u>(955)</u>	<u>3,473</u>	<u>46</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	9,387	9,387	106	(9,281)
Transfers out	<u>(17,921)</u>	<u>(17,921)</u>	<u>(1,303)</u>	<u>16,618</u>
Total other financing sources (uses)	<u>(8,534)</u>	<u>(8,534)</u>	<u>(1,197)</u>	<u>7,337</u>
Net change in fund balance	(9,489)	(9,489)	2,276	7,383
<b>Fund balance - beginning</b>	<u>21,774</u>	<u>21,774</u>	<u>21,774</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 12,285</u>	<u>\$ 12,285</u>	<u>\$ 24,050</u>	<u>\$ 7,383</u>

**County of Fresno**  
**Budgetary Comparison Schedule**  
**Behavioral Health**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Fines, forfeitures and penalties	\$ 1,758	\$ 1,758	\$ 265	\$ (1,493)
Use of money and property	-	-	1,029	1,029
Intergovernmental revenues	8,486	8,486	7,971	(515)
Other revenues	-	-	4,009	4,009
Total revenues	<u>10,244</u>	<u>10,244</u>	<u>13,274</u>	<u>3,030</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,244</u>	<u>10,244</u>	<u>13,274</u>	<u>3,030</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	<u>(15,324)</u>	<u>(15,324)</u>	<u>(10,951)</u>	<u>4,373</u>
Total other financing sources (uses)	<u>(15,324)</u>	<u>(15,324)</u>	<u>(10,951)</u>	<u>4,373</u>
Net change in fund balance	(5,080)	(5,080)	2,323	7,403
<b>Fund balance - beginning</b>	21,721	21,721	21,721	-
<b>Fund balance - ending</b>	<u>\$ 16,641</u>	<u>\$ 16,641</u>	<u>\$ 24,044</u>	<u>\$ 7,403</u>

**County of Fresno**  
**Budgetary Comparison Schedule**  
**County Clerk Elections**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Use of money and property	\$ -	\$ -	\$ 60	\$ 60
Charges for services	29	29	-	(29)
Total revenues	<u>29</u>	<u>29</u>	<u>60</u>	<u>31</u>
Excess (deficiency) of revenues over (under) expenditures	<u>29</u>	<u>29</u>	<u>60</u>	<u>31</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	<u>(25)</u>	<u>(25)</u>	<u>(127)</u>	<u>(102)</u>
Total other financing sources (uses)	<u>(25)</u>	<u>(25)</u>	<u>(127)</u>	<u>(102)</u>
Net change in fund balance	4	4	(67)	(71)
<b>Fund balance - beginning</b>	1,334	1,334	1,334	-
<b>Fund balance - ending</b>	<u><u>\$ 1,338</u></u>	<u><u>\$ 1,338</u></u>	<u><u>\$ 1,267</u></u>	<u><u>\$ (71)</u></u>

**County of Fresno**  
**Budgetary Comparison Schedule**  
**Child Support Services**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Use of money and property	\$ 20	\$ 20	\$ 49	\$ 29
Intergovernmental revenues	29,521	29,521	27,724	(1,797)
Total revenues	<u>29,541</u>	<u>29,541</u>	<u>27,773</u>	<u>(1,768)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>29,541</u>	<u>29,541</u>	<u>27,773</u>	<u>(1,768)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	<u>(29,542)</u>	<u>(29,542)</u>	<u>(27,768)</u>	<u>1,774</u>
Total other financing sources (uses)	<u>(29,542)</u>	<u>(29,542)</u>	<u>(27,768)</u>	<u>1,774</u>
Net change in fund balance	(1)	(1)	5	6
<b>Fund balance - beginning</b>	21	21	21	-
<b>Fund balance - ending</b>	<u>\$ 20</u>	<u>\$ 20</u>	<u>\$ 26</u>	<u>\$ 6</u>

**County of Fresno**  
**Budgetary Comparison Schedule**  
**District Attorney**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Use of money and property	\$ -	\$ -	\$ 374	\$ 374
Intergovernmental revenues	1,828	2,699	1,978	(721)
Charges for services	725	725	930	205
Other revenues	2,200	2,200	1,200	(1,000)
Total revenues	<u>4,753</u>	<u>5,624</u>	<u>4,482</u>	<u>(1,142)</u>
<b>Expenditures</b>				
Public protection	50	50	-	50
Total expenditures	<u>50</u>	<u>50</u>	<u>-</u>	<u>50</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,703</u>	<u>5,574</u>	<u>4,482</u>	<u>(1,092)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(5,859)	(7,055)	(5,906)	1,149
Total other financing sources (uses)	<u>(5,859)</u>	<u>(7,055)</u>	<u>(5,906)</u>	<u>1,149</u>
Net change in fund balance	(1,156)	(1,481)	(1,424)	57
<b>Fund balance - beginning</b>	<u>3,077</u>	<u>3,077</u>	<u>3,077</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 1,921</u>	<u>\$ 1,596</u>	<u>\$ 1,653</u>	<u>\$ 57</u>

**County of Fresno**  
**Budgetary Comparison Schedule**  
**Probation**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Use of money and property	\$ -	\$ -	\$ 202	\$ 202
Intergovernmental revenues	763	763	894	131
Other revenues	98	98	54	(44)
Total revenues	<u>861</u>	<u>861</u>	<u>1,150</u>	<u>289</u>
Excess (deficiency) of revenues over (under) expenditures	<u>861</u>	<u>861</u>	<u>1,150</u>	<u>289</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	<u>(475)</u>	<u>(475)</u>	<u>(437)</u>	<u>38</u>
Total other financing sources (uses)	<u>(475)</u>	<u>(475)</u>	<u>(437)</u>	<u>38</u>
Net change in fund balance	386	386	713	327
<b>Fund balance - beginning</b>	<u>3,609</u>	<u>3,609</u>	<u>3,609</u>	<u>-</u>
<b>Fund balance - ending</b>	<u><u>\$ 3,995</u></u>	<u><u>\$ 3,995</u></u>	<u><u>\$ 4,322</u></u>	<u><u>\$ 327</u></u>

**County of Fresno**  
**Budgetary Comparison Schedule**  
**Public Health**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Licenses and permits	\$ 8	\$ 8	\$ -	\$ (8)
Fines, forfeitures and penalties	100	100	18	(82)
Use of money and property	148	148	458	310
Intergovernmental revenues	3,653	4,790	4,351	(439)
Charges for services	1,086	1,116	972	(144)
Other revenues	745	664	61	(603)
Total revenues	<u>5,740</u>	<u>6,826</u>	<u>5,860</u>	<u>(966)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,740</u>	<u>6,826</u>	<u>5,860</u>	<u>(966)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	81	90	9
Transfers out	<u>(9,119)</u>	<u>(9,975)</u>	<u>(3,219)</u>	<u>6,756</u>
Total other financing sources (uses)	<u>(9,119)</u>	<u>(9,894)</u>	<u>(3,129)</u>	<u>6,765</u>
Net change in fund balance	(3,379)	(3,068)	2,731	5,799
<b>Fund balance - beginning</b>	7,631	7,631	7,631	-
<b>Fund balance - ending</b>	<u>\$ 4,252</u>	<u>\$ 4,563</u>	<u>\$ 10,362</u>	<u>\$ 5,799</u>

**County of Fresno**  
**Budgetary Comparison Schedule**  
**Public Works**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Licenses and permits	\$ -	\$ -	\$ 5,003	\$ 5,003
Fines, forfeitures and penalties	-	-	2	2
Use of money and property	-	-	292	292
Other revenues	-	-	525	525
Total revenues	<u>-</u>	<u>-</u>	<u>5,822</u>	<u>5,822</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>5,822</u>	<u>5,822</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	<u>(1,220)</u>	<u>(1,320)</u>	<u>(698)</u>	<u>622</u>
Total other financing sources (uses)	<u>(1,220)</u>	<u>(1,320)</u>	<u>(698)</u>	<u>622</u>
Net change in fund balance	(1,220)	(1,320)	5,124	6,444
<b>Fund balance - beginning</b>	-	-	-	-
<b>Fund balance - ending</b>	<u><u>\$ (1,220)</u></u>	<u><u>\$ (1,320)</u></u>	<u><u>\$ 5,124</u></u>	<u><u>\$ 6,444</u></u>



**County of Fresno**  
**Budgetary Comparison Schedule**  
**Public Works - CDBG**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Fines, forfeitures and penalties	\$ 1,731	\$ 1,731	\$ 802	\$ (929)
Use of money and property	-	-	165	165
Other revenues	-	-	150	150
Total revenues	<u>1,731</u>	<u>1,731</u>	<u>1,117</u>	<u>(614)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,731</u>	<u>1,731</u>	<u>1,117</u>	<u>(614)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	<u>(1,744)</u>	<u>(2,194)</u>	<u>(1,673)</u>	<u>521</u>
Total other financing sources (uses)	<u>(1,744)</u>	<u>(2,194)</u>	<u>(1,673)</u>	<u>521</u>
Net change in fund balance	(13)	(463)	(556)	(93)
<b>Fund balance - beginning</b>	3,820	3,820	3,820	-
<b>Fund balance - ending</b>	<u>\$ 3,807</u>	<u>\$ 3,357</u>	<u>\$ 3,264</u>	<u>\$ (93)</u>

**County of Fresno**  
**Budgetary Comparison Schedule**  
**Community Facilities Districts**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Use of money and property	\$ -	\$ -	\$ 351	\$ 351
Total revenues	<u>-</u>	<u>-</u>	<u>351</u>	<u>351</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>351</u>	<u>351</u>
Net change in fund balance	-	-	351	351
<b>Fund balance - beginning</b>	<u>7,371</u>	<u>7,371</u>	<u>7,371</u>	<u>-</u>
<b>Fund balance - ending</b>	<u><u>\$ 7,371</u></u>	<u><u>\$ 7,371</u></u>	<u><u>\$ 7,722</u></u>	<u><u>\$ 351</u></u>

**County of Fresno**  
**Budgetary Comparison Schedule**  
**Public Facilities Fees**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Use of money and property	\$ -	\$ -	\$ 253	\$ 253
Total revenues	<u>-</u>	<u>-</u>	<u>253</u>	<u>253</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>253</u>	<u>253</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	<u>(518)</u>	<u>(518)</u>	<u>-</u>	<u>518</u>
Total other financing sources (uses)	<u>(518)</u>	<u>(518)</u>	<u>-</u>	<u>518</u>
Net change in fund balance	(518)	(518)	253	771
<b>Fund balance - beginning</b>	4,610	4,610	4,610	-
<b>Fund balance - ending</b>	<u><u>\$ 4,092</u></u>	<u><u>\$ 4,092</u></u>	<u><u>\$ 4,863</u></u>	<u><u>\$ 771</u></u>

**County of Fresno**  
**Budgetary Comparison Schedule**  
**Sheriff-Coroner**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Fines, forfeitures and penalties	\$ -	\$ -	\$ 587	\$ 587
Use of money and property	-	-	294	294
Intergovernmental revenues	250	250	391	141
Charges for services	533	533	355	(178)
Other revenues	152	152	72	(80)
Total revenues	<u>935</u>	<u>935</u>	<u>1,699</u>	<u>764</u>
Excess (deficiency) of revenues over (under) expenditures	<u>935</u>	<u>935</u>	<u>1,699</u>	<u>764</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	17	17
Transfers out	<u>(2,727)</u>	<u>(3,763)</u>	<u>(2,593)</u>	<u>1,170</u>
Total other financing sources (uses)	<u>(2,727)</u>	<u>(3,763)</u>	<u>(2,576)</u>	<u>1,187</u>
Net change in fund balance	(1,792)	(2,828)	(877)	1,951
<b>Fund balance - beginning</b>	<u>6,918</u>	<u>6,918</u>	<u>6,918</u>	<u>-</u>
<b>Fund balance - ending</b>	<u><u>\$ 5,126</u></u>	<u><u>\$ 4,090</u></u>	<u><u>\$ 6,041</u></u>	<u><u>\$ 1,951</u></u>

**County of Fresno**  
**Budgetary Comparison Schedule**  
**Inmate Welfare**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Use of money and property	\$ -	\$ -	\$ 509	\$ 509
Charges for services	4,097	4,097	3,985	(112)
Total revenues	<u>4,097</u>	<u>4,097</u>	<u>4,494</u>	<u>397</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,097</u>	<u>4,097</u>	<u>4,494</u>	<u>397</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(4,374)	(4,393)	(3,654)	739
Total other financing sources (uses)	<u>(4,374)</u>	<u>(4,393)</u>	<u>(3,654)</u>	<u>739</u>
Net change in fund balance	(277)	(296)	840	1,136
<b>Fund balance - beginning</b>	10,315	10,315	10,315	-
<b>Fund balance - ending</b>	<u>\$ 10,038</u>	<u>\$ 10,019</u>	<u>\$ 11,155</u>	<u>\$ 1,136</u>

**County of Fresno**  
**Budgetary Comparison Schedule**  
**County Free Library**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Taxes	\$ 31,310	\$ 31,310	\$ 31,835	\$ 525
Use of money and property	211	211	1,882	1,671
Intergovernmental revenues	118	152	244	92
Charges for services	1,671	1,671	1,648	(23)
Other revenues	340	350	314	(36)
Total revenues	<u>33,650</u>	<u>33,694</u>	<u>35,923</u>	<u>2,229</u>
<b>Expenditures</b>				
Education	31,373	31,416	28,744	2,672
Total expenditures	<u>31,373</u>	<u>31,416</u>	<u>28,744</u>	<u>2,672</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,277</u>	<u>2,278</u>	<u>7,179</u>	<u>(443)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	133	133	1,083	950
Transfers out	(22,934)	(23,137)	(968)	22,169
Total other financing sources (uses)	<u>(22,801)</u>	<u>(23,004)</u>	<u>115</u>	<u>23,119</u>
Net change in fund balance	(20,524)	(20,726)	7,294	22,676
<b>Fund balance - beginning</b>	38,521	38,521	38,521	-
<b>Fund balance - ending</b>	<u>\$ 17,997</u>	<u>\$ 17,795</u>	<u>\$ 45,815</u>	<u>\$ 22,676</u>

**County of Fresno**  
**Budgetary Comparison Schedule**  
**Fish and Game**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Fines, forfeitures and penalties	\$ 7	\$ 7	\$ 3	\$ (4)
Total revenues	<u>7</u>	<u>7</u>	<u>3</u>	<u>(4)</u>
<b>Expenditures</b>				
General Government	7	7	5	2
Total expenditures	<u>7</u>	<u>7</u>	<u>5</u>	<u>2</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(2)	(6)
Net change in fund balance	-	-	(2)	(6)
<b>Fund balance - beginning</b>	8	8	8	-
<b>Fund balance - ending</b>	<u>\$ 8</u>	<u>\$ 8</u>	<u>\$ 6</u>	<u>\$ (6)</u>

**County of Fresno**  
**Budgetary Comparison Schedule**  
**Off-Highway License**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Use of money and property	\$ 1	\$ 1	\$ 5	\$ 4
Intergovernmental revenues	11	11	17	6
Total revenues	<u>12</u>	<u>12</u>	<u>22</u>	<u>10</u>
<b>Expenditures</b>				
General Government	11	11	-	11
Total expenditures	<u>11</u>	<u>11</u>	<u>-</u>	<u>11</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1</u>	<u>1</u>	<u>22</u>	<u>(1)</u>
Net change in fund balance	1	1	22	(1)
<b>Fund balance - beginning</b>	114	114	114	-
<b>Fund balance - ending</b>	<u><u>\$ 115</u></u>	<u><u>\$ 115</u></u>	<u><u>\$ 136</u></u>	<u><u>\$ (1)</u></u>



**County of Fresno**  
**Budgetary Comparison Schedule**  
**Emergency Medical Services**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Fines, forfeitures and penalties	\$ 846	\$ 846	\$ 619	\$ (227)
Use of money and property	4	4	32	28
Total revenues	<u>850</u>	<u>850</u>	<u>651</u>	<u>(199)</u>
<b>Expenditures</b>				
Health, sanitation, and public assistance	<u>770</u>	<u>1,360</u>	<u>1,049</u>	<u>311</u>
Total expenditures	<u>770</u>	<u>1,360</u>	<u>1,049</u>	<u>311</u>
Excess (deficiency) of revenues over (under) expenditures	<u>80</u>	<u>(510)</u>	<u>(398)</u>	<u>(510)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	<u>(129)</u>	<u>(129)</u>	<u>(101)</u>	<u>28</u>
Total other financing sources (uses)	<u>(129)</u>	<u>(129)</u>	<u>(101)</u>	<u>28</u>
Net change in fund balance	(49)	(639)	(499)	(482)
<b>Fund balance - beginning</b>	<u>624</u>	<u>624</u>	<u>624</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 575</u>	<u>\$ (15)</u>	<u>\$ 125</u>	<u>\$ (482)</u>

**County of Fresno**  
**Budgetary Comparison Schedule**  
**Community Corrections Performance Incentive**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Use of money and property	\$ -	\$ -	\$ 50	\$ 50
Intergovernmental revenues	2,867	2,867	2,393	(474)
Total revenues	<u>2,867</u>	<u>2,867</u>	<u>2,443</u>	<u>(424)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,867</u>	<u>2,867</u>	<u>2,443</u>	<u>(424)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(3,943)	(3,943)	(3,250)	693
Total other financing sources (uses)	<u>(3,943)</u>	<u>(3,943)</u>	<u>(3,250)</u>	<u>693</u>
Net change in fund balance	(1,076)	(1,076)	(807)	269
<b>Fund balance - beginning</b>	1,498	1,498	1,498	-
<b>Fund balance - ending</b>	<u>\$ 422</u>	<u>\$ 422</u>	<u>\$ 691</u>	<u>\$ 269</u>

**County of Fresno**  
**Budgetary Comparison Schedule**  
**County Service Areas, Other**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Taxes	\$ 44	\$ 44	\$ 56	\$ 12
Use of money and property	77	77	497	420
Charges for services	1,604	1,604	1,621	17
Other revenues	88	88	91	3
Total revenues	<u>1,813</u>	<u>1,813</u>	<u>2,265</u>	<u>452</u>
<b>Expenditures</b>				
Public ways and facilities	-	5,982	1,423	4,559
Total expenditures	<u>-</u>	<u>5,982</u>	<u>1,423</u>	<u>4,559</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,813</u>	<u>(4,169)</u>	<u>842</u>	<u>(4,107)</u>
Net change in fund balance	1,813	(4,169)	842	(4,107)
<b>Fund balance - beginning</b>	9,656	9,656	9,656	-
<b>Fund balance - ending</b>	<u>\$ 11,469</u>	<u>\$ 5,487</u>	<u>\$ 10,498</u>	<u>\$ (4,107)</u>

THIS PAGE INTENTIONALLY BLANK

**County of Fresno  
Internal Service Funds**

**Internal Service Funds**

Internal Service Funds (ISF) 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 and to other governmental units on a cost reimbursement basis.

