



INTEROFFICE MEMORANDUM

Oscar J. Garcia, CPA

Auditor-Controller/Treasurer-Tax Collector

Enedina Garcia

Deputy Auditor-Controller

Megan Marks

Deputy Treasurer-Tax Collector

DATE: January 28, 2022
TO: Audit Committee Members
FROM: Supervisor Sal Quintero, Audit Committee Chairman
SUBJECT: Audit Committee Meeting

Sal Quintero
J.J.

This will confirm the next Audit Committee meeting scheduled on **January 28, 2022, 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:

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 9, 2021, Audit Committee Meeting Minutes

5) Agenda Items

Consent Items

- a. Approve Quarterly Fraud Report covering October 1, 2021 to December 31, 2021.

Discussion and Action Items

- b. Review and approve the Department of Public Health Emergency Medical Services Authority (EMSA) Report for the fiscal year ended June 30, 2021.
- c. Review and receive the County of Fresno, California, Grants Funded by the State of California Office of Emergency Services (Cal OES) Audited Financial Schedules for the Year Ended June 30, 2021.

- d. Review and accept 2020-2021 County of Fresno Annual Comprehensive Financial Report.

6) Staff Updates

7) Adjournment

jll
Enclosures

Audit Committee Members:

Supervisor Sal Quintero, Audit Committee Chairman
Daniel C. Cederborg, County Counsel, Audit Committee Vice-Chairman
Supervisor Nathan Magsig
Paul Nerland, County Administrative Officer
Kari Gilbert, Department Heads Council Member
Manuel Vilanova, Public Member
Kulwinder Brar, Public Member

County of Fresno
Auditor-Controller/Treasurer-Tax Collector
Audit Committee Minutes
Board of Supervisors' Chambers
December 9, 2021 – 10:00 a.m.

MEMBERS PRESENT:

Supervisor Nathan Magsig, Audit Committee Chairman
Daniel Cederborg, County Counsel, Audit Committee Vice-Chairman
Paul Nerland, County Administrative Officer
Manuel Vilanova, Public Member
Kulwinder Brar, Public Member

Call to Order: Chairman Magsig called to order the regular meeting of the Audit Committee (Committee) on December 9, 2021 at 10:06 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 Paul Nerland, and carried 5-0 to approve the December 9, 2021 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 2022 and 2023.

- Supervisor Sal Quintero was appointed Audit Committee Chairman, and Daniel Cederborg was reappointed as Vice-Chairman for Calendar Year 2022 and 2023.
- There being no public comments, a motion was made by Vice-Chairman Cederborg, seconded by Paul Nerland, and carried 5-0 to appoint the new Audit Committee Chairman, and reappoint Daniel Cederborg as Vice Chairman.

5. Reappointment of Member Brar for term expiring December 30, 2022.

- There being no public comments, a motion was made by Chairman Magsig, second by Paul Nerland, and carried 5-0 to reappoint member Kulwinder Brar for term expiring December 30, 2022.

6. Approval of August 13, 2021 Audit Committee Meeting Minutes

- There being no public comments, a motion was made by Paul Nerland, seconded by Kulwinder Brar, and carried 5-0 to approve the August 13, 2021 Audit Committee Meeting Minutes.

7. Agenda Items

Consent Items

a) Approve Quarterly Fraud Report covering July 1, 2021 to September 30, 2021

- There being no public comments, a motion was made by Paul Nerland, seconded by Kulwinder Brar, and carried 5-0 to approve Agenda Item 7a.

Discussion and Action Items

b) Review and approve the Public Defender Department Head Transition Report.

- Karoll Diaz, 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 Vice-Chairman Cederborg, and carried 5-0 to approve Agenda Item 7b.

c) Review and approve the Public Health Department Head Transition Report.

- Karoll Diaz, Accounting and Financial Manager, FR&A, introduced and presented the item, and Bruna Chavez, Department of Public Health's Business Manager commented on this item.
- A discussion regarding individuals required to filled out compliance filings took place, and it was determined that there will be an upcoming training regarding employees required to fill out those types of forms.
- There being no public comments, a motion was made by Kulwinder Brar, second by Vice-Chairman Cederborg, and carried 5-0 to approve Agenda Item 7c.

d) Review and receive Fresno County In-Home Supportive Services Public Authority Independent Auditor's Reports and Financial Statements for the year ended June 30, 2020.

- Eric Xin, Engagement Partner, Brown Armstrong Accountancy Corporation, presented the item.
- There being no public comments, a motion was made by Paul Nerland, seconded by Manuel Vilanova, and carried 5-0 to approve Agenda Item 7d.

e) Review and accept the County of Fresno Single Audit Report for the year ended June 30, 2020.

- Eric Xin, Engagement Partner, Brown Armstrong Accountancy Corporation, introduced and presented the item.
- There being no public comments, a motion was made by Kulwinder Brar, seconded by Vice-Chairman Cederborg, and carried 5-0 to approve Agenda Item 7e.

f) Review and accept the Independence Certification.

- Oscar J. Garcia, Auditor-Controller/Treasurer-Tax Collector, introduced and presented this item.
- There being no public comments, a motion was made by Paul Nerland, seconded by Kulwinder Brar, and carried 5-0 to approve Agenda Item 7f.

g) Review and approve the Department of Social Services Food and Nutrition Services (FNS)-209 Report for the quarter ended June 30, 2021.

- Karoll Diaz, 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 Kulwinder Brar, and carried 5-0 to approve Agenda Item 7g.

h) Review and accept the District Attorney's Office Insurance Fraud Program Independent Auditor's Report and Financial Schedules for the year ended June 30, 2021.

- Eric Xin, Engagement Partner, Brown Armstrong Accountancy Corporation, introduced and presented the item.
- There being no public comments, a motion was made by Paul Nerland, seconded by Vice-Chairman Cederborg, and carried 5-0 to approve Agenda Item 7h.

i) Review and receive the 2020-2021 First Five Comprehensive Annual Financial Report.

- Alix Hillis, Business Director, First 5 Fresno County, introduced the item, and Osvaldo Gutierrez, Audit Manager, Price Page & Company, presented the item.
- There being no public comments, a motion was made by Paul Nerland, seconded by Vice-Chairman Cederborg, and carried 5-0 to approve Agenda Item 7i.

j) Review and approve the 2022 Audit Committee Meeting Dates.

- There being no public comments, a motion was made by Vice-Chairman Cederborg, seconded by Kulwinder Brar, and carried 5-0 to approve Agenda Item 7j.

8. Staff Updates

- Karoll Diaz, stated that Manuel Vilanova's term is expiring on December 31, 2021 and encourage him to reapply.

9. Adjournment

- A motion was made by Vice-Chairman Cederborg, seconded by Kulwinder Brar, and was carried 5-0 to adjourn the meeting at 10:41 a.m.

Audit Committee Members:

Supervisor Nathan Magsig, Audit Committee Chairman

Daniel C. Cederborg, County Counsel, Audit Committee Vice-Chairman

Supervisor Sal Quintero

Paul Nerland, County Administrative Officer

Manuel Vilanova, Public Member

Kulwinder Brar, Public Member



INTEROFFICE MEMORANDUM

Oscar J. Garcia, CPA

Auditor-Controller/Treasurer-Tax Collector

Enedina Garcia

Deputy Auditor-Controller

Megan Marks

Deputy Treasurer-Tax Collector

DATE: January 20, 2022

TO: Audit Committee Members

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

SUBJECT: Fraud Hotline Quarterly Activity Report for Quarter Ended December 31, 2021

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, 2021 through December 31, 2021.

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 Karoll Diaz, Accounting & Financial Division Manager at (559) 600-1378 or Angelica Arellano, Accountant at (559) 600-1386 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, 2021

Director: Oscar J. Garcia, CPA
Accounting & Financial Manager: Karoll Diaz
Hotline Staff: Angelica Arellano

COUNTY OF FRESNO
FRAUD HOTLINE QUARTERLY REPORT
Administered by the Auditor-Controller/Treasurer-Tax Collector
For the Quarter Ended December 31, 2021

Below is the County of Fresno Fraud Hotline activity for the period of October 1, 2021 through December 31, 2021.

1. Statistical Summary

The Financial Reporting and Audits Division received 61 Hotline allegations, complaints or other contacts during the reporting period. Of these reports, 31 were made anonymously while 30 reports were made by individuals who identified themselves. The Hotline received 31 reports via telephone, 28 by email, and 2 by letter. These reports are categorized in Table 1.

Table 1 Statistical Summary	
Actionable Items	18
Referred Items	38
Non-Actionable Items	5
Total Allegations/Complaints	61

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, 2021**

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	2
Actionable – Non-County:	16
Forged/Altered Check	16
Referral – County:	32
Welfare Fraud	20
County - Other	12
Referral – Non-County:	6
Various	6
Non-Actionable Items:	5
Not enough information	5
Total	61

COUNTY OF FRESNO
FRAUD HOTLINE QUARTERLY REPORT
Administered by the Auditor-Controller/Treasurer-Tax Collector
For the Quarter Ended December 31, 2021

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)

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



County of Fresno

Oscar J. Garcia, CPA

Auditor-Controller/Treasurer-Tax Collector

December 27, 2021

David Luchini, 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 C20-010, dated August 10, 2020, for the period of July 1, 2020 through June 30, 2021.

The accuracy of the Emergency Medical Services Authority (EMSA) Report is the responsibility of the Department of Public Health (Department). 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 (as provided by the EMSA) 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.
- Exceptions were noted.
 - i. The formula in Quarter 2 invoice was incorrect for the Local Expenditures for the period for Personnel and Fringe Benefits costs, which caused the wrong amounts to be carried forward to Quarter 3 and 4 invoices. The amount for the State Expenditures was correct and it did not affect the reimbursement amount being requested. The Department was notified of this error and will correct it going forward.
- 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 Karoll Diaz at 559-600-1378.

Sincerely,



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



County of Fresno
DEPARTMENT OF PUBLIC HEALTH
David Luchini, Director
Dr. Rais Vohra, Interim Health Officer

January 14, 2022

Oscar J. Garcia
Auditor-Controller/Treasurer-Tax Collector
P.O. Box 1247
Fresno, Ca. 93715

RE: Response to the Compliance Review required by the Health and Human Services Agency Medical Services Authority Revenue Agreement C20-010

Dear Oscar,

This letter is an official response to the finding and recommendation from the compliance review requested by the Fresno County Department of Public Health Emergency Medical Services Agency (County) and required under the State Revenue Agreement (C20-010). In response to the exception noted in numbered finding "c" of the final report, indicating a formula error in the State report, the Department responds as follow:

Exception "c"– formula error, creating a reporting error on the "local expenditure" reported in quarter 2 and carrying into quarter 3 and 4;error did not impact reimbursement or allowability of costs:

The Department concurs with the Auditors recommendations and has taken steps to adjust the formula in the report template to assure the error in Quarter 2 reporting is fixed and does not carry forward into future Quarters. The error had no impact on allowability of cost and/or state reimbursement and have assured that the error did not create issues at the State level.

We would like to express our appreciation to your team's collaboration and constant willingness to communicate to address issues and get clarification. If you have any questions or concerns, please contact me at (559)600-3200/ dluchini@fresnocountyca.gov or Daniel Lynch (559)600-6460/ dlynch@fresnocountyca.gov .

Sincerely,


David Luchini, RN, PHN
Director

Promotion, preservation and protection of the community's health

1221 Fulton Street /P. O. Box 11867, Fresno, CA 93775

(559) 600-3200 ☐ FAX (559) 600-7687

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**COUNTY OF FRESNO, CALIFORNIA
GRANTS FUNDED BY THE STATE OF CALIFORNIA
OFFICE OF EMERGENCY SERVICES (Cal OES)**

FINANCIAL SCHEDULES

**FOR THE YEAR ENDED
JUNE 30, 2021**

**COUNTY OF FRESNO, CALIFORNIA
GRANTS FUNDED BY THE STATE OF CALIFORNIA
OFFICE OF EMERGENCY SERVICES (Cal OES)
FOR THE YEAR ENDED JUNE 30, 2021**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Schedules

We have audited the accompanying Schedule of Source and Status of Cash and the related Schedule of Budget and Expenditures of the County of Fresno, California, (the County) grants funded by the State of California Office of Emergency Services (Cal OES) for the year ended June 30, 2021, and the related notes to the financial schedules, which collectively comprise the financial schedules relating to the grants funded by Cal OES as listed in the table of contents.

Management's Responsibility for the Financial Schedules

Management is responsible for the preparation and fair presentation of these financial schedules 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 schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial schedules based on our audit. We conducted our audit 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 certain provisions of the Cal OES Grant Recipient Handbook. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial schedules are free from material misstatement.

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

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

Opinions

In our opinion, the financial schedules referred to above present fairly, in all material respects, the respective financial schedules of the County's grants funded by Cal OES for the year ended June 30, 2021, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial schedules present only the County's grants funded by Cal OES and do not purport to, and do not, present fairly the financial position of the County as of June 30, 2021, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2021, on our consideration of the County's internal control over financial reporting relating to the grants funded by Cal OES and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance relating to the grants funded by Cal OES and the results of that testing, and not to provide an opinion on internal control over financial reporting and compliance relating to the grants funded by Cal OES. 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 relating to the grants funded by Cal OES.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 30, 2021

**COUNTY OF FRESNO, CALIFORNIA
GRANTS FUNDED BY THE STATE OF CALIFORNIA
OFFICE OF EMERGENCY SERVICES (Cal OES)
SCHEDULE OF SOURCE AND STATUS OF CASH
FOR THE YEAR ENDED JUNE 30, 2021**

GRANT PROGRAMS*	A	B	C	D	E	F	G	H
BUDGET:								
Federal	\$ 116,693	\$ 202,545	\$ 120,670	\$ 250,000	\$ 233,143	\$ 456,000	\$ 1,475,979	\$ 443,494
State	-	-	-	-	-	-	157,197	23,138
Local	29,040	67,515	-	-	58,252	-	-	-
Total budget	145,733	270,060	120,670	250,000	291,395	456,000	1,633,176	466,632
EXPENDITURES-REIMBURSEMENTS:								
Requested and received	116,693	48,517	120,670	72,371	232,326	89,496	653,033	443,544
Requested and not yet received	-	59,679	-	79,244	-	96,620	521,567	-
Local expenditures	29,040	36,066	-	-	58,252	-	-	-
Total expenditures-reimbursements	145,733	144,262	120,670	151,615	290,578	186,116	1,174,600	443,544
GRANT BALANCE AVAILABLE	\$ -	\$ 125,798	\$ -	\$ 98,385	\$ 817	\$ 269,684	\$ 458,576	\$ 23,088
GRANT FUNDS NOT USED	\$ -	\$ -	\$ -	\$ -	\$ 817	\$ -	\$ -	\$ 23,088

*Key to grant programs

District Attorney's Office

- A. Violence Against Women Vertical Prosecution Program Grant Number VV19020100
- B. Violence Against Women Vertical Prosecution Program Grant Number VV20030100
- C. Electronic Suspected Child Abuse Reporting System Program Grant Number ES19020100
- D. Electronic Suspected Child Abuse Reporting System Program Grant Number ES20030100

Probation Department

- E. County Victim Service Program XC19020100
- F. County Victim Service Program XC20030100
- G. Victim/Witness Assistance Program Grant Number VW20390100
- H. Victim/Witness Assistance Program Grant Number VW19380100
- I. Unserved/Underserved Victim Advocacy and Outreach Program Grant Number XV20030100
- J. Unserved/Underserved Victim Advocacy and Outreach Program Grant Number UV19020100
- K. Probation Specialized Units Program Grant Number PU20030100
- L. Probation Specialized Units Program Grant Number PU19020100
- M. Human Trafficking Advocacy Program Grant Number HA20030100
- N. Human Trafficking Advocacy Program Grant Number HA19020100

Sheriff Department

- O. Paul Coverdell Forensic Science Improvement Program Grant Number CQ19090100
- P. Paul Coverdell Forensic Science Improvement Program Grant Number CQ20100100
- Q. Internet Crimes Against Children Program Grant Number IC18070100
- R. Internet Crimes Against Children Program Grant Number IC20090100

See accompanying notes to the financial schedules.

**COUNTY OF FRESNO, CALIFORNIA
GRANTS FUNDED BY THE STATE OF CALIFORNIA
OFFICE OF EMERGENCY SERVICES (Cal OES)
SCHEDULE OF SOURCE AND STATUS OF CASH (Continued)
FOR THE YEAR ENDED JUNE 30, 2021**

I	J	K	L	M	N	O	P	Q	R	TOTAL
\$ 182,444	\$ 133,058	\$ 100,000	\$ 22,907	\$ 154,500	\$ 99,640	\$ 53,722	\$ 51,682	\$ -	\$ -	\$ 4,096,477
-	-	-	-	-	-	-	-	770,349	950,000	1,900,684
-	-	-	23,666	-	-	-	-	-	-	178,473
182,444	133,058	100,000	46,573	154,500	99,640	53,722	51,682	770,349	950,000	6,175,634
21,795	69,293	50,987	22,907	31,117	55,302	53,722	14,475	770,349	432,273	3,298,870
32,460	-	25,688	-	-	-	-	-	-	-	815,258
-	-	-	23,666	-	-	-	-	-	-	147,024
54,255	69,293	76,675	46,573	31,117	55,302	53,722	14,475	770,349	432,273	4,261,152
\$ 128,189	\$ 63,765	\$ 23,325	\$ -	\$ 123,383	\$ 44,338	\$ -	\$ 37,207	\$ -	\$ 517,727	\$ 1,914,482
\$ -	\$ 63,765	\$ -	\$ -	\$ -	\$ 44,338	\$ -	\$ -	\$ -	\$ -	\$ 132,008

District Attorney's Office

- A. Violence Against Women Vertical Prosecution Program Grant Number VV19020100
- B. Violence Against Women Vertical Prosecution Program Grant Number VV20030100
- C. Electronic Suspected Child Abuse Reporting System Program Grant Number ES19020100
- D. Electronic Suspected Child Abuse Reporting System Program Grant Number ES20030100

Probation Department

- E. County Victim Service Program XC19020100
- F. County Victim Service Program XC20030100
- G. Victim/Witness Assistance Program Grant Number VW20390100
- H. Victim/Witness Assistance Program Grant Number VW19380100
- I. Unserved/Underserved Victim Advocacy and Outreach Program Grant Number XV20030100
- J. Unserved/Underserved Victim Advocacy and Outreach Program Grant Number UV19020100
- K. Probation Specialized Units Program Grant Number PU20030100
- L. Probation Specialized Units Program Grant Number PU19020100
- M. Human Trafficking Advocacy Program Grant Number HA20030100
- N. Human Trafficking Advocacy Program Grant Number HA19020100

Sheriff Department

- O. Paul Coverdell Forensic Science Improvement Program Grant Number CQ19090100
- P. Paul Coverdell Forensic Science Improvement Program Grant Number CQ20100100
- Q. Internet Crimes Against Children Program Grant Number IC18070100
- R. Internet Crimes Against Children Program Grant Number IC20080100

See accompanying notes to the financial schedules.

**COUNTY OF FRESNO, CALIFORNIA
GRANTS FUNDED BY THE STATE OF CALIFORNIA
OFFICE OF EMERGENCY SERVICES (Cal OES)
SCHEDULE OF BUDGET AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2021**

GRANT PROGRAMS*	A	B	C	D	E	F	G	H
BUDGET	\$ 145,733	\$ 270,060	\$ 120,670	\$ 250,000	\$ 291,395	\$ 456,000	\$ 1,633,176	\$ 466,632
EXPENDITURES TO DATE:								
Federal/State:								
Personnel services	100,342	108,196	119,032	150,054	167,252	160,328	1,029,472	358,448
Operating	16,351	-	1,638	1,561	65,074	25,788	145,128	85,096
Equipment	-	-	-	-	-	-	-	-
Local:								
Personnel services	25,883	36,066	-	-	-	-	-	-
Operating	3,157	-	-	-	58,252	-	-	-
Equipment	-	-	-	-	-	-	-	-
Total expenditures	<u>145,733</u>	<u>144,262</u>	<u>120,670</u>	<u>151,615</u>	<u>290,578</u>	<u>186,116</u>	<u>1,174,600</u>	<u>443,544</u>
GRANT BALANCE AVAILABLE	<u>\$ -</u>	<u>\$ 125,798</u>	<u>\$ -</u>	<u>\$ 98,385</u>	<u>\$ 817</u>	<u>\$ 269,884</u>	<u>\$ 458,576</u>	<u>\$ 23,088</u>
GRANT FUNDS NOT USED	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 817</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,088</u>

*Key to grant programs

District Attorney's Office

- A. Violence Against Women Vertical Prosecution Program Grant Number VV19020100
- B. Violence Against Women Vertical Prosecution Program Grant Number VV20030100
- C. Electronic Suspected Child Abuse Reporting System Program Grant Number ES19020100
- D. Electronic Suspected Child Abuse Reporting System Program Grant Number ES20030100

Probation Department

- E. County Victim Service Program XC19020100
- F. County Victim Service Program XC20030100
- G. Victim/Witness Assistance Program Grant Number VW20390100
- H. Victim/Witness Assistance Program Grant Number VW19380100
- I. Unserved/Underserved Victim Advocacy and Outreach Program Grant Number XV20030100
- J. Unserved/Underserved Victim Advocacy and Outreach Program Grant Number UV19020100
- K. Probation Specialized Units Program Grant Number PU20030100
- L. Probation Specialized Units Program Grant Number PU19020100
- M. Human Trafficking Advocacy Program Grant Number HA20030100
- N. Human Trafficking Advocacy Program Grant Number HA19020100

Sheriff Department

- O. Paul Coverdell Forensic Science Improvement Program Grant Number CQ19090100
- P. Paul Coverdell Forensic Science Improvement Program Grant Number CQ20100100
- Q. Internet Crimes Against Children Program Grant Number IC18070100
- R. Internet Crimes Against Children Program Grant Number IC20080100

See accompanying notes to the financial schedules.

**COUNTY OF FRESNO, CALIFORNIA
GRANTS FUNDED BY THE STATE OF CALIFORNIA
OFFICE OF EMERGENCY SERVICES (Cal OES)
SCHEDULE OF BUDGET AND EXPENDITURES (Continued)
FOR THE YEAR ENDED JUNE 30, 2021**

I	J	K	L	M	N	O	P	Q	R	TOTAL
\$ 182,444	\$ 133,058	\$ 100,000	\$ 46,573	\$ 154,500	\$ 99,640	\$ 53,722	\$ 51,682	\$ 770,349	\$ 950,000	\$ 6,175,634
54,255	59,289	76,675	22,907	30,808	53,497	-	-	346,757	342,294	3,179,606
-	10,004	-	-	309	1,805	-	-	152,745	39,979	545,478
-	-	-	-	-	-	53,722	14,475	270,847	50,000	389,044
-	-	-	23,666	-	-	-	-	-	-	85,615
-	-	-	-	-	-	-	-	-	-	61,409
-	-	-	-	-	-	-	-	-	-	-
54,255	69,293	76,675	46,573	31,117	55,302	53,722	14,475	770,349	432,273	4,261,152
\$ 128,189	\$ 63,765	\$ 23,325	\$ -	\$ 123,383	\$ 44,338	\$ -	\$ 37,207	\$ -	\$ 517,727	\$ 1,914,482
\$ -	\$ 63,765	\$ -	\$ -	\$ -	\$ 44,338	\$ -	\$ -	\$ -	\$ -	\$ 132,008

District Attorney's Office

- A. Violence Against Women Vertical Prosecution Program Grant Number VV19020100
- B. Violence Against Women Vertical Prosecution Program Grant Number VV20030100
- C. Electronic Suspected Child Abuse Reporting System Program Grant Number ES19020100
- D. Electronic Suspected Child Abuse Reporting System Program Grant Number ES20030100

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- Q. Internet Crimes Against Children Program Grant Number IC18070100
- R. Internet Crimes Against Children Program Grant Number IC20080100

See accompanying notes to the financial schedules.

**COUNTY OF FRESNO, CALIFORNIA
GRANTS FUNDED BY THE STATE OF CALIFORNIA
OFFICE OF EMERGENCY SERVICES (Cal OES)
NOTES TO THE FINANCIAL SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

The State of California Office of Emergency Services (Cal OES) provides grants to local governments for a variety of law enforcement, criminal prosecution, crime prevention, and victims' services. Revenues and expenditures related to the County of Fresno, California's (the County) Cal OES programs are included in the County's basic financial statements and are accounted for within the General Fund.

Financial Schedule Presentation

The financial schedules are prepared in accordance with the method of accounting required by Cal OES. They present the information requested by Cal OES and, therefore, do not purport to reflect financial position or results of operations of the County in accordance with accounting principles generally accepted in the United States of America.

Basis of Accounting

Revenue is recognized when grants and reimbursements are received from the State. Expenditures are recognized as disbursed and are claimed subject to the approved budget limitations by cost category.

NOTE 2 – LOCAL MATCH

Certain Cal OES grants require the County to match grant funds from sources other than state or federal monies. The match claimed by the County represents services provided by County personnel. The County determined the value of these services in accordance with the Cal OES grant agreements.

NOTE 3 – GRANTS AND REIMBURSEMENTS

Of the \$4,261,152 total claimed by the County for expenditures incurred, \$3,298,214 has been requested and received from the State, \$147,024 was for local expenditures, and \$815,914 has been requested and not yet received.

NOTE 4 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 30, 2021, which is the date the financial schedules were available to be issued. No events have occurred that would require disclosure.

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

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

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 accompanying Schedule of Source and Status of Cash and the related Schedule of Budget and Expenditures of the County of Fresno, California, (the County) grants funded by the State of California Office of Emergency Services (Cal OES) for the year ended June 30, 2021, and the related notes to the financial schedules, as listed in the table of contents, and have issued our report thereon dated December 30, 2021.

Internal Control over Financial Reporting

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

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 entity's financial schedules 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial schedules of the grants funded by Cal OES 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 schedules. 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 is required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 30, 2021

FINDINGS AND RECOMMENDATIONS SECTION

**COUNTY OF FRESNO, CALIFORNIA
GRANTS FUNDED BY THE STATE OF CALIFORNIA
OFFICE OF EMERGENCY SERVICES
FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2021**

None.

**COUNTY OF FRESNO, CALIFORNIA
GRANTS FUNDED BY THE STATE OF CALIFORNIA
OFFICE OF EMERGENCY SERVICES
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2021**

No prior year findings.

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

We have audited the Schedule of Source and Status of Cash and the Schedule of Budget and Expenditures of the County of Fresno (the County) grants funded by the State of California Office of Emergency Services (Cal OES) for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and certain provisions of the Cal OES Grant Recipient Handbook, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 30, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note 1 to the financial schedules. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2021. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial schedules in the proper period.

Accounting estimates are an integral part of the financial schedules prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial schedules and because of the possibility that future events affecting them may differ significantly from those expected. There were no estimates that affected the County's Schedule of Source and Status of Cash and the Schedule of Budget and Expenditures of the grants funded by Cal OES.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We detected no such misstatements during our audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial schedules or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 30, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial schedules or a determination of the type of auditor's opinion that may be expressed on those schedules, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

This information is intended solely for the information and use of the Honorable Board of Supervisors and management of the County and is intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 30, 2021

January 12, 2022

Enedina Garcia
County of Fresno
Hall of Records
2281 Tulare Street, Suite 105
Fresno, California 93721


Dear Ms. Garcia:

Enclosed is one (1) bound copy of the financial statements for the County of Fresno, California Grants Funded by the State of California Office of Emergency Services for the year ended June 30, 2021. Also enclosed is one (1) stapled copy of our required communications letter.

Please call if you have any questions.

Sincerely,

**BROWN ARMSTRONG
ACCOUNTANCY CORPORATION**


By: Eric H. Xin

EHX:mmj
Enclosures
PfxEngagement\29029 6/30/21 Cal OES Audit\FS Transmittal

BAKERSFIELD
4200 Truxtun Avenue, Suite 300
Bakersfield, CA 93309
661-324-4971

FRESNO
10 River Park Place East, Suite 208
Fresno, CA 93720
559-476-3592

STOCKTON
2423 West March Lane, Suite 202
Stockton, CA 95219
209-451-4833



**COUNTY OF FRESNO
STATE OF CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2021

Compiled Under the Office of

Auditor-Controller/Treasurer-Tax Collector

Oscar J. Garcia, CPA

Auditor-Controller/Treasurer- Tax Collector

County of Fresno
 Annual Comprehensive Financial Report
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 For Fiscal Year Ended June 30, 2021

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County of Fresno
 Annual Comprehensive Financial Report
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INTRODUCTORY SECTION

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



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

January 26, 2022

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 Annual Comprehensive Financial Report (ACFR) of the County of Fresno (County) for the fiscal year ended June 30, 2021, 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, 2021 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, 2021. 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 1,026,681 as of January 1, 2021. 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 F. Luchini Interim 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				Hollis Magill Director Human Resources
Antoinette Taillac Interim Public Defender	Kari Gilbert Director Child Support Services				Robert W. Bash Director of Internal Services-Chief Information Officer
					James A. Kus County Clerk/Registrar of Voters

The County, with an average of 7,183 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 Financial Reports. 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 18,877,205 persons as of June 30, 2021. The employed labor force at June 30, 2021, was 17,437,567 persons on a seasonally adjusted basis. This number demonstrates a decline in the California labor market. The State-wide unemployment rate is 7.6% or 1,439,638 persons. The County of Fresno has experienced a similar decline in labor force and employment and a decrease in unemployment. The County of Fresno labor force consisted of 446,800 persons as of June 30, 2021. Unemployment in the County has decreased by 5% from the prior year and is at a rate of 9.5% as of June 30, 2021.