**Fleet Services**

Fleet Services is responsible for management of the County's vehicle and heavy equipment fleet, including fleet planning, acquisition, maintenance, operation, and sale of surplus equipment. Fleet Services also maintains radio communications for law enforcement and other departments with field operations.

**Information Technology Services**

Information Technology Services (ITS) provides a wide range of data processing services to County departments and other agencies. The scope of department activities includes computer programming, systems and programming support, on-line teleprocessing services via remote terminal devices, and data entry. As of June 30, 2017, the operations of Graphic Communications Services and Communications were absorbed into this ISF. Therefore, ITS provides printing, duplicating, and mailing services along with the administration, design, installation, and maintenance of the County's telephone system.

**Facility Services**

Facility Services provides mechanical, electrical, structural and janitorial services to County departments. This includes routine and preventive maintenance, remodeling and modifications, computer cabling and furniture moves.

**Security Services**

Security Services is responsible for the physical security of most County facilities and employees. Security Services also administers the County parking program, which includes enforcement of parking regulations in all County parking areas.

**Risk Management**

Risk Management provides the mechanism to finance all County insurance and self-insurance programs. Financing for the health and dental plans covering County employees and retirees is also maintained by Risk Management, including the cost of administering these benefits. Other activities include coordination of the County safety program, and the recovery of damages to County employees and property from responsible third parties.

**County of Fresno  
Internal Service Funds**

**PeopleSoft Operations**

PeopleSoft Operations provides services and support for the financial accounting system software used by the County. The components financed through this internal service fund include the financial accounting system and the payroll system. Charges for this internal service fund support both the purchasing of software and the provision of technical support for the software.

**County of Fresno**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2020**  
**(amounts expressed in thousands)**

	Fleet Services	Information Technology Services	Facility Services	Security Services
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 12,746	\$ 11,411	\$ 4,699	\$ -
Restricted cash and cash equivalents	-	-	-	-
Accounts receivable (net of allowance)	4	29	197	41
Interest receivable	58	60	21	-
Due from other funds	1,422	7,297	3,800	648
Due from other governmental units	-	-	-	-
Total current assets	<u>14,230</u>	<u>18,797</u>	<u>8,717</u>	<u>689</u>
Noncurrent assets:				
Accounts receivable	-	-	-	-
Nondepreciable:				
Construction in progress	-	1,630	5,547	-
Depreciable:				
Buildings and improvements	569	2,722	7,290	-
Equipment	57,983	15,665	1,803	157
Less accumulated depreciation	(37,389)	(9,358)	(1,208)	(126)
Intangible	110	10,877	-	-
Less accumulated amortization	(110)	(10,877)	-	-
Total noncurrent assets	<u>21,163</u>	<u>10,659</u>	<u>13,432</u>	<u>31</u>
Total assets	<u>35,393</u>	<u>29,456</u>	<u>22,149</u>	<u>720</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pensions	1,130	7,134	3,375	1,864
Total deferred outflows of resources	<u>1,130</u>	<u>7,134</u>	<u>3,375</u>	<u>1,864</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	517	3,902	4,785	198
Salaries and benefits payable	129	462	319	240
Due to other funds	461	154	260	77
Due to other governmental units	-	-	-	65
Liability for self-insurance	-	-	-	-
Deposits and other liabilities	-	-	-	-
Unearned revenue	-	-	20	-
Compensated leave and absences	93	676	290	161
Capital lease obligations	-	1,177	-	-
Total current liabilities	<u>1,200</u>	<u>6,371</u>	<u>5,674</u>	<u>741</u>
Noncurrent liabilities:				
Liability for self-insurance	-	-	-	-
Compensated leave and absences	91	939	267	199
Capital lease obligations	-	1,570	-	-
Net pension liability	3,802	24,017	11,360	6,276
Total noncurrent liabilities	<u>3,893</u>	<u>26,526</u>	<u>11,627</u>	<u>6,475</u>
Total liabilities	<u>5,093</u>	<u>32,897</u>	<u>17,301</u>	<u>7,216</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred pensions	416	2,629	1,243	687
Total deferred inflows of resources	<u>416</u>	<u>2,629</u>	<u>1,243</u>	<u>687</u>
<b>NET POSITION</b>				
Net investment in capital assets	21,163	7,912	13,432	31
Unrestricted	9,851	(6,848)	(6,452)	(5,350)
Total net position	<u>\$ 31,014</u>	<u>\$ 1,064</u>	<u>\$ 6,980</u>	<u>\$ (5,319)</u>

**County of Fresno**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2020**  
**(amounts expressed in thousands)**

	Risk Management	PeopleSoft Operations	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 109,299	\$ 2,913	\$ 141,068
Restricted cash and cash equivalents	4,484	-	4,484
Accounts receivable (net of allowance)	213	2	486
Interest receivable	513	14	666
Due from other funds	243	206	13,616
Due from other governmental units	7,267	-	7,267
Total current assets	<u>122,019</u>	<u>3,135</u>	<u>167,587</u>
Noncurrent assets:			
Accounts receivable	229	-	229
Nondepreciable:			
Construction in progress	-	-	7,177
Depreciable:			
Buildings and improvements	-	-	10,581
Equipment	10	-	75,618
Less accumulated depreciation	(7)	-	(48,088)
Intangible	-	9,576	20,563
Less accumulated amortization	-	(9,576)	(20,563)
Total noncurrent assets	<u>232</u>	<u>-</u>	<u>45,517</u>
Total assets	<u>122,251</u>	<u>3,135</u>	<u>213,104</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pensions	1,254	28	14,785
Total deferred outflows of resources	<u>1,254</u>	<u>28</u>	<u>14,785</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	3,206	466	13,074
Salaries and benefits payable	116	25	1,291
Due to other funds	2,211	125	3,288
Due to other governmental units	7,363	-	7,428
Liability for self-insurance	23,204	-	23,204
Deposits and other liabilities	877	-	877
Unearned revenue	26	-	46
Compensated leave and absences	116	-	1,336
Capital lease obligations	-	-	1,177
Total current liabilities	<u>37,119</u>	<u>616</u>	<u>51,721</u>
Noncurrent liabilities:			
Liability for self-insurance	64,760	-	64,760
Compensated leave and absences	140	-	1,636
Capital lease obligations	-	-	1,570
Net pension liability	4,221	94	49,770
Total noncurrent liabilities	<u>69,121</u>	<u>94</u>	<u>117,736</u>
Total liabilities	<u>106,240</u>	<u>710</u>	<u>169,457</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pensions	462	10	5,447
Total deferred inflows of resources	<u>462</u>	<u>10</u>	<u>5,447</u>
<b>NET POSITION</b>			
Net investment in capital assets	3	-	42,541
Unrestricted	16,800	2,443	10,444
Total net position	<u>\$ 16,803</u>	<u>\$ 2,443</u>	<u>\$ 52,985</u>



**County of Fresno**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

	Fleet Services	Information Technology Services	Facility Services	Security Services
<b>Operating revenues:</b>				
Charges for services	\$ 14,757	\$ 50,191	\$ 32,212	\$ 6,842
Other revenues	37	7	1,026	110
Total operating revenues	<u>14,794</u>	<u>50,198</u>	<u>33,238</u>	<u>6,952</u>
<b>Operating expenses:</b>				
Salaries and benefits	3,115	18,647	9,898	5,686
Insurance	23	206	365	141
Professional services	154	3,141	10,066	1,195
General and administrative	3,019	19,162	3,915	628
Repairs and maintenance	1,605	-	805	552
Rents and leases	146	7,686	42	362
Parts and supplies	3,794	1,273	238	57
Utilities	75	393	12,857	27
Depreciation	2,563	4,702	350	68
Total operating expenses	<u>14,494</u>	<u>55,210</u>	<u>38,536</u>	<u>8,716</u>
<b>Operating income (loss)</b>	<u>300</u>	<u>(5,012)</u>	<u>(5,298)</u>	<u>(1,764)</u>
<b>Nonoperating revenues (expenses):</b>				
Gain (loss) on sale of capital assets	233	(1,058)	-	-
Insurance recoveries	-	-	-	-
Use of money and property	587	532	193	7
Total nonoperating revenues (expenses)	<u>820</u>	<u>(526)</u>	<u>193</u>	<u>7</u>
Net income (loss) before transfers	<u>1,120</u>	<u>(5,538)</u>	<u>(5,105)</u>	<u>(1,757)</u>
<b>Transfers in (out)</b>				
Transfers in	1,768	2,353	3,930	-
Transfers out	(122)	(764)	(387)	(222)
Total transfers in (out)	<u>1,646</u>	<u>1,589</u>	<u>3,543</u>	<u>(222)</u>
<b>Change in net position</b>	<u>2,766</u>	<u>(3,949)</u>	<u>(1,562)</u>	<u>(1,979)</u>
Net position - beginning	28,248	5,013	8,542	(3,340)
Prior period adjustment	-	-	-	-
Net position - beginning restated	<u>28,248</u>	<u>5,013</u>	<u>8,542</u>	<u>(3,340)</u>
Net position - ending	<u>\$ 31,014</u>	<u>\$ 1,064</u>	<u>\$ 6,980</u>	<u>\$ (5,319)</u>

**County of Fresno**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2020**  
(amounts expressed in thousands)

	Risk Management	PeopleSoft Operations	Total
<b>Operating revenues:</b>			
Charges for services	\$ 114,800	\$ 2,746	\$ 221,548
Other revenues	109	-	1,289
Total operating revenues	<u>114,909</u>	<u>2,746</u>	<u>222,837</u>
<b>Operating expenses:</b>			
Salaries and benefits	3,325	95	40,766
Insurance	114,379	5	115,119
Professional services	2,797	1,278	18,631
General and administrative	534	1,659	28,917
Repairs and maintenance	64	-	3,026
Rents and leases	3	-	8,239
Parts and supplies	-	-	5,362
Utilities	38	-	13,390
Depreciation	2	-	7,685
Total operating expenses	<u>121,142</u>	<u>3,037</u>	<u>241,135</u>
<b>Operating income (loss)</b>	<u>(6,233)</u>	<u>(291)</u>	<u>(18,298)</u>
<b>Nonoperating revenues (expenses):</b>			
Gain (loss) on sale of capital assets	-	-	(825)
Insurance recoveries	5,491	-	5,491
Use of money and property	4,863	133	6,315
Total nonoperating revenues (expenses)	<u>10,354</u>	<u>133</u>	<u>10,981</u>
Net income (loss) before transfers	<u>4,121</u>	<u>(158)</u>	<u>(7,317)</u>
<b>Transfers in (out)</b>			
Transfers in	366	339	8,756
Transfers out	(130)	(4)	(1,629)
Total transfers in (out)	<u>236</u>	<u>335</u>	<u>7,127</u>
<b>Change in net position</b>	<u>4,357</u>	<u>177</u>	<u>(190)</u>
Net position - beginning	12,079	2,266	52,808
Prior period adjustment	367	-	367
Net position - beginning restated	<u>12,446</u>	<u>2,266</u>	<u>53,175</u>
Net position - ending	<u>\$ 16,803</u>	<u>\$ 2,443</u>	<u>\$ 52,985</u>

**County of Fresno**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

	Fleet Services	Information Technology Services	Facility Services	Security Services
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from users	\$ 14,989	\$ 47,612	\$ 36,325	\$ 7,029
Cash paid to suppliers	(9,000)	(27,444)	(30,874)	(2,784)
Cash paid to employees	(3,045)	(18,243)	(9,644)	(5,557)
Cash paid for claims	-	-	-	-
Net cash provided by (used in) operating activities	<u>2,944</u>	<u>1,925</u>	<u>(4,193)</u>	<u>(1,312)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Residual equity transfers in	-	-	-	-
Residual equity transfers out	-	-	-	-
Transfers from other funds	1,768	2,353	3,930	-
Transfers to other funds	(122)	(764)	(387)	(222)
Net cash provided by (used in) noncapital financing activities	<u>1,646</u>	<u>1,589</u>	<u>3,543</u>	<u>(222)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Sales of capital assets	-	-	-	734
Purchases of capital assets	(4,416)	(7,900)	(1,499)	-
Insurance recoveries	-	-	-	-
Principal paid on capital debt	-	-	-	-
Interest paid on capital debt	-	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>(4,416)</u>	<u>(7,900)</u>	<u>(1,499)</u>	<u>734</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Use of money and property received	591	557	202	12
Net cash provided by (used in) investing activities	<u>591</u>	<u>557</u>	<u>202</u>	<u>12</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	765	(3,829)	(1,947)	(788)
<b>Cash and cash equivalents - beginning</b>	11,981	15,240	6,646	788
Prior period adjustment	-	-	-	-
<b>Cash and cash equivalents - ending</b>	<u>\$ 12,746</u>	<u>\$ 11,411</u>	<u>\$ 4,699</u>	<u>\$ -</u>
<b>Reconciliation of cash and cash equivalents to the statement of net position:</b>				
Cash and cash equivalents	\$ 12,746	\$ 11,411	\$ 4,699	\$ -
Restricted cash and investments	-	-	-	-
Total	<u>\$ 12,746</u>	<u>\$ 11,411</u>	<u>\$ 4,699</u>	<u>\$ -</u>

**County of Fresno**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

	Risk Management	PeopleSoft Operations	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from users	\$ 117,146	\$ 2,795	\$ 225,896
Cash paid to suppliers	(101,193)	(2,467)	(173,762)
Cash paid to employees	(3,252)	(101)	(39,842)
Cash paid for claims	(15,473)	-	(15,473)
Net cash provided by (used in) operating activities	<u>(2,772)</u>	<u>227</u>	<u>(3,181)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Residual equity transfers in	-	-	\$ -
Residual equity transfers out	-	-	-
Transfers from other funds	366	339	8,756
Transfers to other funds	(130)	(4)	(1,629)
Net cash provided by (used in) noncapital financing activities	<u>236</u>	<u>335</u>	<u>7,127</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Sales of capital assets	190	-	924
Purchases of capital assets	-	(164)	(13,979)
Insurance recoveries	5,491	-	5,491
Principal paid on capital debt	-	-	-
Interest paid on capital debt	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>5,681</u>	<u>(164)</u>	<u>(7,564)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Use of money and property received	4,937	132	6,431
Net cash provided by (used in) investing activities	<u>4,937</u>	<u>132</u>	<u>6,431</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	8,082	530	2,813
<b>Cash and cash equivalents - beginning</b>	105,701	2,383	142,739
Prior period adjustment	-	-	-
<b>Cash and cash equivalents - ending</b>	<u>\$ 113,783</u>	<u>\$ 2,913</u>	<u>\$ 145,552</u>
<b>Reconciliation of cash and cash equivalents to the statement of net position:</b>			
Cash and cash equivalents	\$ 109,299	\$ 2,913	\$ 141,068
Restricted cash and investments	4,484	-	4,484
Total	<u>\$ 113,783</u>	<u>\$ 2,913</u>	<u>\$ 145,552</u>