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 \$86,768,956,291 in the 2020-2021 fiscal year. Property tax revenues increased by 8.44% from fiscal year 2019-2020 to fiscal year 2020-2021, while sales tax revenues increased by 17.64% 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 \$380,000 during the month of September 2021; this represents an increase of \$55,000 or 16.92%, as compared to the median home prices in September 2020 of \$325,000. Furthermore, housing sales increased by 6.2% 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 1.9 months in September 2021 compared to 2.2 in September 2020. 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 2020 increased by 2.86% from 2019. This is largely due to a 16.02% increase in the value of livestock and poultry along with an increase in livestock and poultry products and fruit and nut crops. The number one crop in value was once again almonds (\$1,255,475,723) followed by grapes (\$1,046,356,645). Fruit and nut crops provide 57.31% (\$4,572,999,000) of the gross agricultural production value followed by vegetables at 17.78% (\$1,418,639,000) and livestock, et al. at 18.74% (\$1,495,290,000).

While agriculture currently accounts for 11.20% of wage and salary employment, other important sources of employment include: government 17.11%; educational and health services trade 17.98%; transportation and utilities 18.18%; leisure and hospitality services 8%; professional and business services 8.78%; manufacturing 6.81%; construction 4.96%; and other 6.98%.

MAJOR INITIATIVES, SERVICE EFFORTS AND ACCOMPLISHMENTS

Current Financial Planning

The County maintains the largest road system in the State covering over 3,485 miles of roads. The 2021-2022 Road Fund adopted budget totals \$119.9 million, which reflects an increase of 31% from the prior year adopted budget. Major projects anticipated for fiscal year 2021-2022 include participation in the Federal Transportation Improvement Program, which includes \$99 million of Highway Bridge Program funding. Participation in this effort includes increasing staff to manage the more than 20 projects over the next five years. The 2021-2022 road maintenance programs include \$27.6 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, 2021, 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 2021.

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 2021-2022 budget of \$258 billion on June 30, 2021, an increase of 13% over the revised prior year budget. The budget would add a total of \$18.9 billion to the total reserves, an increase of \$7.5 billion over the prior year's level.

The County's fiscal year 2021-2022 adopted budget is \$4.1 billion, which is \$185.2 million greater than the prior year. The budget included \$78.1 million carryover fund balance due to greater than budgeted countywide and Proposition 172 revenues and projected unused appropriations.

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

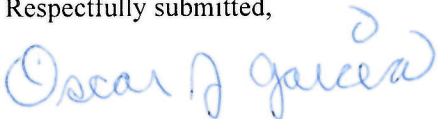
The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Financial Report for the fiscal year ended June 30, 2020. The County has received this prestigious award for over thirty years. In order to be awarded a Certificate of Achievement, the County is required to publish an easily readable and efficiently organized Financial Report 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**

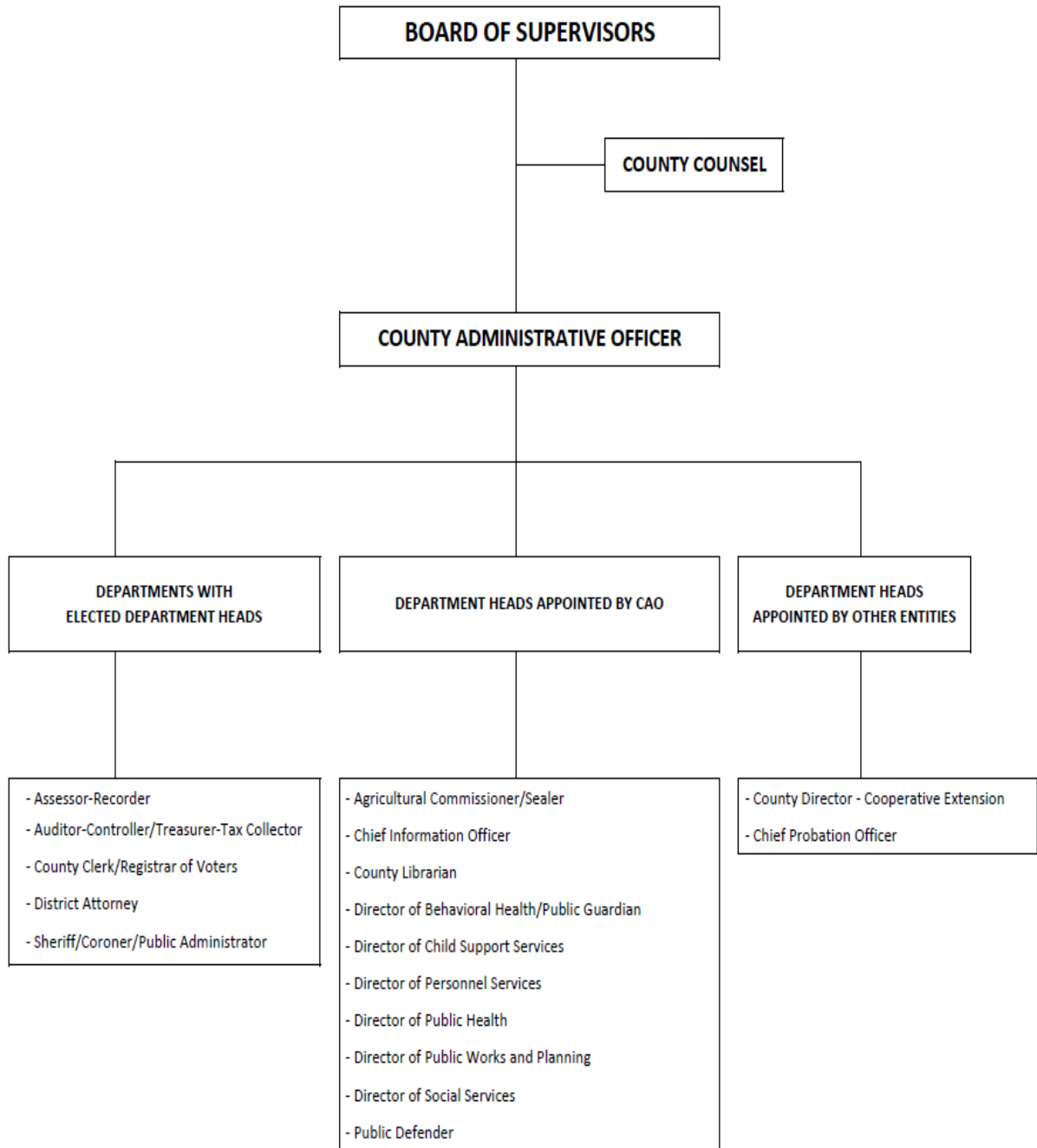
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

COUNTY OF FRESNO ORGANIZATIONAL CHART



**County of Fresno
List of Principal Officials
June 30, 2021**

ELECTED OFFICIALS

Board of Supervisors:

Vice-Chairman Supervisor, District 1	Brian Pacheco
Chairman Supervisor, District 2	Steve Brandau
Supervisor, District 3	Sal Quintero
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	James A. Kus
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

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FINANCIAL SECTION

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

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, 2021, 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.

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, 2021, 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, 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 January 26, 2022, 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
January 26, 2022

County of Fresno
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(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, 2021. 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 2020-2021 fiscal year, the assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources of the County by \$596,238. The residual of this difference is referred to as "net position." The County has an unrestricted net position of \$(321,142). The County's net position also includes a restricted net position of \$1,582 representing assets that may only be used for specific purposes, and \$915,798 representing the County's net investment in capital assets.
- The County's long-term liabilities increased by \$229,306. Long-term liabilities totaled \$2,133,112 at June 30, 2021.
- The County's total net position increased to \$596,238. The governmental activities net position is \$474,839 and business-type activities net position is \$121,399.
- As of June 30, 2021, the County's governmental funds reported combined ending fund balances of \$826,640, which is an increase of \$69,822 in comparison to the prior year. Approximately 92.33% of combined fund balances, or \$763,274, is either nonspendable or restricted for specific uses; 7.67%, or \$63,366, 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 \$471,333. Approximately \$407,967 is either nonspendable or restricted for specific uses. The remaining \$63,366, which approximates to 3.6% 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 28 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, 2021
(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, 2021, the County had no discretely presented component units.

The government-wide financial statements can be found on pages 13-14 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 28, 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 thirteen individual governmental funds, five of which are considered to be major governmental funds. Information for the General Fund, Disaster Claiming, Debt Service, 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, Expenditures and Changes in Fund Balances. Data for

County of Fresno
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

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 75-86 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, Disaster Claiming, 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 15-18 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 88-91 of this report.

The proprietary funds financial statements can be found on pages 19-22 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 custodial funds, is much like that used for proprietary funds. Individual fund data for custodial funds is provided as supplementary information in the form of combining statements. This statement can be found on page 93 of this report.

The fiduciary fund financial statements can be found on pages 23-24 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 25-65 of this report.

Required Supplementary Information includes the Budgetary Comparison Schedules for the General Fund, Disaster Claiming, Debt Service, Local Health and Welfare, and 2011 Realignment Fund.

County of Fresno
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

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 66-72 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 75-93 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 \$596,238 at June 30, 2021.

Summary of Net Position
June 30, 2021 and 2020

	Governmental Activities		Business-Type Activities		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Assets:						
Current and other assets	\$ 1,353,636	\$ 1,207,679	\$ 114,871	\$ 108,094	\$ 1,468,507	\$ 1,315,773
Capital assets	1,035,013	956,546	73,133	66,208	1,108,146	1,022,754
Total assets	<u>2,388,649</u>	<u>2,164,225</u>	<u>188,004</u>	<u>174,302</u>	<u>2,576,653</u>	<u>2,338,527</u>
Deferred Outflows of Resources:						
Prepaid expenses	-	14,889	-	-	-	14,889
Deferred pensions	541,823	311,075	4,062	2,172	545,885	313,247
Total deferred outflows of resources	<u>541,823</u>	<u>325,964</u>	<u>4,062</u>	<u>2,172</u>	<u>545,885</u>	<u>328,136</u>
Liabilities:						
Other liabilities	315,202	251,650	9,785	5,772	324,987	257,422
Long-term liabilities	2,072,738	1,848,270	60,374	55,536	2,133,112	1,903,806
Total liabilities	<u>2,387,940</u>	<u>2,099,920</u>	<u>70,159</u>	<u>61,308</u>	<u>2,458,099</u>	<u>2,161,228</u>
Deferred Inflows of Resources:						
Deferred pensions	67,693	114,628	508	801	68,201	115,429
Total deferred inflows of resources	<u>67,693</u>	<u>114,628</u>	<u>508</u>	<u>801</u>	<u>68,201</u>	<u>115,429</u>
Net Position:						
Net investment in capital assets	842,665	763,973	73,133	66,208	915,798	830,181
Restricted	-	-	1,582	1,590	1,582	1,590
Unrestricted (deficit)	(367,826)	(488,332)	46,684	46,567	(321,142)	(441,765)
Total net position	<u>\$ 474,839</u>	<u>\$ 275,641</u>	<u>\$ 121,399</u>	<u>\$ 114,365</u>	<u>\$ 596,238</u>	<u>\$ 390,006</u>

The largest portion of the County's net position, \$915,798, 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 \$1,582 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, 2021
(amounts expressed in thousands)

Current and other assets increased from \$1,315,773 to \$1,468,507 or 11.61%. This increase is primarily due to an increase in accounts and interest receivable to the County along with an increase to cash and investments.

Capital assets increased by \$85,392 from \$1,022,754 to \$1,108,146, or 8.35% 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 increased by \$229,306, from \$1,903,806 to \$2,133,112, or 12.04% from the prior year. This is primarily due to an increase of Net Pension Liability by the amount of \$241,595.

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, 2021 and 2020

	Governmental Activities		Business-Type Activities		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenues:						
Program revenues:						
Charges for services	\$ 169,443	\$ 100,333	\$ 28,536	\$ 21,882	\$ 197,979	\$ 122,215
Operating grants and contributions	1,214,344	960,735	542	485	1,214,886	961,220
General Revenues:						
Property taxes	293,027	271,007	855	819	293,882	271,826
Sales taxes	67,670	62,561	-	-	67,670	62,561
Motor vehicle in-lieu taxes	255,054	265,955	-	-	255,054	265,955
Franchise taxes	15,231	17,110	-	-	15,231	17,110
Investment earnings	3,473	33,511	431	4,614	3,904	38,125
Miscellaneous	10,169	8,474	5,163	9,745	15,332	18,219
Total revenues	<u>2,028,411</u>	<u>1,719,686</u>	<u>35,527</u>	<u>37,545</u>	<u>2,063,938</u>	<u>1,757,231</u>
Expenses:						
General government	352,695	266,452	-	-	352,695	266,452
Public protection	426,547	403,010	-	-	426,547	403,010
Public ways and facilities	73,319	69,231	-	-	73,319	69,231
Health, sanitation & public assistance	911,730	853,749	-	-	911,730	853,749
Education	26,029	26,118	-	-	26,029	26,118
Culture and recreation	2,858	2,818	-	-	2,858	2,818
Interest on long-term debt	35,695	35,820	-	-	35,695	35,820
County Service Areas, other	-	-	12,451	12,274	12,451	12,274
Landfill	-	-	15,009	18,260	15,009	18,260
Total expenses	<u>1,828,873</u>	<u>1,657,198</u>	<u>27,460</u>	<u>30,534</u>	<u>1,856,333</u>	<u>1,687,732</u>
Increase (decrease) in net						
position before transfers	199,538	62,488	8,067	7,011	207,605	69,499
Transfers	11	15	(11)	(15)	-	-
Increase (decrease) in net position	<u>199,549</u>	<u>62,503</u>	<u>8,056</u>	<u>6,996</u>	<u>207,605</u>	<u>69,499</u>
Net position beginning of year	41,371	212,771	114,365	103,285	155,736	316,056
Prior period adjustment	233,919	367	(1,022)	4,084	232,897	4,451
Net position end of year	<u>\$ 474,839</u>	<u>\$ 275,641</u>	<u>\$ 121,399</u>	<u>\$ 114,365</u>	<u>\$ 596,238</u>	<u>\$ 390,006</u>

Governmental activities. Governmental activities increased the County's net position by \$199,549, which accounts for most of the total increase in net position of the County. Revenue related to charges for services increased by \$69,110 due to an increase in service levels. Operating grant revenue increased by \$253,609, primarily due to the increase in grant revenue, awarded to assist citizens during the COVID-19 pandemic.

County of Fresno
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

Property taxes increased by \$22,020. 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 \$5,109 due to greater distribution of Bradley-Burns State tax revenues.

Expenses for general government increased by \$86,243, and public protection increased by \$23,537, 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 \$57,981. Expenses for public ways and facilities increased by \$4,088, 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 18, 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 \$8,056. Combined with the prior period adjustment decreasing the net position by \$1,022, the result is a net \$7,034 increase in net position from business-type activities, which is attributable to 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.

At June 30, 2021, the County's governmental funds reported combined ending fund balances of \$826,640, an increase of \$69,822 in comparison with the prior fiscal year. Approximately 7.67% of this total amount, or \$63,366, constitutes fund balance that is available for appropriation in the upcoming year. The remainder of the fund balance, totaling \$763,274, is restricted or committed; this includes \$5,816 "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 \$757,458 restricted or committed for programs at various levels.

General Fund. The General Fund is the chief operating fund of the County. At June 30, 2021, unassigned fund balance of the General Fund was \$63,366, while total fund balance was \$471,333. 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 3.6% of total fund expenditures less transfers, while total fund balance represents 26.8% of that same amount.

County of Fresno
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

The fund balance of the County's General Fund increased \$39,277 during the current fiscal year primarily due to the reclassification of the various special revenue funds to the General Fund.

Revenues for the General Fund without transfers totaled \$1,344,926, which represents a 134.19% increase from fiscal year 2019-2020. Overall revenue increased by \$770,644 during the current fiscal year primarily due to the reclassification of the various special revenue funds to the general fund.

Expenditures without other financing sources (uses) for the General Fund totaled \$1,758,745 in fiscal year 2020-2021, which represents an increase of 11.83% from fiscal year 2019-2020. The primary cause for the increase is an overall increase in general governmental and public protection and assistance.

Disaster Claiming Fund. The Disaster Claiming Fund was established during fiscal year 2019-2020 to help track funds received that are related to local disaster relief. Funds received during fiscal year 2020-2021 was \$81,705, with \$82,575 in disbursements.

Debt Service Fund. The Debt Service Fund is a major governmental fund. Fund balance increased by \$1,093 from \$63,322 to \$64,415, or 1.73%. This increase is due to an increase in transfers in during fiscal year 2020-2021.

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 \$254,643 in revenues without transfers and distributed \$261,131 to the General Fund which, when combined with the \$43,402 in restricted fund balance from the prior year, resulted in \$48,274 in restricted fund balance for fiscal year 2020-2021.

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 Public Safety and Health programs. This fund received \$210,128 in revenues without transfers in and distributed \$184,784 to the General Fund which, when combined with the \$68,582 in restricted fund balance from the prior year, resulted in \$93,845 in restricted fund balance for fiscal year 2020-2021.

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 \$88,166 in net position on June 30, 2021, and the CSAs have \$33,233. The Landfills' and CSAs' unrestricted net positions are \$44,080 and \$2,604, respectively; this comprises 50% and 7.8%, respectively, of their total net positions. Overall, net position increased by \$7,034 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 \$300,240. The significant difference between the original budget and the final amended budget is primarily due to an increase in appropriations related to the COVID-19 pandemic.

The actual General Fund revenue balance of \$1,344,926 was \$129,741, or 10.68%, more than what was expected. The revenue increase is primarily due to the reclassification of the various special revenue funds to the General Fund. Actual General Fund expenditures fell below the total budget estimates by \$341,246, or 16.25%. 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, 2021
(amounts expressed in thousands)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

As of June 30, 2021, the County's investment in capital assets for its governmental and business-type activities was \$1,108,146. 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 \$85,392.

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, 2021, and 2020

	Governmental		Business-Type		Total	
	Activities		Activities			
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Assets:						
Infrastructure	\$ 339,670	\$ 323,048	\$ -	\$ -	\$ 339,670	\$ 323,048
Infrastructure in progress	18,458	29,771	-	-	18,458	29,771
Land	16,878	16,878	9,183	9,183	26,061	26,061
Land easements	41,838	41,838	-	-	41,838	41,838
Buildings and Improvements	455,833	416,179	42,530	40,688	498,363	456,867
Equipment	42,606	36,242	3,922	3,851	46,528	40,093
Construction in progress	119,367	92,355	17,498	12,486	136,865	104,841
Intangible assets	363	235	-	-	363	235
	<u>\$ 1,035,013</u>	<u>\$ 956,546</u>	<u>\$ 73,133</u>	<u>\$ 66,208</u>	<u>\$ 1,108,146</u>	<u>\$ 1,022,754</u>

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

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 2020-2021, the County added infrastructure totaling \$28,299. Accumulated depreciation for infrastructure increased by \$11,677.

County of Fresno
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

Long-Term Liabilities

At June 30, 2021, the County had total long-term liabilities outstanding of \$2,133,112, compared to \$1,903,806 for the prior fiscal year. This amount includes \$2,072,738 from governmental activities, which was comprised of \$57,495 in compensated absences; \$2,705 in capital leases; \$88,270 in liability for self-insurance; \$331,930 in bonds payable; \$305,877 from accreted interest; and \$1,286,461 in net pension liability. This combined with \$60,374 from business-type activities, which was comprised of \$47,925 in closure and post-closure care liability; \$2,295 in bonds payable; \$56 in loans payable; \$454 in compensated absences; and \$9,644 in net pension liability. Please refer to Note 9 and Note 11 on pages 44 through 51 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.
- Both the State and the County took actions designed to mitigate the spread of COVID-19, including requiring the temporary closure of non-essential businesses and indoor business operations. The re-opening of certain businesses proceeded according to a phased re-opening plan implemented by the State. The full impact of COVID-19 on the County, its economy and its finances will depend on future events, including future events outside of the control of the County, and actions by the federal government and the State. The County cannot predict the extent or duration of the outbreak or what overall impact it may have on the County's financial condition or operations.
- 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.

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.

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County of Fresno
Statement of Net Position
June 30, 2021
(amounts expressed in thousands)

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
ASSETS			
Cash and investments	\$ 1,002,152	\$ 62,850	\$ 1,065,002
Restricted cash and investments	16,920	46,999	63,919
Receivables, net:			
Accounts	79,414	4,194	83,608
Taxes	30,845	-	30,845
Interest	6,393	709	7,102
Loans	44,874	-	44,874
Internal balances	486	(486)	-
Due from other governmental units	161,503	605	162,108
Prepaid expenses	11,049	-	11,049
Capital Assets, net:			
Land	16,878	9,183	26,061
Land easements	41,838	-	41,838
Buildings and improvements	455,833	42,530	498,363
Equipment	42,606	3,922	46,528
Construction in progress	119,367	17,498	136,865
Infrastructure	339,670	-	339,670
Infrastructure in progress	18,458	-	18,458
Intangible	363	-	363
Total assets	<u>2,388,649</u>	<u>188,004</u>	<u>2,576,653</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pensions	<u>541,823</u>	<u>4,062</u>	<u>545,885</u>
Total deferred outflows of resources	<u>541,823</u>	<u>4,062</u>	<u>545,885</u>
LIABILITIES			
Cash overdraft	960	-	960
Accounts payable	81,254	2,359	83,613
Salaries and benefits payable	41,020	112	41,132
Interest payable	2,145	80	2,225
Due to other governmental units	22,843	-	22,843
Deposits and other liabilities	17,445	7,234	24,679
Unearned revenue	149,535	-	149,535
Noncurrent liabilities:			
Due within one year	64,992	6,235	71,227
Due beyond one year	<u>2,007,746</u>	<u>54,139</u>	<u>2,061,885</u>
Total liabilities	<u>2,387,940</u>	<u>70,159</u>	<u>2,458,099</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pensions	<u>67,693</u>	<u>508</u>	<u>68,201</u>
Total deferred inflows of resources	<u>67,693</u>	<u>508</u>	<u>68,201</u>
NET POSITION			
Net investment in capital assets	842,665	73,133	915,798
Restricted for:			
Debt service	-	1,582	1,582
Unrestricted	<u>(367,826)</u>	<u>46,684</u>	<u>(321,142)</u>
Total net position	<u>\$ 474,839</u>	<u>\$ 121,399</u>	<u>\$ 596,238</u>

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

County of Fresno
Statement of Activities
For Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

Functions / Programs:	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:						
General government	\$ 352,695	\$ 41,504	\$ 247,712	\$ (63,479)	\$ -	\$ (63,479)
Public protection	426,547	32,134	310,458	(83,955)	-	(83,955)
Public ways and facilities	73,319	10,299	50,045	(12,975)	-	(12,975)
Health, sanitation and public assistance	911,730	82,951	605,889	(222,890)	-	(222,890)
Education	26,029	1,466	235	(24,328)	-	(24,328)
Culture and recreation	2,858	1,089	5	(1,764)	-	(1,764)
Interest and fiscal charges	35,695	-	-	(35,695)	-	(35,695)
Total governmental activities	<u>1,828,873</u>	<u>169,443</u>	<u>1,214,344</u>	<u>(445,086)</u>	<u>-</u>	<u>(445,086)</u>
Business-type activities:						
Water/Sewer services	12,451	8,233	-	-	(4,218)	(4,218)
Landfill	<u>15,009</u>	<u>20,303</u>	<u>542</u>	<u>-</u>	<u>5,836</u>	<u>5,836</u>
Total business-type activities	<u>27,460</u>	<u>28,536</u>	<u>542</u>	<u>-</u>	<u>1,618</u>	<u>1,618</u>
Total primary government	<u>\$ 1,856,333</u>	<u>\$ 197,979</u>	<u>\$ 1,214,886</u>	<u>(445,086)</u>	<u>1,618</u>	<u>(443,468)</u>
General revenues:						
Property tax				293,027	855	293,882
Sales tax				67,670	-	67,670
Franchise tax				15,231	-	15,231
Unrestricted motor vehicle in-lieu taxes				255,054	-	255,054
Other				10,169	5,163	15,332
Unrestricted investment earnings				3,473	431	3,904
Transfers in (out)				11	(11)	-
Total general revenues and transfers				<u>644,635</u>	<u>6,438</u>	<u>651,073</u>
Change in net position				<u>199,549</u>	<u>8,056</u>	<u>207,605</u>
Net position - beginning				41,371	114,365	155,736
Prior period adjustments				<u>233,919</u>	<u>(1,022)</u>	<u>232,897</u>
Net position - beginning restated				<u>275,290</u>	<u>113,343</u>	<u>388,633</u>
Net position - ending				<u>\$ 474,839</u>	<u>\$ 121,399</u>	<u>\$ 596,238</u>

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

**County of Fresno
Balance Sheet
Governmental Funds
June 30, 2021
(amounts expressed in thousands)**

	General Fund	Disaster Claiming	Debt Service	Local Health and Welfare	2011 Realignment	Other Governmental Funds	Total Governmental Funds
ASSETS & DEFERRED OUTFLOWS OF RESOURCES							
Assets							
Cash and investments	\$ 419,441	\$ 115,237	\$ 52,452	\$ 41,436	\$ 87,057	\$ 143,099	\$ 858,722
Restricted cash and investments	66	-	11,678	-	-	1,418	13,162
Receivables, net:							
Accounts	65,437	-	-	-	3,495	9,429	78,361
Taxes	30,845	-	-	-	-	-	30,845
Interest	3,359	255	285	330	617	617	5,463
Loans	44,874	-	-	-	-	-	44,874
Due from other funds	34,563	-	-	-	2,232	85	36,880
Due from other governmental units	123,413	-	-	11,591	11,604	8,222	154,830
Advances to other funds	315	-	-	-	-	-	315
Prepaid expense	10,982	-	-	-	-	67	11,049
Total assets	<u>733,295</u>	<u>115,492</u>	<u>64,415</u>	<u>53,357</u>	<u>105,005</u>	<u>162,937</u>	<u>1,234,501</u>
Deferred outflows of resources							
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 733,295</u>	<u>\$ 115,492</u>	<u>\$ 64,415</u>	<u>\$ 53,357</u>	<u>\$ 105,005</u>	<u>\$ 162,937</u>	<u>\$ 1,234,501</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & FUND BALANCES							
Liabilities							
Accounts payable	\$ 59,128	\$ -	\$ -	\$ -	\$ 4	\$ 12,098	\$ 71,230
Salaries and benefits payable	37,561	-	-	-	-	2,223	39,784
Due to other governmental units	15,658	-	-	-	-	6	15,664
Due to other funds	11,884	16,935	-	5,083	11,156	1,113	46,171
Deposits and other liabilities	16,404	-	-	-	-	205	16,609
Unearned revenue	51,164	97,032	-	-	-	44	148,240
Total liabilities	<u>191,799</u>	<u>113,967</u>	<u>-</u>	<u>5,083</u>	<u>11,160</u>	<u>15,689</u>	<u>337,698</u>
Deferred inflows of resources							
Unavailable property taxes	30,290	-	-	-	-	-	30,290
Unavailable HARP loan	39,873	-	-	-	-	-	39,873
Total deferred inflows of resources	<u>70,163</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,163</u>
Fund balances							
Nonspendable	5,780	-	-	-	-	36	5,816
Restricted	310,747	1,525	64,415	48,274	93,845	147,212	666,018
Committed	91,440	-	-	-	-	-	91,440
Unassigned	63,366	-	-	-	-	-	63,366
Total fund balances	<u>471,333</u>	<u>1,525</u>	<u>64,415</u>	<u>48,274</u>	<u>93,845</u>	<u>147,248</u>	<u>826,640</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 733,295</u>	<u>\$ 115,492</u>	<u>\$ 64,415</u>	<u>\$ 53,357</u>	<u>\$ 105,005</u>	<u>\$ 162,937</u>	<u>\$ 1,234,501</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, 2021
(amounts expressed in thousands)

Fund balances - total governmental funds	\$	826,640
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.		975,529
Deferred outflows of resources are not recorded in the governmental fund statements but are recorded in the government-wide statements.		514,638
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.		(1,914,118)
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.		(2,145)
Deferred inflows of resources are not recorded in the governmental fund statements but are recorded in the government-wide statements.		(64,297)
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.		70,163
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 outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in the statement of net position.		68,429
Net position of governmental activities	\$	474,839

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, 2021
(amounts expressed in thousands)