**County of Fresno**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

	Fleet Services	Information Technology Services	Facility Services	Security Services
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>				
<b>Operating income (loss)</b>	\$ 300	\$ (5,012)	\$ (5,298)	\$ (1,764)
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:</b>				
Pension expense	36	225	106	59
Depreciation expense	2,563	4,702	350	68
Decrease (increase) in accounts receivable	33	71	(142)	28
Decrease (increase) in due from other funds	162	(2,657)	3,174	43
Decrease (increase) in due from other governmental units	-	-	55	6
Decrease (increase) in construction in progress	-	4,293	(3,459)	-
(Decrease) increase in accounts payable	(183)	70	857	183
(Decrease) increase in salaries and benefits payable	34	179	148	70
(Decrease) increase in unearned revenue	-	-	-	-
(Decrease) increase in deposits held for others	-	-	-	-
(Decrease) increase in due to other funds	(1)	54	16	2
(Decrease) increase in due to other governmental units	-	-	-	(7)
(Decrease) increase in liability for self-insurance	-	-	-	-
Total adjustments	2,644	6,937	1,105	452
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 2,944</u>	<u>\$ 1,925</u>	<u>\$ (4,193)</u>	<u>\$ (1,312)</u>
Noncash investing, capital, and financing activities				
Transfer of capital assets to government	\$ -	\$ -	\$ -	\$ -
Sales (Purchase) of capital assets	(4,416)	(7,900)	(1,499)	734

**County of Fresno**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

	Risk Management	PeopleSoft Operations	Total Internal Service Funds
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>			
<b>Operating income (loss)</b>	\$ (6,233)	\$ (291)	\$ (18,298)
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:</b>			
Pension expense	39	1	466
Depreciation expense	2	-	7,685
Decrease (increase) in accounts receivable	(109)	(2)	(121)
Decrease (increase) in due from other funds	(241)	51	532
Decrease (increase) in due from other governmental units	2,587	-	2,648
Decrease (increase) in construction in progress	-	-	834
(Decrease) increase in accounts payable	(485)	466	908
(Decrease) increase in salaries and benefits payable	34	(7)	458
(Decrease) increase in unearned revenue	-	-	-
(Decrease) increase in deposits held for others	-	-	-
(Decrease) increase in due to other funds	(2,853)	9	(2,773)
(Decrease) increase in due to other governmental units	919	-	912
(Decrease) increase in liability for self-insurance	3,568	-	3,568
Total adjustments	3,461	518	15,117
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (2,772)</b>	<b>\$ 227</b>	<b>\$ (3,181)</b>
Noncash investing, capital, and financing activities			
Transfer of capital assets to government	\$ -	\$ -	\$ -
Sales (Purchase) of capital assets	190	(164)	(13,055)

THIS PAGE INTENTIONALLY BLANK

**County of Fresno  
Agency Funds**

**Fiduciary Funds**

The County maintains an Investment Trust Fund that is used to account for the investments made by the County. The County, in a fiduciary capacity, also maintains various Agency Funds that are used to account for assets held for others by the County. These funds include County funds which are segregated from other County funds for purposes of control, property taxes collected on behalf of other governmental units and monies held by the Public Administrator-Guardian. It should be noted that the Investment Trust fund is discretely presented in the basic financial statements.

**Trust Funds:**

Investment: This fund is used to account for the investments made by the County of Fresno on behalf of Non-County entities.

**Agency Funds:**

Property Tax Collection: This fund is used by the County in its role as Tax Collector to record property tax receipts awaiting apportionment to other governmental units and recipient County funds and their periodic distribution.

Public Administrator-Guardian: This fund is used for the accounting and recording of all Public Administrator-Guardian monies held by the County in a fiduciary capacity.

San Joaquin Valley Insurance Authority: The San Joaquin Valley Insurance Authority was established as a multi-entity authority with the express goal of negotiating, purchasing, or otherwise providing funding for health, vision, dental and life insurance for the employees of the various entities in the authority (including the County of Fresno). This fund is used for the accounting and recording of all San Joaquin Valley Insurance Authority monies held by the County in a fiduciary capacity.

Other Agency Funds: These funds are under the control of various County officials and agencies and are used to accumulate resources for specific purposes.



**County of Fresno**  
**Combining Statement of Changes in Assets and Liabilities - Agency Funds**  
**Agency Funds**  
**For the Fiscal Year Ended June 30, 2020**  
**(amounts expressed in thousands)**

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<b>Property Tax Collection</b>				
Assets:				
Cash	\$ 43,125	\$ 1,194,939	\$ 1,175,214	\$ 62,850
Taxes receivable	53	-	51	2
Interest receivable	887	-	112	775
Total assets	<u>\$ 44,065</u>	<u>\$ 1,194,939</u>	<u>\$ 1,175,377</u>	<u>\$ 63,627</u>
Liabilities:				
Due to other taxing units	\$ 44,065	\$ 1,194,939	\$ 1,175,377	63,627
Total liabilities	<u>\$ 44,065</u>	<u>\$ 1,194,939</u>	<u>\$ 1,175,377</u>	<u>\$ 63,627</u>
<b>Public Administrator - Guardian</b>				
Assets:				
Cash and investments	\$ 11,774	\$ 14,057	\$ 13,728	\$ 12,103
Property held by public administrator	3,616	1,242	824	4,034
Total assets	<u>\$ 15,390</u>	<u>\$ 15,299</u>	<u>\$ 14,552</u>	<u>\$ 16,137</u>
Liabilities:				
Fiduciary liability	\$ 15,390	\$ 15,299	\$ 14,552	\$ 16,137
Total liabilities	<u>\$ 15,390</u>	<u>\$ 15,299</u>	<u>\$ 14,552</u>	<u>\$ 16,137</u>
<b>San Joaquin Valley Insurance Authority</b>				
Assets:				
Cash and investments	\$ 13,057	\$ 250,406	\$ 241,203	\$ 22,260
Accounts receivable	7,298	599	-	7,897
Total assets	<u>\$ 20,355</u>	<u>\$ 251,005</u>	<u>\$ 241,203</u>	<u>\$ 30,157</u>
Liabilities:				
Due to other governmental units	\$ 20,355	\$ 251,005	\$ 241,203	\$ 30,157
Total liabilities	<u>\$ 20,355</u>	<u>\$ 251,005</u>	<u>\$ 241,203</u>	<u>\$ 30,157</u>
<b>Other Agency Funds</b>				
Assets:				
Cash and investments	\$ 44,823	\$ 2,450,105	\$ 2,461,211	\$ 33,717
Total assets	<u>\$ 44,823</u>	<u>\$ 2,450,105</u>	<u>\$ 2,461,211</u>	<u>\$ 33,717</u>
Liabilities:				
Fiduciary liability	\$ 44,823	\$ 2,450,105	\$ 2,461,211	\$ 33,717
Total liabilities	<u>\$ 44,823</u>	<u>\$ 2,450,105</u>	<u>\$ 2,461,211</u>	<u>\$ 33,717</u>
<b>Total Agency Funds</b>				
Assets:				
Cash and investments	\$ 112,779	\$ 3,909,507	\$ 3,891,356	\$ 130,930
Accounts receivable	7,298	599	-	7,897
Taxes receivable	53	-	51	2
Interest receivable	887	-	112	775
Property held by public administrator	3,616	1,242	824	4,034
Total assets	<u>\$ 124,633</u>	<u>\$ 3,911,348</u>	<u>\$ 3,892,343</u>	<u>\$ 143,638</u>
Liabilities:				
Due to other taxing units	\$ 44,065	\$ 1,194,939	\$ 1,175,377	\$ 63,627
Due to other governmental units	20,355	251,005	241,203	30,157
Fiduciary liability	60,213	2,465,404	2,475,763	49,854
Total liabilities	<u>\$ 124,633</u>	<u>\$ 3,911,348</u>	<u>\$ 3,892,343</u>	<u>\$ 143,638</u>



STATISTICAL SECTION

## **Statistical Section**

### **Financial Trends**

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

### **Revenue Capacity**

These schedules contain information to help the reader assess the County's most significant local revenue source.

### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and help the reader assess the County's ability to issue additional debt in the future.

### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and activities it performs.

#### ***Sources:***

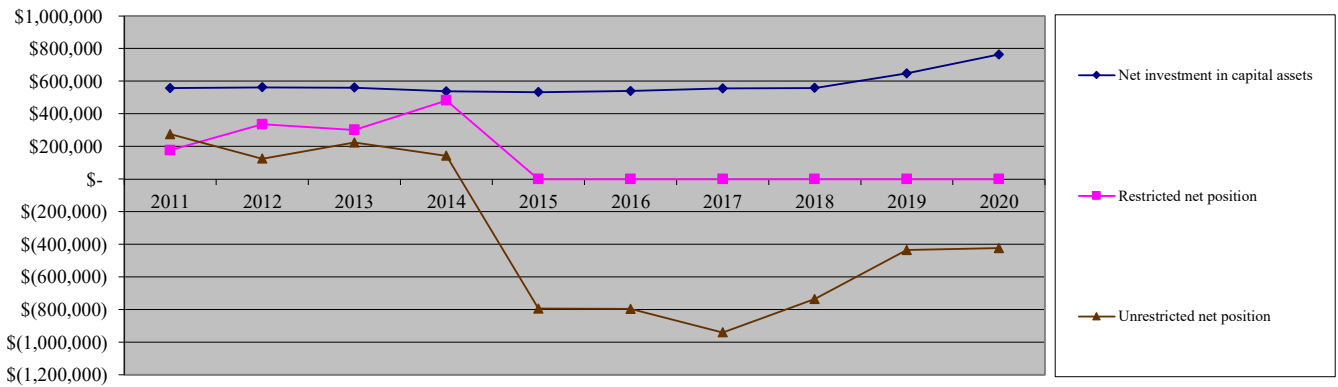
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement No. 34 in 2002; schedules presenting government-wide information include information beginning in that year.

**County of Fresno**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands)

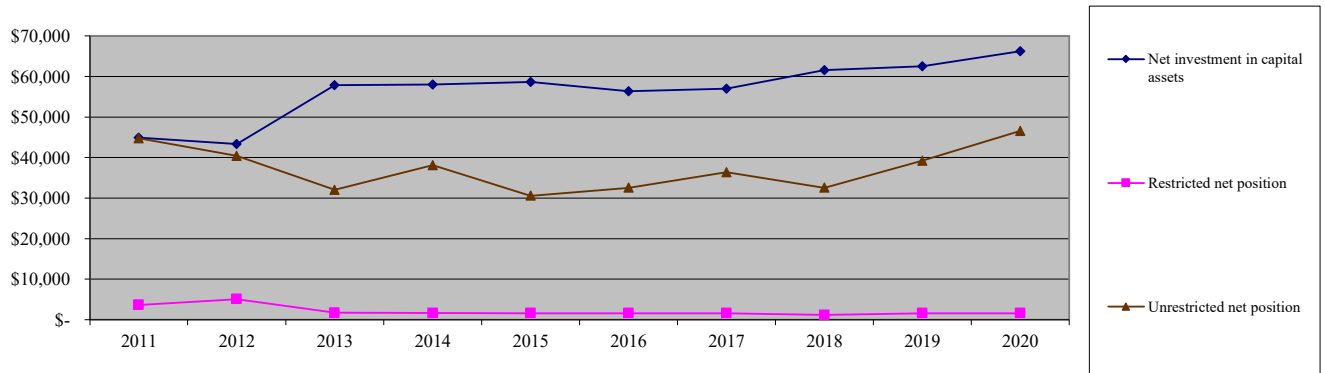
	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental activities</b>										
Net investment in capital assets	\$ 557,748	\$ 562,279	\$ 560,544	\$ 537,359	\$ 533,674	\$ 539,314	\$ 556,268	\$ 558,579	\$ 647,516	\$ 763,973
Restricted net position	177,153	335,573	301,425	482,088	-	-	-	-	-	-
Unrestricted net position	275,332	124,904	223,627	142,637	(793,620)	(795,311)	(939,690)	(735,368)	(434,745)	(423,379)
<b>Total governmental activities net position</b>	<b>1,010,233</b>	<b>1,022,756</b>	<b>1,085,596</b>	<b>1,162,084</b>	<b>(259,946)</b>	<b>(255,997)</b>	<b>(383,422)</b>	<b>(176,789)</b>	<b>212,771</b>	<b>340,594</b>
<b>Business-type activities</b>										
Net investment in capital assets	44,875	43,336	57,836	58,001	58,661	56,353	56,970	61,569	62,473	66,208
Restricted net position	3,654	5,090	1,690	1,646	1,588	1,588	1,589	1,178	1,596	1,590
Unrestricted net position	44,735	40,392	32,032	38,104	30,583	32,533	36,358	32,543	39,216	46,567
<b>Total business-type activities net position</b>	<b>93,264</b>	<b>88,818</b>	<b>91,558</b>	<b>97,751</b>	<b>90,832</b>	<b>90,474</b>	<b>94,917</b>	<b>95,290</b>	<b>103,285</b>	<b>114,365</b>
<b>Primary government</b>										
Net investment in capital assets	602,623	605,615	618,380	595,360	592,335	595,667	613,238	620,148	709,989	830,181
Restricted net position	180,807	340,663	303,115	483,734	1,588	1,588	1,589	1,178	1,596	1,590
Unrestricted net position	320,067	165,296	255,659	180,741	(763,037)	(762,778)	(903,332)	(702,825)	(395,529)	(376,812)
<b>Total primary government net position</b>	<b>\$ 1,103,497</b>	<b>\$ 1,111,574</b>	<b>\$ 1,177,154</b>	<b>\$ 1,259,835</b>	<b>\$ (169,114)</b>	<b>\$ (165,523)</b>	<b>\$ (288,505)</b>	<b>\$ (81,499)</b>	<b>\$ 316,056</b>	<b>\$ 454,959</b>

*Note 1: Accrual basis of accounting*

**Governmental Activities**



**Business-type Activities**



**County of Fresno**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
General government	21,579	22,628	18,258	15,712	22,475	31,721	33,698	36,083	35,067	38,620
Public protection	65,412	40,711	38,244	31,486	26,476	23,462	19,745	27,462	27,279	26,556
Public ways and facilities	14,216	12,822	10,782	8,121	2,227	6,903	15,345	9,569	6,074	7,334
Health, sanitation and public assistance	28,350	33,090	16,032	22,045	20,771	16,329	18,669	29,412	16,716	24,994
Education	3,318	3,388	3,378	2,574	1,808	1,879	1,761	6,606	3,034	1,962
Culture and recreation	1,421	1,496	1,353	899	1,023	771	957	1,014	855	867
Operating grants and contributions	786,733	715,246	690,028	770,108	812,333	622,116	652,321	910,527	919,835	1,025,688
Capital grants and contributions	10,353	3,069	187	-	-	-	-	-	-	-
Subtotal Governmental activities program revenues	931,382	832,450	778,262	850,945	887,113	703,181	742,496	1,020,673	1,008,860	1,126,021
Business-type activities:										
Charges for services										
Water and sewer	3,033	2,695	3,456	3,478	4,001	3,980	5,897	5,032	6,761	5,885
Landfill	10,097	9,054	9,861	13,814	16,379	15,337	13,615	14,037	18,278	15,997
Operating grants and contributions	-	-	-	625	494	304	-	452	367	485
Capital grants and contributions	-	-	-	-	-	509	336	-	-	-
Subtotal Business-type activities program revenues	13,130	11,749	13,317	17,917	20,874	20,130	19,848	19,521	25,406	22,367
Total primary government program revenues	944,512	844,199	791,579	868,862	907,987	723,311	762,344	1,040,194	1,034,266	1,148,388
<b>General Revenues</b>										
Governmental activities:										
Taxes										
Property taxes	203,317	196,145	209,419	216,038	232,374	233,408	254,804	260,350	262,330	271,007
Sales taxes	103,174	140,232	154,998	161,119	186,747	216,434	195,316	51,043	58,264	62,561
Franchise taxes	4,735	4,849	4,784	14,070	22,736	17,946	17,558	10,756	16,192	17,110
Motor vehicle in-lieu taxes	36,063	35,491	34,077	37,713	58,964	230,264	223,883	215,224	258,594	265,955
Road use tax	-	-	-	-	-	-	-	-	-	-
Tobacco settlement proceeds	12,089	8,352	13,213	6,657	-	-	-	-	-	-
Other	4,816	4,708	4,832	18,110	13,970	23,531	7,066	(11,695)	2,934	8,474
Gain/(loss) on bond refunding and sale of capital assets	-	-	338	-	-	-	-	-	-	-
Unrestricted investment earnings	5,450	5,945	14,159	14,776	9,344	14,407	2,804	561	32,538	33,511
Miscellaneous	1,072	-	-	-	-	-	-	-	-	-
Subtotal governmental activities general revenues	370,716	395,722	435,820	468,483	524,135	735,990	701,431	526,239	630,852	658,618
Business-type activities:										
Property tax	-	-	-	671	711	744	773	765	796	819
Other	2,421	2,355	2,326	1,446	1,870	1,891	1,918	3,803	3,202	9,745
Gain/(loss) on sale of capital assets	-	-	(19)	-	-	-	145	(402)	(2,529)	-
Unrestricted investment earnings	1,507	1,257	974	1,732	638	1,837	316	172	4,007	4,614
Subtotal business-type activities general revenues	3,928	3,612	3,281	3,849	3,219	4,472	3,152	4,338	5,476	15,178
Total primary government revenues	\$ 1,319,156	\$ 1,243,533	\$ 1,230,680	\$ 1,341,194	\$ 1,435,341	\$ 1,463,773	\$ 1,466,927	\$ 1,570,771	\$ 1,670,594	\$ 1,822,184