	General Fund	Disaster Claiming	Debt Service	Local Health and Welfare	2011 Realignment	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 314,445	\$ -	\$ -	\$ -	\$ -	\$ 46,252	\$ 360,697
Licenses and permits	13,912	-	-	-	-	1,319	15,231
Fines, forfeitures and penalties	8,989	-	-	-	-	379	9,368
Use of money and property	2,594	315	1	217	-	346	3,473
Aid from other governmental agencies:							
State	369,438	16,438	-	254,426	210,128	62,952	913,382
Federal	480,754	64,952	-	-	-	9,107	554,813
Other	4,016	-	1,761	-	-	1	5,778
Charges for services	64,069	-	-	-	-	6,527	70,596
Other revenues	86,709	-	11,712	-	-	426	98,847
Total revenues	<u>1,344,926</u>	<u>81,705</u>	<u>13,474</u>	<u>254,643</u>	<u>210,128</u>	<u>127,309</u>	<u>2,032,185</u>
Expenditures							
General government	89,853	-	1	-	81	6,394	96,329
Public protection	502,148	-	-	-	-	-	502,148
Public ways and facilities	3,770	-	-	-	-	67,863	71,633
Health, sanitation, and public assistance	1,077,036	-	-	-	-	404	1,077,440
Education	271	-	-	-	-	28,661	28,932
Culture and recreation	3,371	-	-	-	-	-	3,371
Capital outlay	82,296	-	-	-	-	25,783	108,079
Debt service:							
Principal	-	-	38,635	-	-	-	38,635
Interest and fiscal charges	-	-	8,615	-	-	-	8,615
Total expenditures	<u>1,758,745</u>	<u>-</u>	<u>47,251</u>	<u>-</u>	<u>81</u>	<u>129,105</u>	<u>1,935,182</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(413,819)</u>	<u>81,705</u>	<u>(33,777)</u>	<u>254,643</u>	<u>210,047</u>	<u>(1,796)</u>	<u>97,003</u>
Other Financing Sources (Uses)							
Proceeds from sale of capital assets	10	-	-	-	-	-	10
Insurance recoveries	801	-	-	-	-	-	801
Transfers in	506,964	-	34,870	11,360	-	4,390	557,584
Transfers (out)	(54,679)	(82,575)	-	(261,131)	(184,784)	(2,407)	(585,576)
Total other financing sources (uses)	<u>453,096</u>	<u>(82,575)</u>	<u>34,870</u>	<u>(249,771)</u>	<u>(184,784)</u>	<u>1,983</u>	<u>(27,181)</u>
Net change in fund balances	39,277	(870)	1,093	4,872	25,263	187	69,822
Fund balances - beginning	197,786	2,395	63,322	43,402	68,582	147,061	522,548
Prior period adjustment	234,270	-	-	-	-	-	234,270
Fund balances - beginning restated	<u>432,056</u>	<u>2,395</u>	<u>63,322</u>	<u>43,402</u>	<u>68,582</u>	<u>147,061</u>	<u>756,818</u>
Fund balances - ending	<u>\$ 471,333</u>	<u>\$ 1,525</u>	<u>\$ 64,415</u>	<u>\$ 48,274</u>	<u>\$ 93,845</u>	<u>\$ 147,248</u>	<u>\$ 826,640</u>

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 the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

Net change in fund balances - total governmental funds \$ 69,822

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	108,079	
Less - current year depreciation expense	<u>(43,808)</u>	64,271

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. 305

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. 15,187

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. 38,744

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. (4,575)

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. 15,795

Change in net position of governmental activities \$ 199,549

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, 2021
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste Enterprise	County Service Areas, Other	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 55,329	\$ 7,521	\$ 62,850	\$ 143,430
Restricted cash and cash equivalents	45,417	1,582	46,999	3,758
Accounts receivable (net of allowance)	3,239	955	4,194	824
Interest receivable	650	59	709	930
Due from other funds	690	-	690	13,526
Due from other governmental units	-	605	605	6,673
Total current assets	<u>105,325</u>	<u>10,722</u>	<u>116,047</u>	<u>169,141</u>
Noncurrent assets:				
Accounts receivable	-	-	-	229
Nondepreciable:				
Land	7,956	1,227	9,183	-
Construction in progress	3,323	14,175	17,498	8,864
Depreciable:				
Buildings and improvements, net	29,471	13,059	42,530	17,940
Equipment, net	<u>3,336</u>	<u>586</u>	<u>3,922</u>	<u>32,680</u>
Total noncurrent assets	<u>44,086</u>	<u>29,047</u>	<u>73,133</u>	<u>59,713</u>
Total assets	<u>149,411</u>	<u>39,769</u>	<u>189,180</u>	<u>228,854</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pensions	<u>2,712</u>	<u>1,350</u>	<u>4,062</u>	<u>27,185</u>
Total deferred outflows of resources	<u>2,712</u>	<u>1,350</u>	<u>4,062</u>	<u>27,185</u>
LIABILITIES				
Current liabilities:				
Cash overdraft	-	-	-	960
Accounts payable	802	1,557	2,359	10,024
Salaries and benefits payable	112	-	112	1,236
Due to other funds	808	53	861	4,064
Due to other governmental units	-	-	-	7,179
Advances from other funds	-	315	315	-
Liability for self-insurance	-	-	-	23,313
Interest payable	-	80	80	-
Deposits and other liabilities	7,214	20	7,234	836
Loans payable	-	3	3	-
General obligation bonds payable	-	270	270	-
Unearned revenue	-	-	-	1,295
Compensated leave and absences	121	63	184	1,275
Accrued closure/post-closure liability	5,778	-	5,778	-
Capital lease obligations	-	-	-	1,182
Total current liabilities	<u>14,835</u>	<u>2,361</u>	<u>17,196</u>	<u>51,364</u>
Noncurrent liabilities:				
Liability for self-insurance	-	-	-	64,960
Compensated leave and absences	197	73	270	2,006
General obligation bonds payable	-	2,025	2,025	-
Loans payable	-	53	53	-
Accrued closure/post-closure liability	42,147	-	42,147	-
Capital lease obligations	-	-	-	1,340
Net pension liability	<u>6,439</u>	<u>3,205</u>	<u>9,644</u>	<u>64,544</u>
Total noncurrent liabilities	<u>48,783</u>	<u>5,356</u>	<u>54,139</u>	<u>132,850</u>
Total liabilities	<u>63,618</u>	<u>7,717</u>	<u>71,335</u>	<u>184,214</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pensions	<u>339</u>	<u>169</u>	<u>508</u>	<u>3,396</u>
Total deferred inflows of resources	<u>339</u>	<u>169</u>	<u>508</u>	<u>3,396</u>
NET POSITION				
Net investment in capital assets	44,086	29,047	73,133	56,962
Restricted for:				
Debt service	-	1,582	1,582	-
Unrestricted	<u>44,080</u>	<u>2,604</u>	<u>46,684</u>	<u>11,467</u>
Total net position	<u>\$ 88,166</u>	<u>\$ 33,233</u>	<u>\$ 121,399</u>	<u>\$ 68,429</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, 2021
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Solid Waste	County Service Areas, Other	Total	Internal Service Funds
Operating revenues				
Charges for services	\$ 20,303	\$ 8,233	\$ 28,536	\$ 246,865
Other revenues	1,651	3,512	5,163	2,459
Total operating revenues	<u>21,954</u>	<u>11,745</u>	<u>33,699</u>	<u>249,324</u>
Operating expenses				
Salaries and benefits	4,206	2,096	6,302	41,687
Insurance	140	165	305	121,934
Professional services	2,592	2,883	5,475	14,634
General and administrative	1,384	2,278	3,662	43,805
Repairs and maintenance	925	3,297	4,222	6,911
Rents and leases	17	1	18	10,547
Parts and supplies	143	20	163	6,371
Accrued closure/post-closure costs	2,659	-	2,659	-
Utilities	127	897	1,024	12,807
Depreciation	739	663	1,402	7,177
Total operating expenses	<u>12,932</u>	<u>12,300</u>	<u>25,232</u>	<u>265,873</u>
Operating income (loss)	<u>9,022</u>	<u>(555)</u>	<u>8,467</u>	<u>(16,549)</u>
Non-operating revenues (expenses)				
Gain (Loss) on sale of capital assets	(1,703)	(106)	(1,809)	361
Use of money and property	83	348	431	7
Interest expense	-	(45)	(45)	-
Tax revenues	-	855	855	-
Insurance recoveries	-	-	-	3,973
Closure/post-closure expense/fees	(374)	-	(374)	-
Grants and other revenues	542	-	542	-
Total non-operating revenues (expenses)	<u>(1,452)</u>	<u>1,052</u>	<u>(400)</u>	<u>4,341</u>
Net income (loss) before transfers	<u>7,570</u>	<u>497</u>	<u>8,067</u>	<u>(12,208)</u>
Transfers in (out)				
Transfers in	284	3	287	29,744
Transfers (out)	(211)	(87)	(298)	(1,741)
Total transfers in (out)	<u>73</u>	<u>(84)</u>	<u>(11)</u>	<u>28,003</u>
Change in net position	<u>7,643</u>	<u>413</u>	<u>8,056</u>	<u>15,795</u>
Net position - beginning	80,796	33,569	114,365	52,985
Prior period adjustment	(273)	(749)	(1,022)	(351)
Net position - beginning restated	<u>80,523</u>	<u>32,820</u>	<u>113,343</u>	<u>52,634</u>
Net position - ending	<u>\$ 88,166</u>	<u>\$ 33,233</u>	<u>\$ 121,399</u>	<u>\$ 68,429</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, 2021
(amounts expressed in thousands)

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	County			Activities
	Solid Waste	Service Areas, Other	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from users	\$ 23,613	\$ 11,576	\$ 35,189	\$ 250,863
Cash paid to suppliers	(6,498)	(12,188)	(18,686)	(200,312)
Cash paid to employees	(4,155)	(2,224)	(6,379)	(42,057)
Cash paid for claims	-	-	-	(20,588)
Net cash provided by (used in) operating activities	<u>12,960</u>	<u>(2,836)</u>	<u>10,124</u>	<u>(12,094)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Tax revenues	-	854	854	-
Grant revenues	542	1	543	-
Transfers from other funds	284	3	287	29,744
Transfers to other funds	(211)	(87)	(298)	(1,741)
Advances paid to/returned to other funds	-	(33)	(33)	-
Cash paid to closure/post-closure liability	(370)	-	(370)	-
Net cash provided by (used in) noncapital financing activities	<u>245</u>	<u>738</u>	<u>983</u>	<u>28,003</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Sales of capital assets	146	268	414	256
Purchases of capital assets	(6,119)	-	(6,119)	(18,246)
Insurance recoveries	-	-	-	3,973
Interest paid on capital debt	-	(45)	(45)	-
Net cash provided by (used in) capital and related financing activities	<u>(5,973)</u>	<u>223</u>	<u>(5,750)</u>	<u>(14,017)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Use of money and property received	(120)	(73)	(193)	(256)
Net cash provided by (used in) investing activities	<u>(120)</u>	<u>(73)</u>	<u>(193)</u>	<u>(256)</u>
Net increase (decrease) in cash and cash equivalents	7,112	(1,948)	5,164	1,636
Cash and cash equivalents - beginning	<u>93,634</u>	<u>11,051</u>	<u>104,685</u>	<u>145,552</u>
Cash and cash equivalents - ending	<u>\$ 100,746</u>	<u>\$ 9,103</u>	<u>\$ 109,849</u>	<u>\$ 147,188</u>
Reconciliation of cash and cash equivalents to the statement of net position:				
Cash and cash equivalents	\$ 55,329	\$ 7,521	\$ 62,850	\$ 143,430
Restricted cash and investments	<u>45,417</u>	<u>1,582</u>	<u>46,999</u>	<u>3,758</u>
Total	<u>\$ 100,746</u>	<u>\$ 9,103</u>	<u>\$ 109,849</u>	<u>\$ 147,188</u>

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

County of Fresno
Statement of Cash Flows (Continued)
Proprietary Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities
	County			Internal Service Funds
	Solid Waste	Service Areas, Other	Total	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 9,022	\$ (555)	\$ 8,467	\$ (16,549)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Landfill closure and post-closure costs	2,659	-	2,659	-
Pension expense	(190)	(95)	(285)	(1,907)
Depreciation expense	739	663	1,402	7,177
Decrease (increase) in accounts receivable	(1,151)	207	(944)	(338)
Decrease (increase) in due from other funds	618	229	847	90
Decrease (increase) in due from other governmental units	-	(605)	(605)	594
Decrease (increase) in inventory of supplies	(1,499)	(3,513)	(5,012)	(1,687)
(Decrease) increase in accounts payable	624	1,234	1,858	(3,040)
(Decrease) increase in salaries and benefits payable	49	9	58	254
(Decrease) increase in unearned revenue	2,192	-	2,192	(56)
(Decrease) increase in deposits held for others	-	-	-	1,249
(Decrease) increase in due to other funds	(389)	(368)	(757)	776
(Decrease) increase in due to other governmental units	94	-	94	711
(Decrease) increase in deferred outflows pensions	(1,296)	(594)	(1,890)	(12,400)
(Decrease) increase in deferred inflows pensions	(183)	(109)	(292)	(2,051)
(Decrease) increase in net pension liabilities	1,671	661	2,332	14,774
(Decrease) increase in liability for self-insurance	-	-	-	309
Total adjustments	<u>3,938</u>	<u>(2,281)</u>	<u>1,657</u>	<u>4,455</u>
Net cash provided by (used in) operating activities	<u>\$ 12,960</u>	<u>\$ (2,836)</u>	<u>\$ 10,124</u>	<u>\$ (12,094)</u>
Sales (Purchase) of capital assets	<u>\$ (5,973)</u>	<u>\$ 268</u>	<u>\$ (5,705)</u>	<u>\$ (17,990)</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, 2021
(amounts expressed in thousands)

	<u>Custodial Funds</u>	<u>Pension Trust Fund</u>
ASSETS		
Cash and investments	\$ 4,198,660	\$ 533,359
Accounts receivable	8,081	52,342
Taxes receivable	196	-
Interest receivable	95,565	15,466
Property held by public administrator	3,315	-
Investments, at fair value	-	6,022,372
Prepaid expenses	-	293
Capital assets, net	-	13,576
Total assets	<u>\$ 4,305,817</u>	<u>\$ 6,637,408</u>
LIABILITIES		
Accounts payable	\$ -	\$ 354,486
Due to other taxing units	66,497	-
Due to other governmental units	40,866	-
Deposits held for others	23	-
Fiduciary liability	<u>4,198,431</u>	<u>-</u>
Total liabilities	<u>\$ 4,305,817</u>	354,486
FIDUCIARY NET POSITION		
Fiduciary net position restricted for pension benefits		<u>6,282,922</u>
Total liabilities and fiduciary net position		<u>\$ 6,637,408</u>

The notes to the basic 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, 2021
(amounts expressed in thousands)

	<u>Pension Trust Fund</u>
ADDITIONS	
Contributions:	
Employers	\$ 273,973
Plan members	<u>41,621</u>
Total contributions	<u>315,594</u>
Investment income:	
Net investment income, before securities lending	1,348,099
Net income from securities lending activities	<u>552</u>
Net investment income	<u>1,348,651</u>
Total additions	<u>1,664,245</u>
DEDUCTIONS	
Benefits paid to plan members and beneficiaries	307,680
Refunds of member contributions	2,747
Administrative expenses	6,074
Other	<u>117</u>
Total deductions	<u>316,618</u>
Change in fiduciary net position	1,347,627
Fiduciary net position - beginning	<u>4,935,295</u>
Fiduciary net position - ending	<u>\$ 6,282,922</u>

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

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County of Fresno
Notes to the Basic Financial Statements
June 30, 2021
(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 in substance, are 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.