*Note 1: Accrual basis of accounting*

**County of Fresno**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
Governmental activities:										
General government	\$ 41,685	\$ 51,348	\$ 52,919	\$ 45,280	\$ 34,673	\$ 72,302	\$ 72,551	\$ 247,100	\$ 235,530	\$ 266,452
Public protection	298,354	293,106	304,365	319,197	291,148	343,711	362,779	253,532	266,178	403,010
Public ways and facilities	54,711	48,529	41,895	43,145	45,635	78,926	127,525	51,304	36,765	69,231
Health, sanitation, and public assistance	770,169	751,998	686,767	787,234	760,840	869,387	940,554	710,821	659,419	853,749
Education	26,013	24,897	24,191	25,073	23,918	26,510	27,342	27,565	18,288	26,118
Culture and recreation	2,419	2,331	2,712	2,933	2,380	2,868	3,370	3,450	2,122	2,818
Interest on long-term debt	44,243	44,232	42,519	40,030	40,219	41,782	36,571	36,402	35,302	35,820
Subtotal governmental activities expenses	<u>1,237,594</u>	<u>1,216,441</u>	<u>1,155,368</u>	<u>1,262,892</u>	<u>1,198,813</u>	<u>1,435,486</u>	<u>1,570,692</u>	<u>1,330,174</u>	<u>1,253,604</u>	<u>1,657,198</u>
Business-type activities:										
Solid waste enterprise	14,068	14,024	14,063	6,162	5,652	6,572	7,453	9,350	8,265	12,274
County service areas, other	5,554	5,607	6,139	17,783	21,451	17,402	16,722	17,219	14,726	18,260
Subtotal business-type activities expenses	<u>19,622</u>	<u>19,631</u>	<u>20,202</u>	<u>23,945</u>	<u>27,103</u>	<u>23,974</u>	<u>24,175</u>	<u>26,569</u>	<u>22,991</u>	<u>30,534</u>
Total primary government expenses	<u>1,257,216</u>	<u>1,236,072</u>	<u>1,175,570</u>	<u>1,286,837</u>	<u>1,225,916</u>	<u>1,459,460</u>	<u>1,594,867</u>	<u>1,356,743</u>	<u>1,276,595</u>	<u>1,687,732</u>
Extraordinary item - RDA dissolution transaction	-	-	(274)	-	-	-	-	-	-	-
Excess (deficiency) before transfers										
- governmental activities	(9,422)	(2,359)	164,060	58,714	240,358	8,377	(126,765)	216,738	386,108	127,411
Transfers	96	32	271	302	(2,724)	297	(645)	240	252	15
Excess (deficiency) before transfers										
- business-type activities	(4,261)	(3,033)	1,564	(2,969)	(2,501)	1,437	(1,175)	(2,710)	7,891	7,011
Transfers	(96)	(32)	(271)	(302)	2,724	(297)	645	(240)	(252)	(15)
Special Items	-	-	-	-	-	-	-	-	-	-
<b>Change in net position</b>										
Governmental activities	(9,326)	(2,327)	164,057	59,016	237,634	8,674	(127,410)	216,978	386,360	127,456
Business-type activities	(4,357)	(3,065)	1,293	(3,271)	223	331	(530)	(2,950)	7,639	6,996
Total primary government	<u>\$ (13,683)</u>	<u>\$ (5,392)</u>	<u>\$ 165,350</u>	<u>\$ 55,745</u>	<u>\$ 237,857</u>	<u>\$ 9,005</u>	<u>\$ (127,940)</u>	<u>\$ 214,028</u>	<u>\$ 393,999</u>	<u>\$ 134,452</u>

*Note 1: Accrual basis of accounting*

**County of Fresno**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

	Fiscal Year				
	2011*	2012	2013	2014	2015
<b>General Fund</b>					
Nonspendable	\$ 3,200	\$ 3,585	\$ 3,939	\$ 4,110	\$ 43,092
Restricted	83,356	195,072	199,306	49,932	4,985
Committed	-	-	-	-	18,724
Assigned	39,138	33,896	57,176	23,035	77,493
Unassigned	133,154	66,022	47,117	72,338	46,239
Total General Fund	<u>\$ 258,848</u>	<u>\$ 298,575</u>	<u>\$ 307,538</u>	<u>\$ 149,415</u>	<u>\$ 190,533</u>

<b>Other Governmental Funds</b>					
Nonspendable	\$ 1,889	\$ 854	\$ 683	\$ 775	\$ 736
Restricted	93,797	97,561	123,153	391,338	443,609
Committed	-	-	-	-	-
Assigned	24,407	29,357	33,597	37,391	37,009
Unassigned	-	-	-	-	-
Total other governmental funds	<u>\$ 120,093</u>	<u>\$ 127,772</u>	<u>\$ 157,433</u>	<u>\$ 429,504</u>	<u>\$ 481,354</u>

	Fiscal Year				
	2016	2017	2018	2019	2020
<b>General Fund</b>					
Nonspendable	\$ 47,208	\$ 49,736	\$ 8,971	\$ 5,840	\$ 5,803
Restricted	9,398	4,255	-	6,205	7,590
Committed	21,024	63,602	68,410	91,380	91,417
Assigned	83,021	8,654	-	-	-
Unassigned	39,520	85,193	128,236	100,693	92,976
Total General Fund	<u>\$ 200,171</u>	<u>\$ 211,440</u>	<u>\$ 205,617</u>	<u>\$ 204,118</u>	<u>\$ 197,786</u>

<b>All Other Governmental Funds</b>					
Nonspendable	\$ 816	\$ 702	\$ 816	\$ 36	\$ 36
Restricted	529,190	586,978	570,404	597,722	623,949
Committed	-	-	-	-	-
Assigned	36,560	-	-	-	-
Unassigned	-	-	-	-	-
Total other governmental funds	<u>\$ 566,566</u>	<u>\$ 587,680</u>	<u>\$ 571,220</u>	<u>\$ 597,758</u>	<u>\$ 623,985</u>

*Note 1: Modified accrual basis of accounting*

\* *Note 2: The County implemented GASB Statement No. 54 in 2011, under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned compared to reserved and unreserved.*

**County of Fresno**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Taxes	\$ 230,422	\$ 334,763	\$ 380,541	\$ 394,370	\$ 422,029	\$ 449,842	\$ 450,120	\$ 311,393	\$ 320,594	\$ 331,781
Licenses and permits	7,987	8,600	8,872	14,070	17,272	17,946	17,558	10,756	16,192	18,896
Fines, forfeitures and penalties	10,268	9,577	9,529	14,657	13,866	13,015	11,944	10,049	10,408	8,473
Use of money and property	5,745	6,278	14,315	12,562	8,022	12,087	2,804	561	32,538	33,511
Aid from other governmental agencies	880,190	788,758	714,785	811,917	850,931	846,114	885,091	1,092,732	1,180,254	1,288,132
Charges for current services	98,139	83,947	66,491	68,274	55,541	56,305	63,611	64,043	62,995	68,887
Other revenues	39,383	25,724	24,358	29,554	26,690	25,386	26,932	46,541	26,030	31,447
<b>Total revenues</b>	<b>1,272,134</b>	<b>1,257,647</b>	<b>1,218,891</b>	<b>1,345,404</b>	<b>1,394,351</b>	<b>1,420,695</b>	<b>1,458,060</b>	<b>1,536,075</b>	<b>1,649,011</b>	<b>1,781,127</b>
<b>Expenditures</b>										
General government	40,359	35,648	32,976	38,715	37,014	40,860	59,083	42,903	46,135	54,559
Public ways and facilities	63,448	55,691	32,807	31,106	36,880	33,901	34,876	383,305	431,489	467,157
Public protection	293,043	289,991	298,179	312,604	324,104	340,802	359,422	46,448	40,017	67,730
Health, sanitation, and public assistance	769,639	750,154	682,001	779,890	798,019	832,667	854,187	931,587	903,032	969,670
Education	26,275	23,898	23,891	23,708	25,152	25,350	26,205	25,881	27,818	28,870
Culture and recreation	2,191	2,342	2,684	2,900	2,596	2,688	2,898	4,453	2,998	3,250
Capital outlay	7,577	2,783	16,594	18,378	21,714	30,097	31,362	35,849	106,715	124,462
Debt service:										
Principal	25,042	24,080	30,785	30,295	32,655	36,585	40,035	44,505	47,690	29,314
Interest	24,515	27,465	25,509	22,677	20,960	19,221	15,318	13,584	11,132	9,307
<b>Total expenditures</b>	<b>1,252,089</b>	<b>1,212,052</b>	<b>1,145,426</b>	<b>1,260,273</b>	<b>1,299,094</b>	<b>1,362,171</b>	<b>1,423,386</b>	<b>1,528,515</b>	<b>1,617,026</b>	<b>1,754,319</b>
Excess (deficiency) of revenues over (under) expenditures	20,045	45,595	73,465	85,131	95,257	58,524	34,674	7,560	31,985	26,808
Other financing sources (uses):										
Bond proceeds	-	-	23,587	-	-	64,525	-	-	-	-
Bond premiums	-	-	-	-	-	6,360	-	-	-	-
Payment to escrow agent	-	-	-	-	-	(43,630)	-	-	-	-
Proceeds from sale of capital assets	1,072	-	-	-	-	16	248	227	121	199
Transfers in	230,110	316,612	353,820	848,216	917,133	852,206	888,482	1,008,110	1,012,413	1,142,770
Transfers out	(227,070)	(314,520)	(350,907)	(849,296)	(920,117)	(855,814)	(891,006)	(1,010,824)	(1,013,551)	(1,149,882)
Refunded bond principal	-	-	(26,160)	-	-	(26,765)	-	-	-	-
Refunding bond issue proceeds	-	-	(820)	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>4,112</b>	<b>2,092</b>	<b>(480)</b>	<b>(1,080)</b>	<b>(2,984)</b>	<b>(3,102)</b>	<b>(2,276)</b>	<b>(2,487)</b>	<b>(1,017)</b>	<b>(6,913)</b>
Net change in fund balances before extraordinary items	24,157	47,687	72,985	84,051	92,273	55,422	32,398	5,073	30,968	19,895
Extraordinary item										
Redevelopment Agency dissolution transaction	-	(274)	-	-	-	-	-	-	-	-
<b>Net change in fund balances</b>	<b>\$ 24,157</b>	<b>\$ 47,413</b>	<b>\$ 72,985</b>	<b>\$ 84,051</b>	<b>\$ 92,273</b>	<b>\$ 55,422</b>	<b>\$ 32,398</b>	<b>\$ 5,073</b>	<b>\$ 30,968</b>	<b>\$ 19,895</b>
Debt service as a percentage of non capital expenditures	3.98%	4.26%	4.99%	4.27%	4.20%	4.19%	3.98%	3.89%	3.89%	2.37%

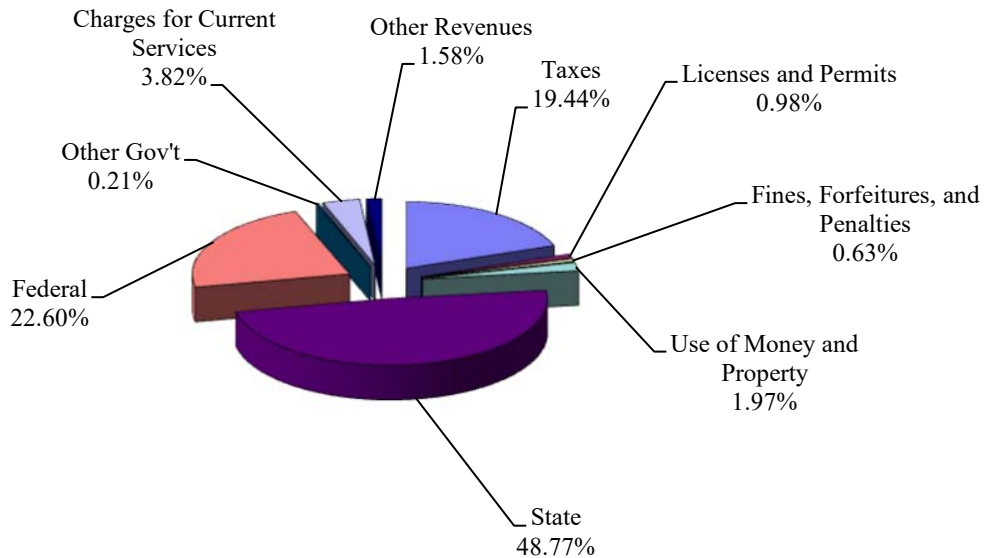
*Note 1: Modified accrual basis of accounting*



**County of Fresno  
Governmental Funds Revenues By Source  
Last Ten Fiscal Years  
(amount expressed in thousands)**

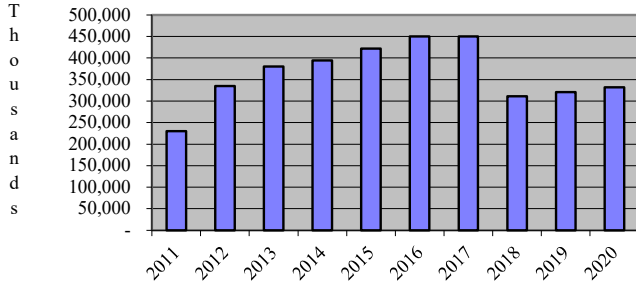
Fiscal Year	Total Revenues	Taxes	Licenses and Permits	Fines, Forfeitures, and Penalties	Use of Money and Property	Aid From Other Governmental Agencies			Charges for Current Services	Other Revenues
						State	Federal	Other Gov't		
2011	\$ 1,272,134	\$ 230,422	\$ 7,987	\$ 10,268	\$ 5,745	\$ 544,195	\$ 333,427	\$ 2,568	\$ 98,139	\$ 39,383
2012	1,257,647	334,763	8,600	9,577	6,278	465,232	322,815	711	83,947	25,724
2013	1,218,891	380,541	8,872	9,529	14,315	388,767	322,745	3,273	66,491	24,358
2014	1,345,404	394,370	14,070	14,657	12,562	489,408	320,457	2,052	68,274	29,554
2015	1,394,351	422,029	17,272	13,866	8,022	505,053	342,554	3,324	55,541	26,690
2016	1,420,695	449,842	17,946	13,015	12,087	520,137	322,977	3,000	56,305	25,386
2017	1,458,060	450,120	17,558	11,944	2,804	525,324	355,934	3,833	63,611	26,932
2018	1,536,075	311,393	10,756	10,049	561	681,841	407,703	3,188	64,043	46,541
2019	1,649,011	320,594	16,192	10,408	32,538	804,151	372,680	3,423	62,995	26,030
2020	1,781,127	331,781	18,896	8,473	33,511	778,589	504,736	4,807	68,887	31,447

**For Fiscal Year 2020**

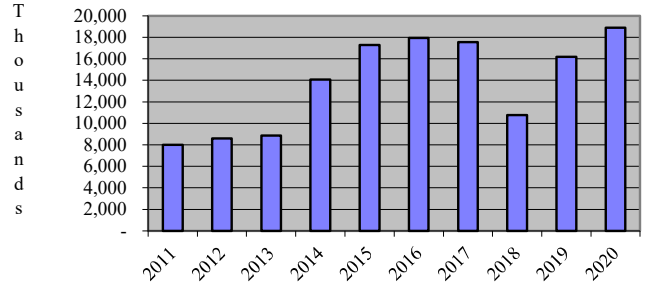


**County of Fresno  
Governmental Funds Revenues By Source  
Last Ten Fiscal Years  
(amount expressed in thousands)**

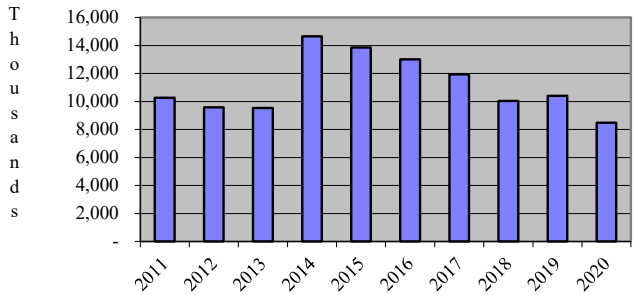
**Taxes**



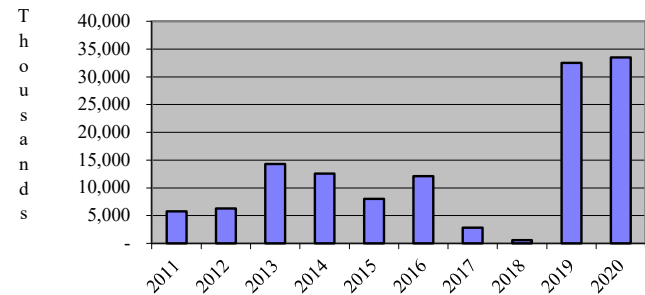
**Licenses and Permits**



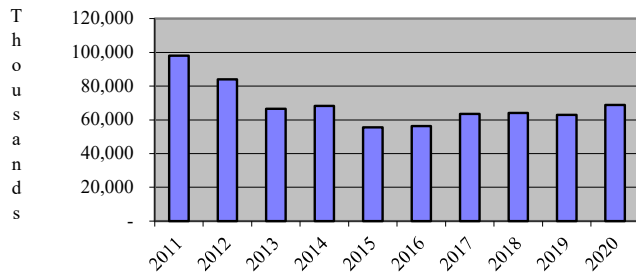
**Fines, Forfeitures, and Penalties**



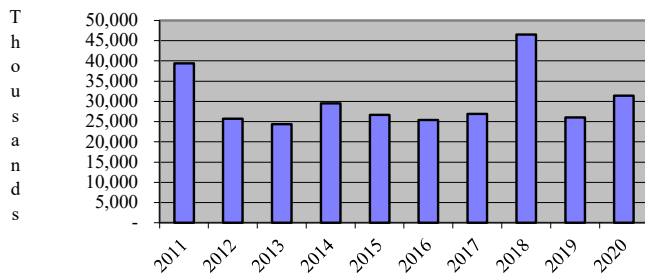
**Use of Money and Property**



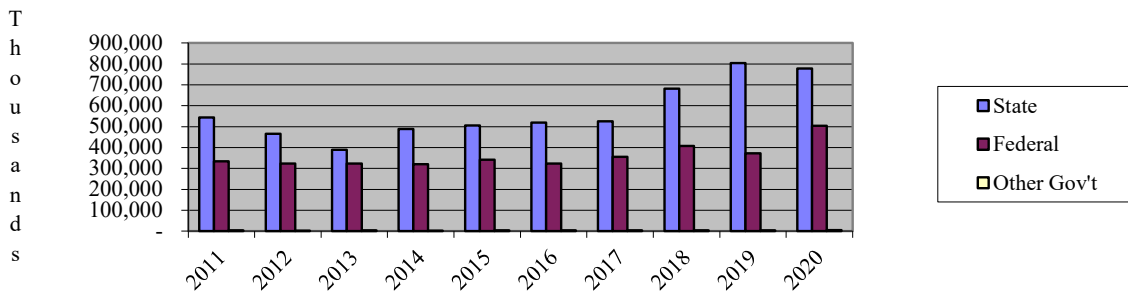
**Charges for Current Services**



**Other Revenues**



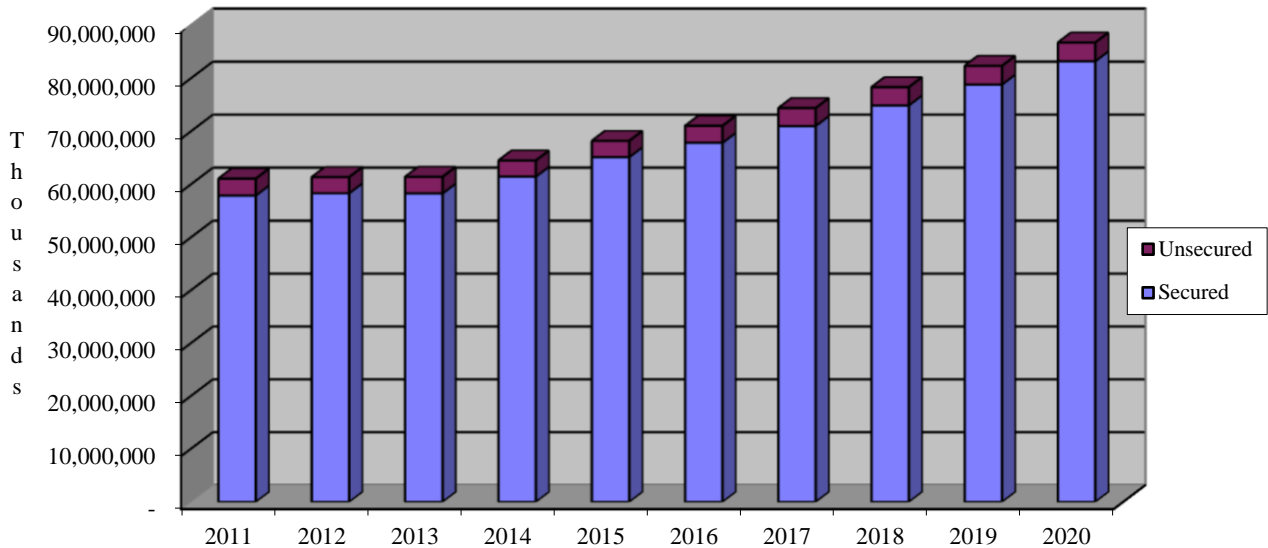
**Aid From Other Governmental Agencies**



**County of Fresno**  
**Gross Assessed and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands)

Fiscal Year	Secured	Unsecured	Total	Ratio of Assessed to Estimated Actual	Total Direct Tax Rate
	Estimated Actual	Estimated Actual	Estimated Actual		
2011	\$ 57,958,443	\$ 3,171,629	\$ 61,130,072	100	1.00%
2012	58,378,659	3,040,714	61,419,373	100	1.00%
2013	58,343,171	3,124,705	61,467,876	100	1.00%
2014	61,518,986	3,032,881	64,551,867	100	1.00%
2015	65,196,174	3,054,484	68,250,658	100	1.00%
2016	67,898,181	3,190,135	71,088,316	100	1.00%
2017	71,057,076	3,376,707	74,433,783	100	1.00%
2018	74,950,077	3,432,862	78,382,939	100	1.00%
2019	78,876,831	3,519,686	82,396,517	100	1.00%
2020	83,267,031	3,520,780	86,787,811	100	1.00%

**Estimated Value of Taxable Property**



**Source:** Auditor-Controller/Treasurer-Tax Collector, County of Fresno

**Note:** The estimated actual value of taxable property is the same as the gross assessed value.

**County of Fresno**  
**Property Tax Rates - Direct and Overlapping Governments**  
**(% Per \$100 of Assessed Value)**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>County Direct Rates</u>	<u>Overlapping Rates</u>		<u>Total Rates</u>
	<u>Fresno County General</u>	<u>City of Fresno</u>	<u>School Districts</u>	
2010 - 2011	1.00000	0.032438	0.198914	1.231352
2011 - 2012	1.00000	0.032438	0.195870	1.228308
2012 - 2013	1.00000	0.032438	0.198218	1.230656
2013 - 2014	1.00000	0.032438	0.198436	1.230874
2014 - 2015	1.00000	0.032438	0.198168	1.230606
2015 - 2016	1.00000	0.032438	0.196924	1.229362
2016 - 2017	1.00000	0.032438	0.197344	1.229782
2017 - 2018	1.00000	0.032438	0.214798	1.247236
2018 - 2019	1.00000	0.032438	0.211830	1.244268
2019 - 2020	1.00000	0.032438	0.214650	1.247088

**Notes:**

(1) The above tax rates are for Tax Rate Area 005-001, which applies to most property within the City of Fresno.

(2) California voters, on June 6, 1978, approved a constitutional amendment to Article XIII A of the California Constitution, commonly known as Proposition 13, which limits the taxing power of California public agencies. Legislation enacted by the California Legislature to implement Article XIII A (Statutes of 1978, Chapter 292, as amended) provides that notwithstanding any other law, local agencies may not levy any property tax except to pay debt service on indebtedness approved by voters prior to July 1, 1978, and that each County will levy the maximum tax permitted by Article XIII A of \$1 per \$100 of full cash value. Assessed value is equal to full cash value, pursuant to Senate Bill 1656, Statutes of 1978.

**Source:**

*Auditor-Controller/Treasurer-Tax Collector, County of Fresno*

**County of Fresno  
Principal Taxpayers  
June 30, 2020  
and June 30, 2011  
(amounts expressed in thousands)**

<b>Taxpayer</b>	<b>2020</b>			<b>2011</b>		
	<b>Assessed Value</b>	<b>Rank</b>	<b>% of Total County Assessed Value</b>	<b>Assessed Value</b>	<b>Rank</b>	<b>% of Total County Assessed Value</b>
Pacific Gas & Electric Co.	\$ 2,626,541	1	3.026	\$ 1,673,608	1	2.738
Southern California Edison Co.	556,968	2	0.642	389,489	3	0.637
Panoche Energy Center, LLC	254,400	3	0.293	589,250	2	0.964
Chevron USA, Inc.	248,391	4	0.286	328,000	4	0.537
AERA Energy, LLC	188,242	5	0.217	109,693	9	0.179
Gap, Inc.	154,145	6	0.178	201,213	5	0.329
Gallo E & J Winery	152,857	7	0.176	116,678	7	0.191
Macerich Fresno Limited Partnership	140,815	8	0.162	129,169	8	0.211
Pacific Bell Telephone Co.	118,530	9	0.137	169,328	6	0.277
RPI Fig Garden, LP	111,187	10	0.128	-	-	0.000
Atlantic Path 15 LLC	-	-	-	89,981	10	0.147
<b>Total</b>	<b>\$ 4,552,076</b>		<b>5.245</b>	<b>\$ 3,796,409</b>		<b>6.210</b>

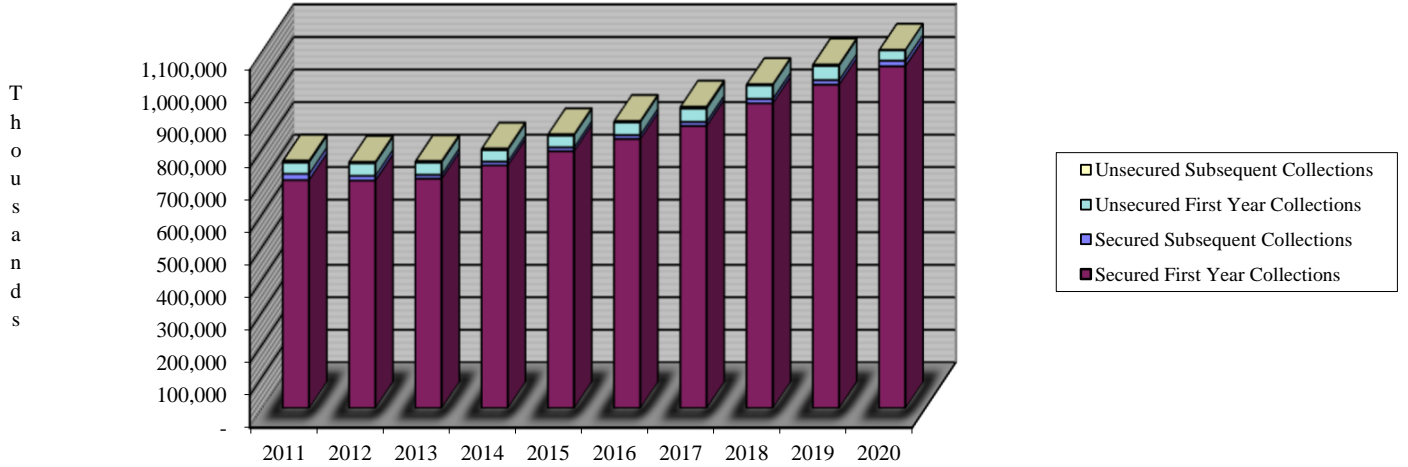
*Source: Auditor-Controller/Treasurer-Tax Collector, County of Fresno*

*Note: Percentages based on estimated property values of \$86,787,811 in 2020 and \$61,130,072 in 2011.*

**County of Fresno**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

Fiscal Year	Secured									Unsecured							
	Collections in Fiscal Year of Levy			Delinquency		Collection in Subsequent Years			Total Collection to Date	Collections in Fiscal Year of Levy			Delinquency		Collection in Subsequent Years		Total Collection to Date
	Tax Levies	Amount	Percent	Amount	Percent	Amount	Amount	Percent	Tax Levies	Amount	Percent	Amount	Percent	Amount	Amount	Percent	
2011	720,195	701,038	97.340	\$ 19,157	2.660	\$ 19,157	\$ 720,195	100.00%	\$ 39,345	\$ 34,355	87.317	\$ 4,990	12.683	\$ 4,990	\$ 39,345	100.00%	
2012	714,008	699,603	97.983	14,405	2.017	14,405	714,008	100.00%	41,579	39,028	93.865	2,551	6.135	2,551	41,579	100.00%	
2013	717,057	705,356	98.368	11,701	1.632	11,701	717,057	100.00%	41,027	37,482	91.359	3,545	8.641	3,545	41,027	100.00%	
2014	757,605	746,292	98.507	11,314	1.493	11,314	757,606	100.00%	38,947	35,944	92.290	3,003	7.710	3,003	38,947	100.00%	
2015	801,553	789,983	98.557	11,550	1.441	11,550	801,533	100.00%	38,950	36,263	93.101	2,687	6.899	2,687	38,950	100.00%	
2016	839,524	827,836	98.608	11,688	1.392	11,665	839,501	99.80%	41,729	38,931	93.295	2,799	6.708	2,793	41,724	99.80%	
2017	879,820	867,520	98.602	12,299	1.398	12,250	879,770	99.60%	45,719	40,764	89.162	4,955	10.838	4,935	45,699	99.60%	
2018	950,394	937,062	98.597	13,332	1.403	13,252	950,314	99.40%	44,286	41,949	94.723	2,337	5.277	2,323	44,272	99.40%	
2019	1,008,351	994,415	98.618	13,937	1.382	13,826	1,008,241	99.20%	46,957	43,515	92.670	3,342	7.117	3,315	46,830	99.20%	
2020	1,068,014	1,050,543	98.364	17,471	1.636	17,121	1,067,664	98.00%	50,925	48,611	95.456	2,314	4.544	2,268	50,879	98.00%	

**Property Tax Levies**



*Note: The above represents total collections made by the County of Fresno for all appropriate taxing units.*  
*Source: County of Fresno Tax Rate Book*