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

County of Fresno
Notes to the Basic Financial Statements
June 30, 2021
(amounts expressed in thousands)

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 was formed for the purpose of securitizing the payments to be received by the County from the nation-wide Tobacco Settlement Agreement (the Payments) for such purposes as, but not limited to the issuance, sale, execution, and delivery of bonds secured by those Payments or the lending of money based on thereof, or to securitize, sell, purchase or otherwise dispose of some or all of such Payments of the County. The FCTFC's board consists of members of the Board or members appointed by the Board. The FCTFC provides services only to the County. 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, 2021, 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.

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

County of Fresno
Notes to the Basic Financial Statements
June 30, 2021
(amounts expressed in thousands)

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 five 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 revenues and expenditures from Federal and State funding 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 *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 revenues 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.

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-

County of Fresno
Notes to the Basic Financial Statements
June 30, 2021
(amounts expressed in thousands)

insurance programs – worker's compensation; long-term disability; employee benefits; personal injury; and property damage – on a cost-reimbursement basis.

Pension Trust Fund accounts for resources held in trust for the members and beneficiaries of a defined benefit pension plan. Refer to Note 12 for more information on Fresno County Employees' Retirement Association (FCERA).

Custodial Funds account for assets held by the County in a custodial capacity for various local governments. These include the External Investment Pool, Property Tax Collection, Public Administrator-Guardian, and San Joaquin Valley Insurance Authority. The remaining Custodial Funds are combined in Other Custodial Funds. The External Investment Pool 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 External Investment Pool also accounts for tax collections passed through to cities within the County.

(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 Custodial 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 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

County of Fresno
Notes to the Basic Financial Statements
June 30, 2021
(amounts expressed in thousands)

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, Disaster Claiming, Debt Service, Local Health and Welfare, and 2011 Realignment Funds' Budgetary Comparison Schedules are part of Required Supplementary Information on pages 66-69.

(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.

County of Fresno
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(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 2020-21, the County recorded \$293,027 in property taxes that were used to finance general governmental services.

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.

County of Fresno
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(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:

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

(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 or fund balance 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 or fund balance 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

County of Fresno
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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.

(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 collected for the year ended June 30, 2021, was \$77,076. 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

County of Fresno
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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, 2021, the County implemented the following GASB 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. 90 – *Majority Equity Interests*. The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

The GASB has issued Statement No. 98 – *The Annual Comprehensive Financial Report*. The requirements of this statement are effective for fiscal years ending after December 15, 2021.

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. 87 – *Leases*. The requirements of the statement are effective for reporting periods beginning after June 15, 2021.

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, 2022.

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 other postemployment benefit (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, 2021.

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NOTE 3 - Cash and Investments

Cash and investments as of June 30, 2021 are classified in the accompanying basic financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 1,065,002
Restricted cash and investments	63,919
Fiduciary Funds, excluding the Pension Trust Fund:	
Cash and investments	<u>4,198,660</u>
Total cash and investments	<u><u>\$ 5,327,581</u></u>

See the Pension Trust Fund's cash and investment disclosures at Fresno County Employees' Retirement Association's (FCERA), stand-alone financial report. FCERA's stand-alone financial report can be reviewed at the FCERA website: <https://fresnocountyretirement.org/financial/> or FCERA's office, located at 7772 North Palm Avenue, Fresno CA 93711.

Cash and investments as of June 30, 2021 consist of the following:

Cash on hand	\$ 12,380
Imprest cash	125
Postage funds	<u>637</u>
Total cash & cash equivalents	\$ 13,142
Deposits with financial institutions	71,838
Investments (pooled)	<u>5,087,631</u>
Total pooled cash and investments	<u><u>5,172,611</u></u>
Debt investments (fiscal agents)	12,614
External investments (fiscal agents)	<u>142,356</u>
Total cash, investments, and investments with fiscal agents	<u><u>\$ 5,327,581</u></u>

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The following represents a condensed statement of net position for the Treasury Investment Pool as of June 30, 2021.

Cash and investments	\$ 5,247,428
Less: transitory items/warrants payable	<u>(74,817)</u>
Net position held in trust for pool participants	<u><u>\$ 5,172,611</u></u>

Equity of internal pool participants	\$ 973,951
Equity of external pool participants (voluntary and involuntary)	<u>4,198,660</u>
	<u><u>\$ 5,172,611</u></u>

The following represents a condensed statement of changes in net position for the Treasury Investment Pool as of June 30, 2021.

Statement of Changes in Net Position

Net position at July 1, 2020	\$ 4,254,930
Net change in investments by pool participants	<u>917,681</u>
Net position held in trust for pool participants at June 30, 2021	<u><u>\$ 5,172,611</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.

Authorized Investment Types	Maximum Percentage Of Portfolio	Maximum Maturity
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

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Investment Authorized by Debt Agreements

The County and its component units have \$12,614 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.

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:

	<u>Totals</u>	<u>Remaining Maturity (in months)</u>			
		<u>12 months or less</u>	<u>13 to 24 months</u>	<u>25 to 36 months</u>	<u>37 to 60 months</u>
U.S. Government Agency Obligations	\$ 2,378,203	\$ 399,840	\$ 391,716	\$ 458,846	\$ 1,127,801
Medium-Term Corporate Notes	1,102,995	231,985	205,394	239,653	425,963
U.S. Treasury Notes	447,717	20,302	20,408	24,563	382,444
Negotiable Certificates of Deposit	300,000	300,000	-	-	-
Municipal Bonds	221,675	34,976	46,292	24,296	116,111
Mutual Fund	85,000	85,000	-	-	-
Bank Accounts	711,838	711,838	-	-	-
Total	<u>\$ 5,247,428</u>	<u>\$ 1,783,941</u>	<u>\$ 663,810</u>	<u>\$ 747,358</u>	<u>\$ 2,052,319</u>
Less: Outstanding Warrants Still Invested	(74,817)				
Total Financial Statement Pooled Investments	<u>\$ 5,172,611</u>				

Investments with Fiscal Agents:

Cash Balance	\$ 3,569	\$ 3,569	\$ -	\$ -	\$ -
Federated Government Obligation Fund	425	425	-	-	-
Money Market Mutual Funds	8,620	8,620	-	-	-
Total	<u>\$ 12,614</u>	<u>\$ 12,614</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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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:

<u>Investment Type</u>	<u>Total</u>	Ratings as of the Year End 6/30/2021					
		Minimum	Exempt	A1/P1			
		Legal	from	A-AAA	B-BBB	C-CCC	Not Rated
		Rating	Disclosure				
U.S. Government Agency Obligations	\$ 2,378,206	N/A	\$ -	\$ 2,378,206	\$ -	\$ -	\$ -
Medium-Term Corporate Notes	1,102,994	A3	-	1,057,311	45,683	-	-
U.S. Treasury Notes	447,716	N/A	-	447,716	-	-	-
Negotiable Certificates of Deposit	300,000	A-1	-	300,000	-	-	-
Municipal Bonds	221,674	N/A	-	221,674	-	-	-
Mutual Fund	85,000	N/A	-	10,000	-	-	75,000
Bank Accounts	711,838	N/A	-	-	-	-	711,838
Total	\$ 5,247,428		\$ -	\$ 4,414,907	\$ 45,683	\$ -	\$ 786,838

Investments with Fiscal Agents:

<u>Investment Type</u>	<u>Total</u>	Ratings as of the Year End 6/30/2021					
		Minimum	Exempt	A1/P1			
		Legal	from	A-AAA	B-BBB	C-CCC	Not Rated
		Rating	Disclosure				
Cash Balance	\$ 3,569	N/A	\$ -	\$ 3,569	\$ -	\$ -	\$ -
Federated Government Obligation Fund	425	N/A	-	425	-	-	-
Money Market Mutual Funds	8,620	N/A	-	8,620	-	-	-
Total	\$ 12,614		\$ -	\$ 12,614	\$ -	\$ -	\$ -

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:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal Farm Credit Bank	Federal Agency Securities	\$ 677,116
Federal Home Loan Bank	Federal Agency Securities	638,630
Federal National Mortgage Association	Federal Agency Securities	877,825

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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, 2021, 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, 2021, 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-laiif/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.

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.

County of Fresno
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The County's pooled investments have the following recurring fair value measurements as of June 30, 2021:

<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	\$ 2,378,205	\$ -	\$ 2,378,205	\$ -
Medium-Term Corporate Notes	1,102,995	-	1,102,995	-
U.S. Treasury Notes	447,716	-	447,716	-
Negotiable Certificates of Deposit - IDC or Union Bank	300,000	-	300,000	-
Municipal Bonds	221,674	-	221,674	-
	<u>\$ 4,450,590</u>	<u>\$ -</u>	<u>\$ 4,450,590</u>	<u>\$ -</u>

Investments at Net Asset Value:

Mutual Fund	\$ 85,000
Bank Account	711,838
	<u>\$ 5,247,428</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	\$ 66
Debt Service:	
Bond repayment	11,678
Capital Projects:	1,418
Internal Service Funds:	3,758
Total	<u>\$ 16,920</u>
Business-type activities:	
Enterprise funds:	
Solid Waste Enterprise:	
American Avenue post-closure care - other	\$ 44,414
Corrective action	1,003
Subtotal	<u>45,417</u>
CSAs:	
Bond repayment/construction	1,582
Subtotal	<u>1,582</u>
Total	<u>\$ 46,999</u>

County of Fresno
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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, 2021, the General Fund had a HARP loans allowance of \$814, while the Internal Services Risk Management Fund had an allowance of \$115, and American Avenue Solid Waste Fund had an allowance of \$1. The total allowance for uncollectible accounts was \$930.

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 financial statements. The amount not expected to be collected within the next fiscal year is \$39,874.

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.

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The composition of interfund balances as of June 30, 2021 was as follows:

Payable Fund	Receivable Fund					Total
	<u>General Fund</u>	<u>Major Govt.</u>	<u>Nonmajor Govt.</u>	<u>Solid Waste</u>	<u>Internal Service</u>	
General Fund	\$ -	\$ 2,232	\$ 85	\$ 14	\$ 9,553	\$ 11,884
Major Governmental	33,174	-	-	-	-	33,174
Nonmajor Governmental	121	-	-	1	991	1,113
Solid Waste Enterprise	3	-	-	675	130	808
CSAs	5	-	-	-	48	53
Internal Service Funds	1,260	-	-	-	2,804	4,064
Totals	<u>\$ 34,563</u>	<u>\$ 2,232</u>	<u>\$ 85</u>	<u>\$ 690</u>	<u>\$ 13,526</u>	<u>\$ 51,096</u>

The following schedule briefly summarizes the County's transfer activity for the fiscal year ended June 30, 2021:

Transfers From	Transfers To						Total
	<u>General Fund</u>	<u>Major Govt.</u>	<u>Nonmajor Govt.</u>	<u>Solid Waste</u>	<u>CSAs</u>	<u>Internal Service</u>	
General Fund	\$ -	\$ 42,480	\$ 3,980	\$ 251	\$ 1	\$ 7,967	\$ 54,679
Major Governmental	506,524	-	410	33	2	21,521	528,490
Nonmajor Government	440	1,747	-	-	-	220	2,407
Solid Waste Enterprise	-	175	-	-	-	36	211
CSAs	-	87	-	-	-	-	87
Internal Service Funds	-	1,741	-	-	-	-	1,741
Totals	<u>\$ 506,964</u>	<u>\$ 46,230</u>	<u>\$ 4,390</u>	<u>\$ 284</u>	<u>\$ 3</u>	<u>\$ 29,744</u>	<u>\$ 587,615</u>

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, 2021:

	To Other Funds	From Other Funds
General Fund	\$ 315	\$ -
CSAs	-	315
	<u>\$ 315</u>	<u>\$ 315</u>

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.

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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, 2021, the Williamson Act Program tax abatements were \$50,440.

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NOTE 8 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments</u>	<u>Balance</u> <u>June 30, 2021</u>
Governmental activities					
Capital assets, not being depreciated					
Land	\$ 16,878	\$ -	\$ -	\$ -	\$ 16,878
Land easements	41,838	-	-	-	41,838
Construction in progress	92,355	42,077	(19,268)	4,203	119,367
Infrastructure in progress	29,771	12,089	(23,087)	(315)	18,458
Total capital assets, not being depreciated	<u>180,842</u>	<u>54,166</u>	<u>(42,355)</u>	<u>3,888</u>	<u>196,541</u>
Capital assets, being depreciated					
Buildings and improvements	648,648	60,359	-	-	709,007
Equipment	116,735	13,998	(2,163)	(650)	127,920
Infrastructure	649,328	28,299	-	-	677,627
Intangible	45,861	-	-	-	45,861
Total capital assets, being depreciated	<u>1,460,572</u>	<u>102,656</u>	<u>(2,163)</u>	<u>(650)</u>	<u>1,560,415</u>
Less accumulated depreciation for:					
Buildings and improvements	(232,469)	(20,705)	-	-	(253,174)
Equipment	(80,493)	(9,336)	812	3,703	(85,314)
Infrastructure	(326,280)	(11,677)	-	-	(337,957)
Intangible	(45,626)	(131)	-	259	(45,498)
Total accumulated depreciation	<u>(684,868)</u>	<u>(41,849)</u>	<u>812</u>	<u>3,962</u>	<u>(721,943)</u>
Total capital assets, being depreciated, net	<u>775,704</u>	<u>60,807</u>	<u>(1,351)</u>	<u>3,312</u>	<u>838,472</u>
Governmental activities capital assets, net	<u>\$ 956,546</u>	<u>\$ 114,973</u>	<u>\$ (43,706)</u>	<u>\$ 7,200</u>	<u>\$ 1,035,013</u>
Business-type activities					
Capital assets, not being depreciated					
Land	\$ 9,183	\$ -	\$ -	\$ -	\$ 9,183
Construction in progress	12,486	4,897	-	115	17,498
Total capital assets, not being depreciated	<u>21,669</u>	<u>4,897</u>	<u>-</u>	<u>115</u>	<u>26,681</u>
Capital assets, being depreciated					
Buildings and improvements	100,605	-	-	(1,244)	99,361
Equipment	20,629	265	-	(382)	20,512
Total capital assets, being depreciated	<u>121,234</u>	<u>265</u>	<u>-</u>	<u>(1,626)</u>	<u>119,873</u>
Less accumulated depreciation for:					
Buildings and improvements	(59,917)	(739)	-	3,825	(56,831)
Equipment	(16,778)	(663)	-	851	(16,590)
Total accumulated depreciation	<u>(76,695)</u>	<u>(1,402)</u>	<u>-</u>	<u>4,676</u>	<u>(73,421)</u>
Total capital assets being depreciated, net	<u>44,539</u>	<u>(1,137)</u>	<u>-</u>	<u>3,050</u>	<u>46,452</u>
Business-type activities capital assets, net	<u>\$ 66,208</u>	<u>\$ 3,760</u>	<u>\$ -</u>	<u>\$ 3,165</u>	<u>\$ 73,133</u>

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Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$	9,811
Public protection		2,361
Public ways and facilities		11,721
Health, sanitation, and public assistance		9,714
Education		1,056
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		7,177
Total depreciation expense - governmental functions	\$	41,849

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

Solid waste enterprise	\$	739
County service areas, other		663
Total depreciation expense - business-type functions	\$	1,402

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, 2021, for operating leases was \$20,209.