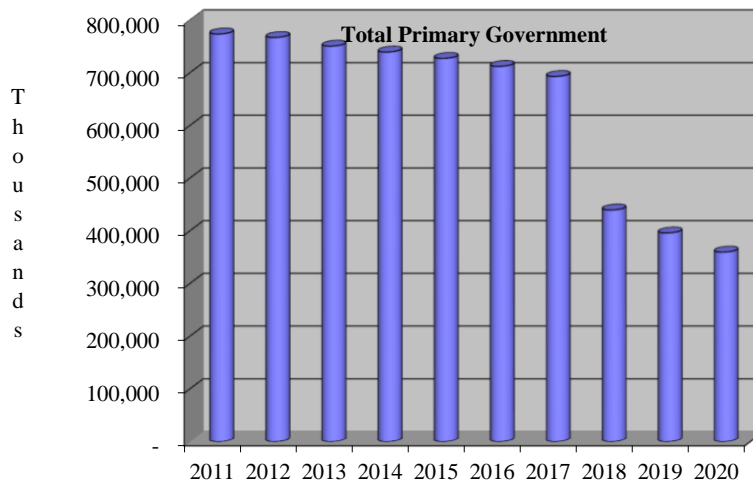
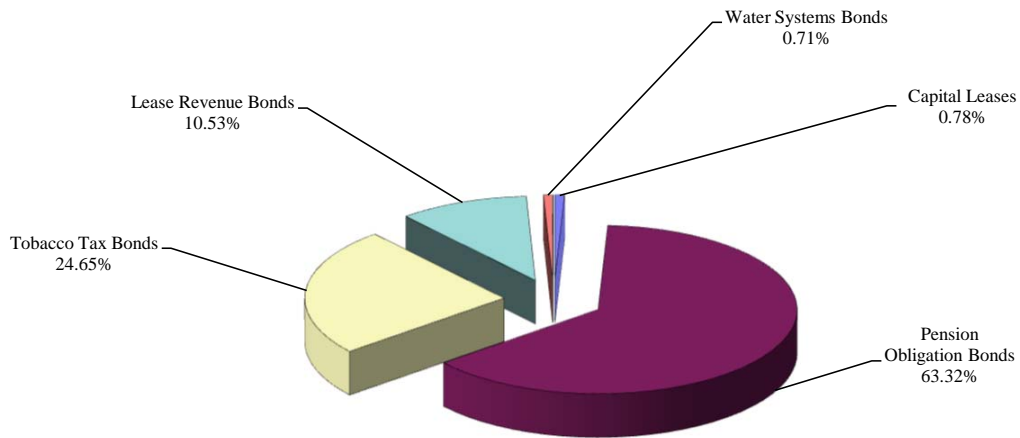
**County of Fresno**  
**Ratio of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands, except per capita)

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	Capital Lease	Pension Obligation Bonds	Tobacco Tax Bonds	Lease Revenue Bonds	Water Systems Bonds	Outstanding Loan	Capital Leases			
2011	\$ 3,817	\$ 548,951	\$ 133,789	\$ 82,667	\$ 4,200	\$ -	\$ -	\$ 773,424	2.60%	820
2012	4,601	543,387	136,041	78,704	4,060	-	-	766,793	2.34%	809
2013	4,066	536,085	134,397	71,924	3,910	-	-	750,382	2.20%	786
2014	4,521	527,007	136,575	67,214	3,750	80	-	739,147	2.14%	765
2015	5,461	516,073	139,591	62,304	3,580	75	-	727,084	NA	NA
2016	3,926	503,666	142,114	58,704	3,400	73	-	711,883	2.06%	737
2017	2,934	488,331	145,048	52,916	3,205	370	-	692,804	1.85%	711
2018	3,258	294,069	96,584	42,435	3,000	67	-	439,413	1.18%	451
2019	3,154	254,825	92,573	42,435	2,780	62	-	395,829	1.01%	404
2020	2,805	227,602	88,596	37,857	2,545	62	-	359,467	0.89%	364

**Note 1:** Accrual basis of accounting

<sup>a</sup> See Demographic and Economic Statistics schedule for personal income and population data. These ratios are calculated using personal income for the prior year.

**Outstanding Debt by Type for Fiscal Year 2020**



**County of Fresno**  
**Estimated Direct and Overlapping Bonded Debt**  
**June 30, 2020**  
**(amounts expressed in thousands)**

2019-20 Assessed Valuation:	\$ 86,787,811	(includes unitary utility valuation)		
<b>Overlapping Tax and Assessment Debt:</b>		<b>Total Debt 6/30/20</b>	<b>% Applicable (1)</b>	<b>Debt 6/30/20</b>
Merced Community College District School Facilities Improvement District No. 2		\$ 6,605	2.684%	\$ 177
State Center Community College District		155,670	83.256%	129,605
West Hills Community College District and School Facilities Improvement Districts		66,551	26.61-99.586%	36,979
Central Unified School District		151,668	100%	151,668
Clovis Unified School District		345,203	100%	345,203
Fresno Unified School District		541,355	100%	541,355
Kings Canyon Joint Unified School District		78,640	91.146%	71,677
Sanger Unified School District		174,284	100%	174,284
Other Unified School Districts		318,654	Various	280,515
High School and School Districts		54,077	Various	45,343
City of Selma		3,840	100%	3,840
Hospital Districts		22,290	100%	22,290
Coalinga-Huron Recreation and Park District		14,535	100%	14,535
California Statewide Community Development Authority				
Community Facilities District No. 2012-01		4,125	100%	4,125
City Community Facilities Districts		3,075	100%	3,075
1915 Act Bonds (Estimated)		5,371	100%	5,371
Total Overlapping Tax and Assessment Debt				<u>1,830,042</u>
<b>Overlapping Tax Increment Debt:</b>				
Successor Agencies		\$ 53,540	100%	<u>\$ 53,540</u>
<b>Direct and Overlapping General Fund Debt</b>				
Community College District General Fund Obligations		17,201	Various	7,819
Central Unified School District Certificates of Participation		30,948	100%	30,948
Clovis Unified School District General Fund Obligations		19,725	100%	19,725
Fresno Unified School District General Fund Obligations		13,385	100%	13,385
Sanger Unified School District Certificates of Participation		39,275	100%	39,275
Other School District General Fund Obligations		58,608	Various	37,819
City of Clovis General Fund Obligations		7,992	100%	7,992
City of Fresno General Fund Obligations		155,155	100%	155,155
City of Fresno Pension Obligation Bonds		107,555	100%	107,555
Other City General Fund Obligations		11,048	100%	11,048
Coalinga Regional Medical Center General Fund Obligations		3,990	100%	3,990
Clovis Memorial Water District General Fund Obligations		3,470	100%	3,470
Total Gross Overlapping General Fund Obligation Debt				<u>438,181</u>
Total Overlapping Tax and Assessment and General Fund Obligation Debt				<u>2,321,763</u>
<b>Direct General Fund Obligation Debt:</b>				
Fresno County General Fund Obligations		33,150	100%	33,150
Fresno County Pension Obligation Bonds		228,023	100%	228,023
Total Direct General Fund Obligation Debt				<u>261,173</u>
Total Gross Combined Overlapping and Direct Debt				<u>\$ 2,582,936</u> <sup>(2)</sup>
<b>Ratios to 2019-20 Assessed Valuation:</b>				
Total Overlapping Tax and Assessment Debt			2.11%	
Total Direct Debt (\$261,173)			0.30%	
Combined Total Debt			2.98%	
<b>Ratios to Redevelopment Incremental Valuation (\$6,041,749):</b>				
Total Overlapping Tax Increment Debt			0.89%	

(1) The percentage of overlapping debt applicable to the County is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the County divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on the principal amount due at maturity. Excludes tobacco bonds.

*Note:* Amounts from this report published on the 2018 & 2019 CAFRs were unrounded.

*Source:* California Municipal Statistics, Inc.



**County of Fresno**  
**Computation of Legal Debt Margin**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

Fiscal Year	Assessed Value	Debt Limit Percentage	Debt Limit	Amount of Debt Applicable to Limit			Legal Debt Margin
				Bonds Payable	Less Resources Restricted to Paying Principal	Total Net Debt Applicable to Limit	
2011	\$ 61,130,072	1.25%	\$ 764,126	\$ -	\$ -	\$ -	\$ 764,126
2012	61,419,373	1.25%	767,742	-	-	-	767,742
2013	61,467,876	1.25%	768,348	-	-	-	768,348
2014	64,551,867	1.25%	806,898	-	-	-	806,898
2015	68,250,658	1.25%	853,133	-	-	-	853,133
2016	71,088,316	1.25%	888,604	-	-	-	888,604
2017	74,433,783	1.25%	930,422	-	-	-	930,422
2018	78,382,939	1.25%	979,787	-	-	-	979,787
2019	82,396,517	1.25%	1,029,956	389,833	47,690	342,143	687,813
2020	86,787,811	1.25%	1,084,848	354,055	35,335	318,720	766,128

*Note:* California Government Code Section 29909 read in conjunction with Revenue and Taxation Code Section 135 imposes a legal debt limitation for General Obligation Bond indebtedness to 1.25 percent of total assessed value.

**County of Fresno**  
**General Bonded Debt Ratios**  
**Last Ten Fiscal Years**

Fiscal Year	Net General Bonded Debt per Capita*	Net General Bonded Debt to Assessed Value	General Debt Service to General Expenditures
2011	\$ 674.74	1.03%	3.31%
2012	657.80	1.01%	3.53%
2013	638.55	0.99%	4.15%
2014	624.12	0.92%	3.61%
2015	594.86	0.85%	3.61%
2016	543.52	0.75%	3.55%
2017	543.43	0.73%	3.51%
2018	514.02	0.66%	3.18%
2019	347.71	0.43%	3.38%
2020	345.97	0.41%	3.38%

\* Updated amounts based on the revised population estimates for 2020 from Department of Finance as released on July 1, 2020.

**County of Fresno  
Pledged Revenue Coverage  
For the Last Ten Fiscal Years**

**CSA 47 Water/Sewer Revenue Bonds**

Fiscal Year	Charges	Less: Operating	Net Available	Debt Service		Coverage
		Expenses	Revenue	Principal	Interest	
<b>2011</b>	\$ 1,160,367	\$ 678,852	\$ 481,515	\$ 135,000	\$ 284,989	115%
<b>2012</b>	1,211,528	796,012	415,516	140,000	276,395	100%
<b>2013</b>	1,235,362	816,663	418,699	150,000	266,995	100%
<b>2014</b>	1,285,578	866,263	419,315	160,000	256,610	101%
<b>2015</b>	1,326,035	823,055	502,980	170,000	245,555	121%
<b>2016</b>	1,321,276	821,220	500,056	180,000	233,830	121%
<b>2017</b>	1,379,703	834,824	544,879	195,000	221,268	131%
<b>2018</b>	1,315,000	899,000	416,000	205,000	207,868	101%
<b>2019</b>	1,697,000	882,000	815,000	220,000	193,630	197%
<b>2020</b>	1,697,142	1,034,570	662,572	235,000	178,388	160%

**County of Fresno  
Demographic and Economic Statistics  
For the Last Ten Calendar Years**

<b>Year</b>	<b>Population</b>	<b>Personal Income*</b>	<b>Per Capita Personal Income</b>	<b>Median Family Income</b>	<b>Unemployment Rate</b>
2011	936,089	\$ 29,741	\$ 31,542	\$ 54,700	16.77%
2012	943,493	32,729	34,539	55,500	15.27%
2013	952,166	34,041	35,635	54,600	14.87%
2014	964,040	34,567	35,785	57,900	10.40%
2015	972,297	N/A	N/A	N/A	9.30%
2016	984,541	34,567	35,785	58,900	9.40%
2017	995,975	37,360	38,323	59,900	8.30%
2018	1,007,229	39,295	40,101	59,900	7.60%
2019	1,018,241	40,583	41,137	64,800	7.40%
2020	1,023,358	42,843	43,084	70,700	14.50%

**Sources:** Population data provided by the California State Controller. Personal and Per Capita Personal Income data provided by the Bureau of Economic Analysis. Unemployment data provided by the California Employment Development Department. Median Family Income data provided by California Department of Housing and Community Development.

\* Personal Income amounts in thousands

**County of Fresno  
Principal Employers  
Comparison of 2020 and 2011**

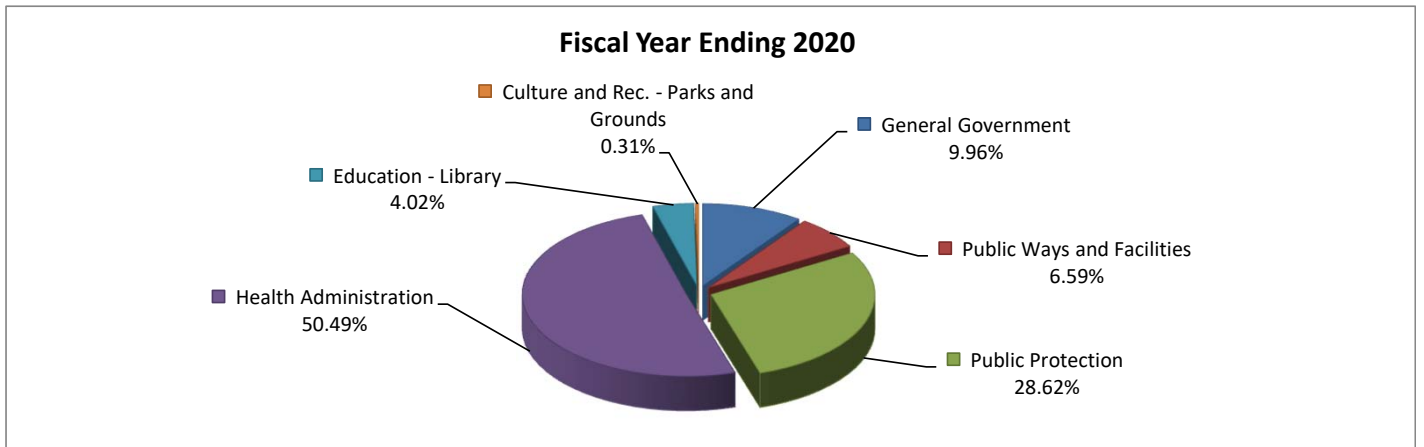
<u>Employer</u>	<u>2020</u>			<u>2011</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Fresno Unified School District	16,348	1	3.63%	11,500	1	2.65%
Community Medical Centers	8,600	2	1.91%	6,000	3	1.38%
County of Fresno	8,422	3	1.87%	6,500	2	1.50%
Clovis Unified School District	8,216	4	1.83%	3,370	5	0.78%
California State University Fresno	5,630	5	1.25%	1,671	9	0.38%
State Center Community College District	5,255	6	1.17%	-	-	0.00%
City of Fresno	4,609	7	1.02%	3,780	4	0.87%
Children's Hospital of Central CA	4,140	8	0.92%	-	-	0.00%
Saint Agnes Medical	2,800	9	0.62%	2,031	8	0.47%
Kaiser Permanente Medical	2,300	10	0.51%	2,603	6	0.60%
<b>Total</b>	<b><u>66,320</u></b>		<b><u>14.74%</u></b>	<b><u>40,783</u></b>		<b><u>9.39%</u></b>

*Source: The 2020 employee counts are obtained from various entity websites. The 2011 employee count was obtained from the 2011 County of Fresno Comprehensive Annual Financial Report.*

*Note: Percentages based on labor force of 450,000 in 2020 and 434,200 in 2011.*

**County of Fresno**  
**Employees by Function/Program**  
**Last Ten Fiscal Years**  
**Employees as of June 30**

<b>Function/Program</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>General Government</b>										
Administration	54	52	53	56	57	62	62	62	61	61
County Counsel	26	25	28	31	32	32	32	33	34	36
Finance	227	235	212	218	225	237	238	233	231	231
Internal Service	381	344	346	340	374	383	383	408	418	447
Other	23	23	24	25	27	28	30	32	32	32
<b>Total</b>	<b>711</b>	<b>679</b>	<b>663</b>	<b>670</b>	<b>715</b>	<b>742</b>	<b>745</b>	<b>768</b>	<b>776</b>	<b>807</b>
<b>Public Ways and Facilities</b>										
Planning	106	105	105	110	120	137	144	159	161	166
Roads	222	198	198	196	196	203	206	223	246	247
Community Development	19	14	14	13	11	11	10	10	10	9
Solid Waste	22	21	21	21	21	15	15	16	16	17
Other	81	83	82	83	88	93	93	93	95	95
<b>Total</b>	<b>450</b>	<b>421</b>	<b>420</b>	<b>423</b>	<b>436</b>	<b>459</b>	<b>468</b>	<b>501</b>	<b>528</b>	<b>534</b>
<b>Public Protection</b>										
Sheriff - Coroner	996	1,011	1,038	1,067	1,071	1,139	1,182	1,231	1,254	1,247
Probation	514	544	546	572	585	639	641	650	659	660
District Attorney	228	222	238	256	254	260	255	247	252	249
Public Defender	82	79	84	88	105	111	112	120	144	162
<b>Total</b>	<b>1,820</b>	<b>1,856</b>	<b>1,906</b>	<b>1,983</b>	<b>2,015</b>	<b>2,149</b>	<b>2,190</b>	<b>2,248</b>	<b>2,309</b>	<b>2,318</b>
<b>Health Administration</b>										
Child and Family Services	232	232	231	239	239	239	239	224	224	278
Adult Services	484	514	514	542	542	584	584	616	641	742
Social Services	2,160	2,182	2,320	2,452	2,457	2,559	2,600	2,643	2,639	2,642
Community Health	438	467	481	368	368	394	394	404	405	409
In-Home Supportive Services	7	7	7	7	7	12	12	12	12	12
Veterans Services	5	5	5	5	6	6	7	7	7	7
<b>Total</b>	<b>3,329</b>	<b>3,410</b>	<b>3,560</b>	<b>3,613</b>	<b>3,619</b>	<b>3,794</b>	<b>3,836</b>	<b>3,906</b>	<b>3,928</b>	<b>4,090</b>
<b>Education - Library</b>										
	291	293	292	314	316	326	329	326	326	326
<b>Culture and Rec. - Parks and Grounds</b>										
	26	20	16	17	19	24	24	24	24	25
<b>Grand Total</b>	<b>6,627</b>	<b>6,679</b>	<b>6,857</b>	<b>7,020</b>	<b>7,120</b>	<b>7,494</b>	<b>7,592</b>	<b>7,773</b>	<b>7,891</b>	<b>8,100</b>



Source: 2020-2021 Recommended Budget

**County of Fresno**  
**Operating Indicators by Function/Program**  
**For the Last Ten Fiscal Years**

<b>Function/Program</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Public protection</b>										
<i>Child Support Services</i>										
Number of child support cases opened	62,175	60,115	58,444	56,755	57,388	58,556	59,934	60,152	59,943	58,992
Child support collected (in thousands)	\$ 82,918	\$ 83,681	\$ 82,529	\$ 82,525	\$ 85,345	\$ 86,430	\$ 88,016	\$ 90,658	\$ 92,071	\$ 108,960
<hr/>										
<i>Sheriff</i>										
Zone offices	4	4	4	4	4	4	4	4	4	4
Patrol units	186	249	240	242	237	281	280	263	294	304
Dispatched calls	204,542	199,408	215,403	188,672	115,649	109,997	101,022	96,365	92,945	107,276
Physical arrests	7,789	9,299	7,954	7,171	4,658	4,985	6,338	4,978	4,888	3,979
Traffic citations	1,315	1,077	737	917	959	995	834	760	700	521
Stolen vehicles	1,020	899	997	770	644	809	711	695	779	799
Jail bookings	40,794	40,025	41,696	44,321	34,245	29,693	29,350	30,358	30,256	25,422
Avg. daily jail population	1,661	1,810	2,867	2,978	2,725	2,748	2,849	3,030	3,046	2,837
<hr/>										
<b>Public ways and facilities</b>										
Street miles maintained	3,524	3,519	3,517	3,516	3,508	3,507	3,505	3,496	3,488	3,485
<hr/>										
<b>Health, sanitation, and public assistance</b>										
<i>Emergency Medical Services (EMS)</i>										
Number of 9-1-1 medical calls	96,030	107,235	107,039	101,982	111,501	122,868	130,451	135,237	136,445	144,040
<hr/>										
<i>Department of Social Services</i>										
Number of client months served	6,854,629	6,966,161	7,032,774	7,336,435	8,147,153	8,688,471	8,571,695	8,305,266	8,695,715	8,903,966
<hr/>										
<b>Education</b>										
<i>Library</i>										
Number of branches	35	35	35	35	39	39	39	39	37	37
Number of volumes	3,104,381	3,698,458	3,656,593	2,188,608	2,357,614	982,245	982,245	750,420	734,929	671,985
Volumes borrowed	3,874,259	3,989,774	3,844,412	4,216,039	4,175,236	3,882,699	3,508,508	3,295,783	2,547,469	1,893,902
<hr/>										
<b>Culture and recreation</b>										
<i>Parks and Grounds</i>										
Acreage	2,120	2,120	2,120	2,000	1,089	1,089	1,409	1,290	1,578	1,578
Park passes issued	112	166	193	106	18	20	20	91	265	232

**Sources:** Various county departments

**Note 1:** The County's Resource Division had revised the total acreage data during 2011 based on re-mapping of the parks for all periods presented above.

**Note 2:** The County's Department of Social Services had corrected their service description to client months served during 2013 for all periods presented above.

THIS PAGE INTENTIONALLY BLANK

## **Glossary**



## **County of Fresno**

### **Glossary for the Comprehensive Annual Financial Report**

**ACCOUNTS PAYABLE.** A short-term liability account reflecting amounts owed to private persons or organizations for goods and services received by a government (but not including amounts due to other funds or other governments).

**ACCOUNTS RECEIVABLE.** An asset account reflecting amounts due from private persons or organizations for goods and services furnished by a government (but not including amounts due from other funds or other governments).

**ACCRUAL BASIS OF ACCOUNTING.** The recording of the financial effects on a government of transactions and other events and circumstances that have cash consequences for the government in the periods in which those transactions, events, and circumstances occur, rather than only in the periods in which cash is received or paid by the government.

**ACCUMULATED DEPRECIATION.** A contra-asset account used to report the accumulation of periodic credits to reflect the expiration of the estimated service life of capital assets.

**ACTIVE EMPLOYEES.** Individuals employed at the end of the reporting or measurement period, as applicable.

**ACTUARIAL VALUATION.** The determination, as of a point in time (the actuarial valuation date), of the service cost, total pension liability, and related actuarial present value of projected benefit payments for pensions performed in conformity with Actuarial Standards of Practice unless otherwise specified by the GASB.

**ACTUARIAL VALUATION DATE.** The date as of which an actuarial valuation is performed.

**ACTUARIALLY DETERMINED CONTRIBUTION.** A target or recommended contribution to a defined benefit pension plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

**ADVANCE FROM OTHER FUNDS.** A liability account used to record noncurrent portions of a long-term loan from one fund to another fund within the same reporting entity. See DUE TO OTHER FUNDS and INTERFUND RECEIVABLE/PAYABLE.

**ADVANCE TO OTHER FUNDS.** An asset account used to record noncurrent portions of a long-term loan from one fund to another fund within the same reporting entity. See DUE FROM OTHER FUNDS and INTERFUND RECEIVABLE/PAYABLE.

**AGENCY FUND.** A fund normally used to account for assets held by a government as an agent for individuals, private organizations, or other governments and/or other funds.

**AGENT MULTIPLE-EMPLOYER PLAN.** Group of single-employer plans with pooled administrative and investment functions but separate actuarial valuations and contribution rates.

**AMORTIZATION.** The portion of the cost of a limited-life or intangible asset charged as an expense during a particular period. The reduction of debt by regular payments of principal and interest sufficient to retire the debt by maturity.

**ANNUAL OPEB COST.** An accrual-basis measure of the periodic cost of an employer's participation in a defined other postemployment benefit (OPEB) plan.

**ANNUAL REQUIRED CONTRIBUTIONS (ARC).** Term used in connection with other postemployment benefit plans to describe the amount an employer must contribute in a given year.

## **County of Fresno**

### **Glossary for the Comprehensive Annual Financial Report**

**APPROPRIATION.** A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation usually is limited in amount and time it may be expended.

**ASSESSED VALUATION.** A valuation set upon real estate or other property by a government as a basis for levying taxes.

**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.

**AUDITOR'S REPORT.** In the context of a financial audit, a statement by the auditor describing the scope of the audit and the auditing standards applied in the examination, and setting forth the auditor's opinion on the fairness of presentation of the financial information in conformity with GAAP or some other comprehensive basis of accounting.

**BALANCE SHEET.** The financial statement disclosing the assets, liabilities and equity of an entity at a specified date in conformity with Generally Accepted Accounting Principles (GAAP).

**BASIC FINANCIAL STATEMENTS (BFS).** The minimum combination of financial statements and note disclosures required for fair presentation in conformity with GAAP. Basic financial statements have three components: government-wide financial statements, fund financial statements, and notes to the financial statements.

**BASIS OF ACCOUNTING.** A term used to refer to *when* revenues, expenditures, expenses, and transfers - and the related assets and liabilities - are recognized in the accounts and reported in the financial statements. Specifically, it relates to the *timing* of the measurements made, regardless of the nature of the measurement, on either the cash or the accrual basis.

**BUDGET.** A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. The term "budget" is used in two senses in practice. Sometimes it designates the financial plan presented to the appropriating governing body for adoption, and sometimes, the plan finally approved by that body.

**BUDGETARY CONTROL.** The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.

**BUSINESS-TYPE ACTIVITIES.** One of two classes of activities reported in the government-wide financial statements. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services. These activities are usually reported in enterprise funds.

**CAPITAL ASSETS.** Long-lived tangible assets obtained or controlled as a result of past transactions, events or circumstances. Capital assets include buildings, equipment, and improvements other than buildings, land, intangible assets, and infrastructure. In the private sector, these assets are referred to most often as property, plant and equipment, and intangible assets.

**CAPITAL EXPENDITURES.** Expenditures resulting in the acquisition of or addition to the government's general capital assets.

**CAPITALIZATION POLICY.** The criteria used by a government to determine which outlays should be reported as capital assets.

**CAPITAL LEASE.** An agreement that conveys the right to use property, plant, or equipment, usually for a stated period of time. See LEASE-PURCHASE AGREEMENTS.

## **County of Fresno**

### **Glossary for the Comprehensive Annual Financial Report**

**CAPITAL PROJECTS FUND.** A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

**CASH BASIS OF ACCOUNTING.** A basis of accounting under which transactions are recognized only when cash is received or disbursed.

**CASH WITH FISCAL AGENT.** An asset account reflecting deposits with fiscal agents, such as commercial banks, for the payment of bond principal and interest.

**CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING PROGRAM.** A voluntary program administered by the Government Finance Officers Association (GFOA) to encourage governments to publish efficiently organized and easily readable CAFR's and to provide technical assistance and peer recognition to the finance officers preparing them.

**CHANGE IN THE FAIR VALUE OF INVESTMENTS.** The difference between the fair value of investments at the beginning of the year and at the end of the year, taking into consideration investment purchases, sales, and redemptions.

**CLAIM.** A demand for payment of damages or a policy benefit because of the occurrence of an event, such as the destruction or damage of property and related deaths or injuries.

**CLOSED AMORTIZATION PERIOD.** Term used in connection with the unfunded actuarial accrued liability associated with defined benefit pension and other postemployment benefit plans. A specific number of years that is counted from one date and, therefore, declines to zero with the passage of time. For example, if the amortization period is initially 30 years on a closed basis, 29 years remain after the first year, 28 years after the second year, and so forth.

**COLLECTIVE DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS.** Deferred outflows of resources and deferred inflows of resources related to pensions arising from certain changes in the collective net pension liability.

**COLLECTIVE NET PENSION LIABILITY.** The net pension liability for benefits provided through (1) a cost-sharing pension plan or (2) a single-employer or agent pension plan in circumstances in which there is a special funding situation.

**COLLECTIVE PENSION EXPENSE.** Pension expense arising from certain changes in the collective net pension liability.

**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.

**COMPENSATED ABSENCES.** Absences, such as vacations, illness and holidays, for which it is expected employees will be paid. The term does not encompass severance or termination pay, postretirement benefits, deferred compensation or other long-term fringe benefits, such as group insurance, and long-term disability pay.

**COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR).** A financial report that encompasses all funds and component units of the government. The CAFR should contain (a) the basic financial statements and required supplementary information, (b) combining statements to support columns in the basic financial statements that aggregate information from more than one fund or component unit, and (c) individual fund statements as needed. The CAFR is the governmental unit's official annual report and also should contain introductory information, schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, and statistical data.

**CONTINGENT LIABILITY.** Items that may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending lawsuits, judgments under appeal, unsettled disputed claims, unfilled purchase orders and uncompleted contracts. Contingent liabilities should be disclosed within the financial statements (including the notes) when there is a reasonable possibility a loss may have been incurred. Guarantees, however, should be disclosed even though the possibility of loss may be remote.

## **County of Fresno**

### **Glossary for the Comprehensive Annual Financial Report**

**CONTRIBUTION DEFICIENCIES.** The difference between the annual required contributions (ARC) of the employer(s), and the employer's actual contributions in relation to the ARC.

**CONTRIBUTIONS.** Additions to a pension plan's fiduciary net position for amounts from employers, non-employer contributing entities (for example, state government contributions to a local government pension plan), or employees. Contributions can result from cash receipts by the pension plan or from recognition by the pension plan of a receivable from one of these sources.

**COST-OF-LIVING ADJUSTMENTS.** Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.

**COST-SHARING MULTIPLE-EMPLOYER PLAN.** A single plan with pooling (cost-sharing) arrangements for the participating employers. All risks, rewards, and costs, including benefit costs, are shared and are not attributed individually to the employers. A single actuarial valuation covers all plan members and the same contribution rate(s) applies for each employer.

**COVERED PAYROLL.** Term used in connection with defined benefit pension and other postemployment benefit plans to describe all elements of annual compensation paid to active employees on which contributions to a plan are based.

**CREDIT RISK.** The risk that an issuer or other counterparty to an investment will not fulfill its obligations.

**CURRENT FINANCIAL RESOURCES MEASUREMENT FOCUS.** Measurement focus according to which the aim of a set of financial statements is to report the near-term (current) inflows of resources, outflows of resources, and balances of expendable (spendable) financial resources. The current financial resources measurement focus is unique to accounting and financial reporting for state and local governments and is used solely for reporting the financial position and results of operations of governmental funds.

**DEBT.** An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds, time warrants, and notes.

**DEBT SERVICE FUND.** A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

**DEFERRED CHARGES.** Expenditures that are not chargeable to the fiscal period in which they were made that are carried as an asset on the balance sheet, pending amortization or other disposition (e.g., bond issuance costs). Deferred charges differ from prepaid items in that they usually extend over a long period of time (more than five years) and are not regularly recurring costs of operation.

**DEFERRED INFLOWS OF RESOURCES.** An acquisition of net position by the government that is applicable to a future reporting period.

**DEFERRED OUTFLOWS OF RESOURCES.** A consumption of net position by the government that is applicable to a future reporting period.

**DEFICIT.** (1) The excess of the liabilities of a fund over its assets. (2) The excess of expenditures over revenues during an accounting period or, in the case of proprietary funds, the excess of expenses over revenues during an accounting period.

**DEFINED BENEFIT OPEB PLAN.** Plan having terms that specify the amount of benefits to be provided at or after separation from employment. The benefits may be specified in dollars (for example, a flat dollar payment or an amount based on one or more factors such as age, years of service, and compensation), or as a type or level of coverage (for example, prescription drugs or a percentage of healthcare insurance premiums).

## County of Fresno

### Glossary for the Comprehensive Annual Financial Report

**DEFINED BENEFIT PENSION PLAN.** A pension plan having terms that specify the amount of pension benefits to be provided at a future date or after a certain period of time; the amount specified usually is a function of one or more factors such as age, years of service, and compensation.

**DEPRECIATION.** (1) Expiration in the service life of capital assets, other than wasting assets, attributable to wear and tear, deterioration, action of the physical elements, inadequacy and obsolescence. (2) The portion of the cost of a capital asset, other than a wasting asset, charged as an expense during a particular period. In accounting for depreciation, the cost of a capital asset, less any salvage value, is prorated over the estimated service life of such an asset, and each period is charged with a portion of such cost. Through this process, the entire cost of the asset is ultimately charged off as an expense.

**DISCOUNT RATE.** The single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following:

1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension plan's fiduciary net position is projected to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term expected rate of return, calculated using the long-term expected rate of return on pension plan investments.
2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.

**DUE FROM OTHER FUNDS.** An asset account used to indicate amounts owed to a particular fund by another fund for goods sold or services rendered. This account includes only short-term obligations on open account, not interfund loans.

**DUE TO OTHER FUNDS.** A liability account reflecting amounts owed by a particular fund to another fund for goods sold or services rendered. These amounts include only short-term obligations on open account, not interfund loans.

**ECONOMIC RESOURCES MEASUREMENT FOCUS.** Measurement focus under which the aim of a set of financial statements is to report all inflows of resources, outflows of resources, and balances affecting or reflecting an entity's net position. The economic resources measurement focus is used for proprietary and fiduciary funds, as well as for government-wide financial reporting. It is also used by business enterprises in the private sector.

**EMPLOYER'S CONTRIBUTIONS.** Term used in the context of pension and other postemployment benefits to describe contributions actually made by the employer in relation to the annual required contribution (ARC) of the employer. (Only amounts paid to trustees and outside parties qualify.)

**ENCUMBRANCES.** Commitments related to unperformed (executory) contracts for goods or services. Used in budgeting, encumbrances are not generally accepted accounting principles (GAAP) expenditures or liabilities, but represent the estimated amount of expenditures ultimately to result if unperformed contracts in process are completed.

**ENTERPRISE FUND.** Proprietary fund type used to report an activity for which a fee is charged to external users for goods and services.

**ENTRY AGE ACTUARIAL COST METHOD.** A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the actuarial accrued liability.