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, 2021:

Fiscal Year Ended June 30	Governmental Activities
2022	\$ 12,371
2023	9,528
2024	8,620
2025	8,573
2026	8,272
2027-2031	36,922
2032-2036	34,178
2037-2040	17,529
Total	\$ 135,993

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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, 2021:

Governmental Activities Fiscal Year Ended June 30	Total Payments	Imputed Interest	Net Present Value of Minimum Lease Payments
2022	\$ 1,353	\$ 91	\$ 1,262
2023	829	45	784
2024	452	20	432
2025	180	6	174
2026	54	1	53
Total	<u>\$ 2,868</u>	<u>\$ 163</u>	<u>\$ 2,705</u>

The following is a schedule of property under capital leases segregated by major class at June 30, 2021:

	Governmental Activities
Equipment	\$ 30,798
Accumulated depreciation	(28,263)
	<u>\$ 2,535</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
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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, 2021:

	Balance			Balance	Amounts
	July 1, 2020	Additions	Deductions	June 30, 2021	due within
					one year
Governmental activities					
Earned compensated absences	\$ 53,253	\$ 50,412	\$ (46,170)	\$ 57,495	\$ 23,663
Capital lease obligations (Note 9)	2,805	1,213	(1,313)	2,705	1,262
Liability for self-insurance (Note 13)	87,964	20,895	(20,589)	88,270	23,581
Adverse judgment (Note 16)	24,503	-	(24,503)	-	-
Bonds payable	354,056	-	(22,126)	331,930	16,486
Accreted interest	278,491	27,386	-	305,877	-
Net pension liability (Note 12)	<u>1,047,198</u>	<u>239,263</u>	<u>-</u>	<u>1,286,461</u>	<u>-</u>
Total governmental activities	<u>\$ 1,848,270</u>	<u>\$ 339,169</u>	<u>\$ (114,701)</u>	<u>\$ 2,072,738</u>	<u>\$ 64,992</u>
Business-type activities					
Earned compensated absences	\$ 377	\$ 552	\$ (475)	\$ 454	\$ 184
Bonds	2,545	-	(250)	2,295	270
Loans	59	-	(3)	56	3
Closure and post-closure	45,243	2,682	-	47,925	5,778
Net pension liability	<u>7,312</u>	<u>2,332</u>	<u>-</u>	<u>9,644</u>	<u>-</u>
Total business-type activities	<u>\$ 55,536</u>	<u>\$ 5,566</u>	<u>\$ (728)</u>	<u>\$ 60,374</u>	<u>\$ 6,235</u>
Totals	<u>\$ 1,903,806</u>	<u>\$ 344,735</u>	<u>\$ (115,429)</u>	<u>\$ 2,133,112</u>	<u>\$ 71,227</u>

County of Fresno
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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>
2022	\$ 16,486	\$ 8,111	\$ 24,597
2023	15,587	7,950	23,537
2024	14,744	7,811	22,555
2025	14,782	7,679	22,461
2026	14,864	-	14,864
2027-2031	72,438	37,745	110,183
2032-2036	121,975	23,843	145,818
2037-2041	18,500	2,266	20,766
2042-2046	-	-	-
2047-2051	19,496	-	19,496
2052-2056	19,519	-	19,519
Subtotal	<u>328,391</u>	<u>95,405</u>	<u>423,796</u>
Less: Original issue premium	4,124	-	4,124
Original issue discount	(585)	-	(585)
Total	<u>\$ 331,930</u>	<u>\$ 95,405</u>	<u>\$ 427,335</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 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.

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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%.

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

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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

<u>Series</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Initial Principal Amount</u>	<u>Accreted Value June 30, 2021</u>	<u>Accreted Value at Maturity</u>
2004A	August 15, 2033	1.3% to 5.67%	\$ 327,898	\$ 562,772	\$ 711,250
			Less principal	(327,898)	
			Accreted interest	\$ 234,874	

Tobacco Securitization Tax Bonds

<u>Series</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Initial Principal Amount</u>	<u>Accreted Value June 30, 2021</u>	<u>Accreted Value at Maturity</u>
2006A	June 1, 2046	6.50%	\$ 16,606	\$ 43,730	\$ 216,420
2006B	June 1, 2046	6.65%	2,890	7,779	39,920
2006C	June 1, 2055	7.00%	9,757	27,645	286,800
2006D	June 1, 2055	7.75%	9,762	30,864	409,500
	Total		\$ 39,015	\$ 110,018	\$ 952,640
			Less principal	(39,015)	
			Accreted interest	\$ 71,003	
			Total accreted	\$ 305,877	

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.

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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>
2022	\$ 270	\$ 145	\$ 415
2023	285	126	411
2024	305	106	411
2025	325	85	410
2026	345	63	408
2027-2028	765	52	817
Total	<u>\$ 2,295</u>	<u>\$ 577</u>	<u>\$ 2,872</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, 2021, the special district's unpaid loan balance was \$56.

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, 2021. Coalinga completed its closure activities during fiscal year 2017 and began post-closure activities in fiscal year 2018.

The \$47,925 reported as landfill closure and post-closure care liability at June 30, 2021, 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 \$33,365 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, 2021. The total current cost of landfill closure and post-closure care is an estimate and subject to changes resulting from inflation, deflation, technology, or changes in applicable laws or regulations.

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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:

<u>Landfill</u>	<u>Capacity used at June 30, 2021</u>	<u>Estimated Years Remaining</u>	<u>Total Estimated Liability June 30, 2021</u>	<u>Liability Recognized June 30, 2021</u>	<u>Remaining Liability to be Recognized</u>
American Avenue	55.61%	30	\$ 75,165	\$ 41,800	\$ 33,365
Coalinga	49.30%	-	3,042	3,042	-
Southeast Regional	100.00%	-	3,083	3,083	-
Total			<u>\$ 81,290</u>	<u>\$ 47,925</u>	<u>\$ 33,365</u>

The increase from fiscal year 2019-2020 in the closure and post-closure care liability for American Avenue was reported as an operating expense in 2020-2021. 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.

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, 2021, does not expect to incur a liability.

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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 plan) 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/> 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.

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. |

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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.

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 Annual Comprehensive Financial Report (ACFR). The FCERA ACFR is available at <https://fresnocountyretirement.org/financial/>.

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 8.03% and 15.91% of

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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	57.20%	9.90%	2,488
General Tier II	53.84%	6.94%	99
General Tier III	54.12%	8.03%	565
General Tier IV	45.66%	7.18%	252
General Tier V	43.34%	7.31%	3,466
Safety Tier I	84.45%	12.37%	401
Safety Tier II	85.33%	11.44%	51
Safety Tier IV	70.82%	10.18%	60
Safety Tier V	66.94%	11.93%	491
All Categories	54.91%	9.07%	7,873

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

At June 30, 2021, the County reported a pension liability of \$1,296,105 for its proportionate share of the net pension liability (NPL). The NPL was measured as of June 30, 2020, 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, 2021, the County recognized a credit to pension expense of \$38,272. 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, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 23,845	\$ 31,464
Experience changes in assumptions	-	35,546
Net difference between projected and actual earnings on retirement plan investments	262,113	-
Changes in proportion and differences between County contributions and proportionate share of contributions	2,925	1,191
Contributions by County subsequent to the actuarial measurement date	257,002	-
	<u>\$ 545,885</u>	<u>\$ 68,201</u>

Deferred outflows of resources of \$545,885 and deferred inflows of resources of \$68,201 above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

\$257,002 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year	Amount
<u>Ending June 30</u>	<u>Amount</u>
2022	\$ 21,340
2023	61,192
2024	74,296
2025	63,854
Thereafter	-
	<u>\$ 220,682</u>

Actuarial Assumptions

The total pension liability as of June 30, 2021, based on an actuarial valuation in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions-Amendment of GASB Statement No. 27*, was based on the June 30, 2020 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.

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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 MP2015; set forward one year for females. For Safety Members: Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table projected 20 years with two-dimensional scale MP2015, set back two years.
Disabled	For General Members: Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table projected 20 years with two-dimensional scale MP2015, set forward eight years. For Safety Members: Headcount-Weighted RP-2014 Mortality projected with 20 years with two-dimensional scale MP2015 set forward seven years. 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.
Contribution Rates	For General Members and all Beneficiaries: Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table projected 20 years with two-dimensional scale MP2015, set forward one year for females, weighted 35% males and 65% females for members and weighted 65% male and 35% female for beneficiaries. For Safety Members: Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table projected 20 years with two-dimensional scale MP2015P, set back two years weighted 80% male and 20% female.
Actuarial Cost Method	Entry Age Cost Method. Entry Age is age at the member's hire date. Normal Cost and Actuarial Accrued Liability are calculated on an

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individual basis and are based on costs allocated as a level percentage of compensation, with Normal Cost determined as if the current benefit formula for each individual has always been in effect (i.e., “replacement life within a tier”).

Expected Remaining
Service Lives

Average expected service lives of all employees is determined by:

- Calculating each active employee’s expected remaining service life as the present value of \$1 per year of future services at zero percent interest.
- Setting remaining service life to zero for each nonactive or retired member.
- Dividing the sum of the above amounts by the total number of active employees, nonactive and retired members.

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>	

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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-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, 2021, 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.

	6.00%	7.00%	8.00%
County's proportionate share of the NPL	\$ 2,102,642	\$ 1,296,105	\$ 636,360

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.

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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.

Property-other is self-insured up to a deductible of \$25 per claim with a maximum of \$600,000 in All Risk excess coverage per annual occurrence, and \$225,000 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 \$12,000, 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.

Watercraft coverage is self-insured up to a deductible of \$1. Policy limits vary.

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 1.4 percent. The undiscounted actuarial liability for these programs is \$86,824. 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 \$88,270 reported in the Risk Management Fund at June 30, 2021 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, 2021 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:

	June 30, 2021	June 30, 2020
Beginning of fiscal year liability	\$ 87,964	\$ 84,395
Current year claims provision and changes in estimates	20,895	19,081
Claim payments	<u>(20,589)</u>	<u>(15,512)</u>
Balance at fiscal year-end	<u>\$ 88,270</u>	<u>\$ 87,964</u>

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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, 2021, 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 (a) 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 County Administrative Officer (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.

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Fund balances for all the major and nonmajor governmental funds as of June 30, 2021, were distributed as follows:

	<u>General</u> <u>Fund</u>	<u>Disaster</u> <u>Claiming</u>	<u>Debt</u> <u>Service</u>	<u>Local Health</u> <u>and Welfare</u>	<u>2011</u> <u>Realignment</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u>
Nonspendable:							
Postage/imprest cash	\$ 427	\$ -	\$ -	\$ -	\$ -	\$ 36	\$ 463
SJVIA loan	5,000	-	-	-	-	-	5,000
CSA loans	353	-	-	-	-	-	353
Subtotal	<u>5,780</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36</u>	<u>5,816</u>
Restricted for:							
General government	71,816	1,525	-	-	-	144	73,485
Public protection	26,715	-	-	-	93,845	11,105	131,665
Public ways and facilities	18,391	-	-	-	-	33,678	52,069
Health, sanitation & public assistance	193,825	-	-	48,274	-	31	242,130
Education	-	-	-	-	-	55,442	55,442
Capital projects	-	-	-	-	-	46,812	46,812
Debt service	-	-	64,415	-	-	-	64,415
Subtotal	<u>310,747</u>	<u>1,525</u>	<u>64,415</u>	<u>48,274</u>	<u>93,845</u>	<u>147,212</u>	<u>666,018</u>
Committed to:							
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	353	-	-	-	-	-	353
Subtotal	<u>91,440</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,440</u>
Unassigned	<u>63,366</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,366</u>
Total	<u>\$ 471,333</u>	<u>\$ 1,525</u>	<u>\$ 64,415</u>	<u>\$ 48,274</u>	<u>\$ 93,845</u>	<u>\$ 147,248</u>	<u>\$ 826,640</u>

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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 can seek monetary damages in significant amounts. The outcome of such litigations has been determined to result in no probable financial loss to the County, and results in no liability for litigation. This represents the County's best estimate and therefore is not 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 not probable. The County intends to vigorously defend itself against these lawsuits. The County has not recorded actuarially determined reserves, since it has been determined that financial loss is not probable at June 30, 2021.

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.

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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.

<u>Internal Service Funds</u>	<u>Deficit Net Position</u>
Security Services	\$6,819

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 93721.

NOTE 19 – Prior Period Adjustments

A prior period adjustment, increasing net position by \$234,270, was made in the governmental activities for the General Fund. The adjustment recognizes the reclassification of funds that were no longer qualified to be reported as special revenue funds.

A prior period adjustment, decreasing net position by \$351, 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 \$1,022. These adjustments were due to adjusting beginning balances for various asset related adjustments.

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

	Governmental	Business-	
	Activities	Type	Totals
	Activities	Activities	Totals
Net position, stated at June 30, 2020	\$ 41,371	\$ 114,365	\$ 155,736
General Trust Funds - fund balance reclassification	234,270	-	234,270
Behavioral/Mental Health - interest reclassification	-	-	-
CSA Special Revenue Fund - assets	-	(749)	(749)
Solid Waste - assets	-	(273)	(273)
Internal Service Funds - GASB 68 pension adj.	-	-	-
ISF Risk Management - Worker's Comp. adj.	(351)	-	(351)
Net position, restated at June 30, 2021	275,290	113,343	388,633
Change in net position	199,549	8,056	207,605
Net position at June 30, 2021	<u>\$ 474,839</u>	<u>\$ 121,399</u>	<u>\$ 596,238</u>

NOTE 20 - Subsequent Events

In accordance with accounting standards generally accepted in the United States, subsequent events have been evaluated through January 26, 2022, the date in which the financial statements have been issued.