**EXCHANGE-LIKE TRANSACTION.** Transaction in which there is an identifiable exchange between the reporting government and another party, but the values exchanged may not be quite equal or the direct benefits of the exchange may not be exclusively for the parties to the exchange.

## County of Fresno Glossary for the Comprehensive Annual Financial Report

**EXPENDITURES.** Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of current net position, debt service and capital outlays, and intergovernmental grants, entitlements and shared revenues.

**EXPENDITURE-DRIVEN GRANTS.** Government-mandated or voluntary non-exchange transactions in which expenditure is the prime factor for determining eligibility. Also referred to as reimbursement grants.

**EXPENSES.** Outflows of resources or other using up of assets or incurrence of liabilities (or a combination of both) from delivering or producing goods, rendering services or carrying out other activities that constitute the entity's ongoing major or central operations.

**EXTERNAL AUDITORS.** Independent auditors typically engaged to conduct an audit of a government's financial statements.

**EXTERNAL INVESTMENT POOL.** An arrangement that commingles (pools) the moneys of more than one legally separate entity and invests, on the participants' behalf, in an investment portfolio; one or more of the participants is not part of the sponsors reporting entity. An external investment pool can be sponsored by an individual government, jointly by more than one government, or by a nongovernmental entity. An investment pool that is sponsored by an individual state or local government is an external investment pool if it includes participation by a legally separate entity that is not part of the same reporting entity as the sponsoring government. If a government-sponsored pool includes only the primary government and its component units, it is an internal investment pool and not an external investment pool.

**FAIR VALUE.** The amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**FIDUCIARY FUNDS.** The trust and agency funds used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other government units and/or other funds.

**FINANCIAL RESOURCES.** Resources that are or will become available for spending. Financial resources include cash and resources ordinarily expected to be converted to cash (e.g., receivables, investments). Financial resources may also include inventories and pre-paids (because they obviate the need to expend current available resources).

**FISCAL AGENT.** A fiduciary agent, usually a bank or county treasurer, who performs the function of paying debt principal and interest when due.

**FUND.** A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions or limitations.

**FUND BALANCE.** Net position of a governmental fund (difference between assets, liabilities, deferred outflows of resources, and deferred inflows of resources).

**FUND FINANCIAL STATEMENTS.** Basic financial statements presented on the basis of funds. Term used in contrast with *government-wide financial statements*.

**FUND TYPE.** Any one of seven categories into which all funds are classified in governmental accounting. The seven fund types are: general, special revenue, debt service, capital projects, enterprise, internal service, and trust and agency.

**GENERAL FUND.** The general fund is one of five governmental fund types and typically serves as the chief operating fund of the government. The general fund is used to account for all financial resources except those required to be accounted for in another fund.

## **County of Fresno**

### **Glossary for the Comprehensive Annual Financial Report**

**GENERAL REVENUES.** All revenues that are not required to be reported as program revenues. All taxes, even those that are levied for a specific purpose, are general revenues and should be reported by type of tax - for example, property tax, sales tax, transient occupancy tax. All other nontax revenues (including interest, grants and contributions) that do not meet the criteria to be reported as program revenues should also be reported as general revenues.

**GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP).** The convention, rules, and procedures that serve as the norm for the fair presentation of financial statements. The various sources of GAAP for the state and local governments are set forth by SAS No. 69, *The Meaning of "Present Fairly in Conformity with Generally Accepted Accounting Principles"* in the Independent Auditor's Report.

**GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA).** An association of public finance professionals founded in 1906 as the Municipal Finance Officers Association. The GFOA has played a major role in the development and promotion of GAAP for state and local governments since its inception and has sponsored the Certificate of Achievement for Excellence in Financial Reporting Program since 1946.

**GOVERNMENTAL ACCOUNTING.** The composite activity of analyzing, recording, summarizing, reporting and interpreting the financial transactions of governments.

**GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB).** The ultimate authoritative accounting and financial reporting standard-setting body for state and local governments. The GASB was established in June 1984 to replace the National Council on Governmental Accounting (NCGA).

**GOVERNMENTAL ACTIVITIES.** Activities generally financed through taxes, intergovernmental revenues, and other non-exchange revenues. These activities are usually reported in governmental funds and internal service funds.

**GOVERNMENTAL FUNDS.** Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS.** Financial statements that incorporate all of a government's governmental and business-type activities, as well as its non-fiduciary component units. There are two basic government-wide financial statements: the statement of net position and the statement of activities. Both basic governmental financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

**IMPROVEMENT.** An addition made to, or change made in, a capital asset, other than maintenance, to prolong its life or to increase its efficiency or capacity. The cost of the addition or change is added to the book value of the asset.

**INACTIVE EMPLOYEES.** Terminated individuals that have accumulated benefits but are not yet receiving them, and retirees or their beneficiaries currently receiving benefits.

**INDIRECT EXPENSES.** Expenses that cannot be specifically associated with a given service, program, or department and thus, cannot be clearly associated with a particular functional category.

**INFRASTRUCTURE.** Long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems.

**INTERFUND RECEIVABLE/PAYABLE.** Short-term loans made by one fund to another fund or the current portion of an advance to or from another fund.

## **County of Fresno**

### **Glossary for the Comprehensive Annual Financial Report**

**INTERFUND TRANSFERS.** Flow of assets (such as cash or goods) between funds and blended component units of the primary government without equivalent flows of assets in return and without a requirement for payment.

**INTERNAL SERVICE FUND.** A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis.

**JOINT VENTURE.** A legal entity or other contractual arrangement in which a government participates as a separate and specific activity for the benefit of the public or service recipients and in which the government retains an ongoing financial interest.

**LAPSE.** As applied to appropriations, the automatic termination of an appropriation. Except for indeterminate appropriations and continuing appropriations, an appropriation is made for a certain period of time. At the end of this period, any unexpended or unencumbered balance thereof lapses, unless otherwise provided by law.

**LEASE-PURCHASE AGREEMENTS.** Contractual agreements that are termed leases, but that in substance are purchase contracts.

**LEGAL LEVEL OF BUDGETARY CONTROL.** The level at which spending in excess of budgeted amounts would be a violation of law.

**LEVEL OF BUDGETARY CONTROL.** The level at which a government's management may not reallocate resources without special approval from the legislative body.

**LEVEL PERCENTAGE OF PROJECTED PAYROLL AMORTIZATION METHOD.** Amortization payments are calculated so that they are a constant percentage of the projected payroll of active plan members over a given number of years. The dollar amount of the payments generally will increase over time as payroll increases due to inflation; in dollars adjusted for inflation, the payments can be expected to remain level.

**LIABILITIES.** Probable future sacrifices of economic benefits, arising from present obligations of a particular entity to transfer assets or provide services to other entities in the future as a result of past transactions or events.

**LOANS RECEIVABLE.** An asset account reflecting amounts loaned to individuals or organizations external to a government, including notes taken as security for such loans. Loans to other funds and governments should be recorded and reported separately.

**MAJOR FUND.** A governmental fund or enterprise fund reported as a separate column in the basic fund financial statements. The general fund is always a major fund. Otherwise, major funds are those whose revenues/expenditures, assets or liabilities, are at least 10 percent of corresponding totals for all government or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same items. Any other government or enterprise fund may be reported as a major fund if the government's officials believe that fund is particularly important to financial statement users.

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A).** A component of required supplementary information used to introduce the basic financial statements and to provide an analytical overview of the government's financial activities.

**MEASUREMENT FOCUS.** A way of presenting an entity's financial performance and position by considering which *resources* are measured (financial or economic) and *when* the effects of transactions or events involving those resources are recognized (the basis of accounting). The measurement focus of government-wide financial statements, proprietary fund financial statements, and fiduciary fund financial statements is economic resources. The measurement focus of governmental fund financial statements is current financial resources.

**MEASUREMENT PERIOD.** The period between the prior and the current measurement dates.



## **County of Fresno**

### **Glossary for the Comprehensive Annual Financial Report**

**MODIFIED ACCRUAL BASIS OF ACCOUNTING.** The accrual basis of accounting adapted to the governmental fund-type measurement focus. Under it, revenues and other financial resource increments (e.g., bond issue proceeds) are recognized when they become susceptible to accrual; that is, when they become both "measurable" and "available to finance expenditures of the current period." "Available" means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, expenditures are recognized when the fund liability is incurred. All governmental funds, expendable trust funds and agency funds are accounted for using the modified accrual basis of accounting.

**NET INVESTMENT IN CAPITAL ASSETS.** One of three components of net position that must be reported in both government-wide and proprietary fund financial statements. It consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings attributable to the acquisition, construction, or improvements of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets or related debt should also be included. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included.

**NET OPEB OBLIGATION.** In the context of defined benefit pension and Other Postemployment Benefit (OPEB) plans, the cumulative difference between annual pension cost and the employer's contributions to the plan, including the pension/OPEB liability (asset) at transition, if any, and excluding (a) short-term differences and (b) unpaid contributions that have been converted to pension-related/OPEB-related debt.

**NET PENSION LIABILITY.** The liability of employers and non-employer contributing entities to employees for benefits provided through a defined benefit pension plan.

**NET POSITION.** The residual of all other elements presented in a statement of financial position. It is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources.

**NONSPENDABLE FUND BALANCE.** The portion of fund balance of a governmental fund that cannot be spent either because the underlying resources are not in spendable form or because the government is legally or contractually required to maintain the resources intact.

**OPERATING LEASE.** A lease does not transfer ownership rights, risks, and rewards from the lessor to the lessee; the lease is called an operational lease and is similar to a rental.

**OTHER FINANCING SOURCES.** An increase in current financial resources that is reported separately from revenues to avoid distorting revenue trends. The use of the other financing sources category is limited to items classified by GAAP.

**OTHER FINANCING USES.** A decrease in current financial resources that is reported separately from expenditures to avoid distorting expenditure trends. The use of the other financing uses category is limited to items so classified by GAAP.

**OTHER POSTEMPLOYMENT BENEFITS (OPEB).** Medical, dental, vision, and other health-related benefits provided to terminated employees, retired employees, dependents, and beneficiaries.

**OVERLAPPING DEBT.** The proportionate share property within which each government must bear of the debts of all local governments located wholly or in part within the geographic boundaries of the reporting government. Except for special assessment debt, the amount of debt of each unit applicable to the reporting unit is arrived at by (1) determining what percentage of the total assessed value of the overlapping jurisdiction lies within the limits of the reporting unit, and (2) applying this percentage to the total debt of the overlapping jurisdiction. Special assessment debt is allocated on the basis of the ratio of assessment receivable in each jurisdiction, which will be used wholly or in part to pay off the debt, to total assessments, which will be used wholly or in part for this purpose.

**PAY-AS-YOU-GO.** A method of financing a pension plan under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments and expenses becoming due.

## **County of Fresno**

### **Glossary for the Comprehensive Annual Financial Report**

**PAYROLL GROWTH RATE.** An actuarial assumption with respect to future increases in total covered payroll attributable to inflation; used in applying the level percentage of projected payroll amortization method.

**PENSION BENEFITS.** Retirement income and all other benefits, including disability benefits, death benefits, life insurance, and other ancillary benefits, except healthcare benefits, that are provided through a defined benefit pension plan to plan members and beneficiaries after termination of employment or after retirement. Postemployment healthcare benefits are considered other postemployment benefits, whether they are provided through a defined benefit pension plan or another type of plan.

**PENSION PLANS.** Arrangements through which pensions are determined, assets dedicated for pensions are accumulated and managed, and benefits are paid as they come due.

**PLAN MEMBERS.** Individuals that are covered under the terms of a pension plan. Plan members generally include (a) employees in active service (active plan members) and (b) terminated employees who have accumulated benefits but are not yet receiving them and retirees or their beneficiaries currently receiving benefits (inactive plan members).

**POSTEMPLOYMENT.** Period following termination of employment, including the time between termination and retirement postemployment healthcare benefits.

**PROGRAM REVENUES.** Term used in connection with the government-wide statement of activities. Revenues that derive directly from the program itself or from parties outside the reporting government's taxpayers or citizenry, as a whole; they reduce the net cost of the function to be financed from the government's general revenues.

**PROJECTED BENEFIT PAYMENTS.** All benefits estimated to be payable through the pension plan to current active and inactive employees as a result of their past service and their expected future service.

**PROPRIETARY FUNDS.** Funds that focus on the determination of operating income, changes in net position (or cost recovery), financial positions, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

**REAL RATE OF RETURN.** The rate of return on an investment after adjustment to eliminate inflation.

**REBATABLE ARBITRAGE.** A term used in connection with the reinvestment of the proceeds of tax-exempt debt. A requirement to remit to the federal government interest revenue in excess of interest costs when the proceeds from the sale of tax-exempt securities are reinvested in a taxable money market instrument with a materially higher yield.

**REPORTING ENTITY.** The oversight unit and all of its component units, if any, that are combined in the CAFR/BFS.

**REQUIRED SUPPLEMENTARY INFORMATION.** Consists of statements, schedules, statistical data, or other information which, according to the GASB, is necessary to supplement, although not required to be a part of the basic financial statements.

**RESTRICTED ASSETS.** Assets whose use is subject to constraints that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

**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.

## **County of Fresno**

### **Glossary for the Comprehensive Annual Financial Report**

**RESTRICTED NET POSITION.** One of three components of net position that must be reported in both government-wide and proprietary fund financial statements. It consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability or deferred inflow of resources relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability/deferred inflow of resources or if the liability will be liquidated with the restricted assets reported.

**RETAINED EARNINGS.** An equity account reflecting the accumulated earnings of an enterprise fund or internal service fund.

**REVENUE BONDS.** Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

**RISK MANAGEMENT.** All the ways and means used to avoid accidental loss or to reduce its consequences if it does occur.

**SELF-INSURANCE.** A term often used to describe the retention by an entity of a risk of loss arising out of the ownership of property or from some other cause, instead of transferring the risk to an independent third party through the purchase of an insurance policy. It is sometimes accompanied by the setting aside of assets to fund any related losses. Because no insurance is involved, the term self-insurance is a misnomer.

**SERVICE LIFE.** The average remaining years of service of all members of the plan (both current employees and retirees).

**SINGLE AUDIT.** An audit performed in accordance with the Single Audit Act of 1997 and the United States' Office of Management and Budget's (OMB) Circular A-133, *Audits of State and Local Governments and Non-Profit Organizations*. The Single Audit Act allows or requires governments (depending on the amount of federal assistance received) to have one audit performed to meet the needs of all federal agencies.

**SPECIAL DISTRICT.** An independent unit of local government organized to perform a single government function or a restricted number of related functions. Special districts usually have the power to incur debt and levy taxes; however, certain types of special districts are entirely dependent upon enterprise earnings and cannot impose taxes. Examples of special districts are water districts, drainage districts, flood control districts, hospital districts, fire protection districts, transit authorities, port authorities, and electric power authorities.

**SPECIAL REVENUE FUND.** A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

**STATEMENT OF NET POSITION.** A financial statement reporting all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. This statement reports the residual amount of all assets, deferred outflows of resources, liabilities, deferred inflows of resources as net position.

**SUBSTANTIVE PLAN.** Terms of a other postemployment benefits (OPEB) plan as understood by the employer(s) and plan members.

**TAX AND REVENUE ANTICIPATION NOTES (TRANS).** Notes issued in anticipation of the collection of taxes and revenues, usually retired only from tax collections, and frequently only from the proceeds of the tax and revenues levy whose collection they anticipate.

**TERMINATION BENEFITS.** Inducements offered by employers to active employees to hasten the termination of services, or payments made in consequence of the early termination of services. Termination benefits include early-retirement incentives, severance benefits, and other termination-related benefits.

**TOTAL PENSION LIABILITY.** The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service.

**County of Fresno**  
**Glossary for the Comprehensive Annual Financial Report**

**TRUST FUNDS.** Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments and/or other 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.

**UNEARNED REVENUES.** Resource inflows that do not yet meet the criteria for revenue recognition. In governmental funds, earned amounts also are reported as unearned revenue until they are available to liquidate liabilities of the current period.

**UNMODIFIED OPINION.** An opinion rendered without reservation by the independent auditor that financial statements are fairly presented.

**UNRESTRICTED NET POSITION.** One of three components of net position that must be reported in both government-wide and proprietary fund financial statements. It is the difference between net position and its two other components (net investment in capital assets and restricted net position).

**VARIABLE-RATE INVESTMENT.** An investment with terms that provide for the adjustment of its interest rate (such as the last day of the month or a calendar quarter) and that, upon each adjustment until the final maturity of the instrument or the period remaining until the principal amount can be recovered through demand, can reasonably be expected to have a fair value that will be unaffected by interest rate charges.