On July 1, 2021, the County issued \$130,000 of 0.25 percent fixed rate to yield 0.15 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 the fiscal year 2021-22 expenditures and the discharge of other obligations of the County. The maturity date of the notes is June 30, 2022.

During the week of September 13, 2021, the County's recommended budgets for the fiscal year 2021-22 were submitted to the Board and were approved.

On July 7, 2021, the County amended its Salary Resolution to end the requirement to take a minimum of one hundred twenty (120) hours of Annual Leave for vacation/sick leave during each payroll year and it directed staff to restore Annual Leave hours deducted from current employees' Annual Leave Bank during the 2020 Benefit Calendar Year. 133 County employees, 132 active and one (1) who was on leave, were affected by the 120-hour Minimum Annual Leave Use requirement at the end of 2020. Total hours of loss across all affected employees totals 2,379 hours, which were removed.

On July 7, 2021, the County adopted plans and specifications for construction of a new Environmental Compliance Center facility for central collection and disposal of household hazardous waste products, to be located at 301 S. West Avenue, Fresno, CA. The contract for construction was awarded to lowest responsible bidder, BMY Construction, in total amount of \$2,660.

On August 24, 2021, the County entered into a retroactive lease agreement with Fresno-Air LTD, for approximately 10,933 square footage of combined office and warehouse space, effective July 1, 2021. The term of the lease is not to exceed five years and two months. Base rent for five years and two months is \$512.

County of Fresno
Notes to the Basic Financial Statements
June 30, 2021
(amounts expressed in thousands)

On September 9, 2021, the County accepted a monetary donation of \$48 from the Jarrett Family Trust to Fresno County Public Library for use in future projects.

On September 9, 2021, the County accepted a non-monetary donation of child-safe teddy bears and formal wear valued at \$56 from the Assistance League of Fresno.

On September 21, 2021, the County amended a lease with Fresno-Air LTD for 38,921 square footage of office space to be used by the Department of Social Services. The lease is month-to-month with a monthly maximum lease payment of \$35.

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

County of Fresno
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Resources (inflows):				
Taxes	\$ 273,570	\$ 273,570	\$ 314,445	\$ 40,875
Licenses and permits	12,707	12,707	13,912	1,205
Fines, forfeitures and penalties	11,100	11,100	8,989	(2,111)
Use of money and property	3,843	3,843	2,594	(1,249)
Aid from other governmental agencies:				
State	303,955	323,783	369,438	45,655
Federal	454,932	476,817	480,754	3,937
Other	4,504	4,653	4,016	(637)
Charges for services	62,147	64,798	64,069	(729)
Other revenues	43,774	43,914	86,709	42,795
Total resources	<u>1,170,532</u>	<u>1,215,185</u>	<u>1,344,926</u>	<u>129,741</u>
Charges to appropriations (outflows):				
General government	67,419	104,499	89,853	14,646
Public protection	493,409	537,649	502,148	35,501
Public ways and facilities	4,218	4,335	3,770	565
Health, sanitation and public assistance	1,219,712	1,449,494	1,077,036	372,458
Education	247	282	271	11
Culture and recreation	4,359	3,732	3,371	361
Capital outlay	-	-	82,296	(82,296)
Total charges to appropriations	<u>1,789,364</u>	<u>2,099,991</u>	<u>1,758,745</u>	<u>341,246</u>
Excess (deficiency) of resources over (under) appropriations	<u>(618,832)</u>	<u>(884,806)</u>	<u>(413,819)</u>	<u>470,987</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	187	10	(177)
Insurance recoveries	-	-	801	801
Transfers in	1,156,340	1,242,838	506,964	(735,874)
Transfers (out)	(682,573)	(803,524)	(54,679)	748,845
Total other financing sources (uses)	<u>473,767</u>	<u>439,501</u>	<u>453,096</u>	<u>13,595</u>
Net change in fund balance	(145,065)	(445,305)	39,277	484,582
Fund balance - beginning	<u>197,786</u>	<u>197,786</u>	<u>197,786</u>	<u>-</u>
Prior period adjustment	-	-	234,270	234,270
Fund balance - ending	<u>\$ 52,721</u>	<u>\$ (247,519)</u>	<u>\$ 471,333</u>	<u>\$ 718,852</u>

See accompanying notes to budgetary comparison schedules.

County of Fresno
Budgetary Comparison Schedule
Disaster Claiming Fund
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
Revenues				
Use of money and property	\$ -	\$ -	\$ 315	\$ 315
Intergovernmental revenues	-	82,000	81,390	(610)
Total revenues	-	82,000	81,705	(295)
Excess (deficiency) of revenues over (under) expenditures	-	82,000	81,705	(295)
Other Financing Sources (Uses)				
Transfers (out)	-	(81,695)	(82,575)	(880)
Total other financing sources (uses)	-	(81,695)	(82,575)	(880)
Net change in fund balance	-	305	(870)	(1,175)
Fund balance - beginning	2,395	2,395	2,395	-
Fund balance - ending	<u>\$ 2,395</u>	<u>\$ 2,700</u>	<u>\$ 1,525</u>	<u>\$ (1,175)</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, 2021
(amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget</u>
Revenues				
Use of money and property	\$ 484	\$ 484	\$ 217	\$ (267)
Intergovernmental revenues	<u>258,210</u>	<u>260,659</u>	<u>254,426</u>	<u>(6,233)</u>
Total revenues	<u>258,694</u>	<u>261,143</u>	<u>254,643</u>	<u>(6,500)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>258,694</u>	<u>261,143</u>	<u>254,643</u>	<u>(6,500)</u>
Other Financing Sources (Uses)				
Transfers in	11,199	11,199	11,360	161
Transfers (out)	<u>(316,380)</u>	<u>(286,707)</u>	<u>(261,131)</u>	<u>25,576</u>
Total other financing sources (uses)	<u>(305,181)</u>	<u>(275,508)</u>	<u>(249,771)</u>	<u>25,737</u>
Net change in fund balance	(46,487)	(14,365)	4,872	19,237
Fund balance - beginning	<u>43,402</u>	<u>43,402</u>	<u>43,402</u>	<u>-</u>
Fund balance - ending	<u>\$ (3,085)</u>	<u>\$ 29,037</u>	<u>\$ 48,274</u>	<u>\$ 19,237</u>

See accompanying notes to budgetary comparison schedules.

County of Fresno
Budgetary Comparison Schedule
2011 Realignment Fund
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
Revenues				
Intergovernmental revenues	\$ 184,986	\$ 187,436	\$ 210,128	\$ 22,692
Total revenues	<u>184,986</u>	<u>187,436</u>	<u>210,128</u>	<u>22,692</u>
Expenditures				
General government	-	50	81	31
Total expenditures	<u>-</u>	<u>50</u>	<u>81</u>	<u>31</u>
Excess (deficiency) of revenues over (under) expenditures	<u>184,986</u>	<u>187,386</u>	<u>210,047</u>	<u>22,661</u>
Other Financing Sources (Uses)				
Transfers (out)	(201,902)	(217,578)	(184,784)	32,794
Total other financing sources (uses)	<u>(201,902)</u>	<u>(217,578)</u>	<u>(184,784)</u>	<u>32,794</u>
Net change in fund balance	(16,916)	(30,192)	25,263	55,455
Fund balance - beginning	68,582	68,582	68,582	-
Fund balance - ending	<u>\$ 51,666</u>	<u>\$ 38,390</u>	<u>\$ 93,845</u>	<u>\$ 55,455</u>

See accompanying notes to budgetary comparison schedules.

County of Fresno
Notes to the Budgetary Comparison Schedules
For the Fiscal Year Ended June 30, 2021
(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, 2021
(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, 2021
(amounts expressed in thousands)

Fresno County Employees' Retirement Association – Schedule of the County's Proportionate Share of the Net Pension Liability

Last 10 Fiscal Years*

	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2014</u>
County's portion of the net pension liability (asset)	93.200%	93.330%	93.145%	92.747%	92.992%	93.078%	92.930%
County's proportionate share of the net pension liability (asset)	\$1,296,105	\$1,054,510	\$1,100,961	\$1,211,572	\$1,425,569	\$1,010,008	\$ 815,975
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	308.76%	267.64%	294.38%	338.87%	415.09%	310.41%	251.760%
Plan fiduciary net position as a percentage of the total pension liability	78.01%	81.35%	79.87%	77.11%	72.31%	78.77%	82.14%

*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*

	<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2014</u>
Actuarially determined contribution	\$ 230,646	\$ 210,452	\$ 196,103	\$ 184,077	\$ 178,107	\$ 171,462	\$ 153,622	\$ 147,009
Contributions in relation to actuarially determined contribution	231,058	210,712	196,073	184,317	178,220	171,577	153,542	147,091
Contribution deficiency (excess)	\$ (412)	\$ (260)	\$ 30	\$ (240)	\$ (113)	\$ (115)	\$ 80	\$ (82)
County's covered payroll	\$ 419,772	\$ 393,997	\$ 373,992	\$ 357,538	\$ 343,435	\$ 325,382	\$ 324,102	\$ 319,905
Contributions as a percentage of covered payroll	55.04%	53.48%	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.

**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 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.

County of Fresno
Nonmajor Governmental Funds

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.

County of Fresno
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021
(amounts expressed in thousands)

	Capital Projects Fund	Special Revenue Funds	Total
ASSETS & DEFERRED OUTFLOWS OF RESOURCES			
Assets			
Cash and investments	\$ 44,006	\$ 99,093	\$ 143,099
Restricted cash and investments	1,418	-	1,418
Receivables, net:			
Accounts	1,255	8,174	9,429
Interest	11	606	617
Due from other funds	-	85	85
Due from other governmental units	6,125	2,097	8,222
Prepaid expense	-	67	67
Total assets	52,815	110,122	162,937
Deferred outflows of resources			
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	\$ 52,815	\$ 110,122	\$ 162,937
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & FUND BALANCES			
Liabilities			
Accounts payable	\$ 5,973	\$ 6,125	\$ 12,098
Salaries and benefits payable	-	2,223	2,223
Due to other governmental units	-	6	6
Due to other funds	30	1,083	1,113
Deposits and other liabilities	-	205	205
Unearned revenue	-	44	44
Total liabilities	6,003	9,686	15,689
Deferred inflows of resources			
Total deferred inflows of resources	-	-	-
Fund balances			
Nonspendable	-	36	36
Restricted	46,812	100,400	147,212
Total fund balances	46,812	100,436	147,248
Total liabilities, deferred inflows of resources, and fund balances	\$ 52,815	\$ 110,122	\$ 162,937

County of Fresno
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

	Capital Projects Fund	Special Revenue Funds	Total
REVENUES			
Taxes	\$ -	\$ 46,252	\$ 46,252
Licenses and permits	-	1,319	1,319
Fines, forfeitures and penalties	-	379	379
Use of money and property	-	346	346
Aid from other governmental agencies:			
State	21,780	41,172	62,952
Federal	-	9,107	9,107
Other	-	1	1
Charges for services	495	6,032	6,527
Other revenues	270	156	426
Total revenues	<u>22,545</u>	<u>104,764</u>	<u>127,309</u>
Expenditures			
General government	6,385	9	6,394
Public protection	-	-	-
Public ways and facilities	-	67,863	67,863
Health, sanitation, and public assistance	-	404	404
Education	-	28,661	28,661
Culture and recreation	-	-	-
Capital outlay	25,783	-	25,783
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>32,168</u>	<u>96,937</u>	<u>129,105</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,623)</u>	<u>7,827</u>	<u>(1,796)</u>
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	-	-	-
Insurance recoveries	-	-	-
Transfers in	3,786	604	4,390
Transfers (out)	(873)	(1,534)	(2,407)
Total other financing sources (uses)	<u>2,913</u>	<u>(930)</u>	<u>1,983</u>
Net change in fund balances	(6,710)	6,897	187
Fund balances - beginning	53,522	93,539	147,061
Fund balances - ending	<u>\$ 46,812</u>	<u>\$ 100,436</u>	<u>\$ 147,248</u>

County of Fresno
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2021
(amounts expressed in thousands)

	Road Fund	CAO Indian Gaming	County Free Library	Fish and Game	Off-Highway License	Emergency Medical Services	County Service Areas, Other	Total Special Revenue Funds
ASSETS & DEFERRED OUTFLOWS OF RESOURCES								
Assets								
Cash and investments	\$ 34,804	\$ 143	\$ 52,264	\$ 9	\$ 138	\$ 602	\$ 11,133	\$ 99,093
Receivables, net:								
Accounts	5,549	-	2,608	-	11	6	-	8,174
Interest	207	1	321	-	1	5	71	606
Due from other funds	77	-	8	-	-	-	-	85
Due from other governmental units	-	-	2,097	-	-	-	-	2,097
Prepaid expense	-	-	67	-	-	-	-	67
Total assets	<u>40,637</u>	<u>144</u>	<u>57,365</u>	<u>9</u>	<u>150</u>	<u>613</u>	<u>11,204</u>	<u>110,122</u>
Deferred outflows of resources								
Total deferred outflows of resources	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 40,637</u>	<u>\$ 144</u>	<u>\$ 57,365</u>	<u>\$ 9</u>	<u>\$ 150</u>	<u>\$ 613</u>	<u>\$ 11,204</u>	<u>\$ 110,122</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, & FUND BALANCES								
Liabilities								
Accounts payable	\$ 5,034	\$ -	\$ 603	\$ 4	\$ -	\$ 436	\$ 48	\$ 6,125
Salaries and benefits payable	1,197	-	1,026	-	-	-	-	2,223
Due to other governmental units	-	-	-	-	-	6	-	6
Due to other funds	773	-	240	-	-	67	3	1,083
Deposits and other liabilities	83	-	1	-	-	73	48	205
Unearned revenue	27	-	17	-	-	-	-	44
Total liabilities	<u>7,114</u>	<u>-</u>	<u>1,887</u>	<u>4</u>	<u>-</u>	<u>582</u>	<u>99</u>	<u>9,686</u>
Deferred inflows of resources								
Total deferred inflows of resources	-	-	-	-	-	-	-	-
Fund balances								
Nonspendable	-	-	36	-	-	-	-	36
Restricted	33,523	144	55,442	5	150	31	11,105	100,400
Total fund balances	<u>33,523</u>	<u>144</u>	<u>55,478</u>	<u>5</u>	<u>150</u>	<u>31</u>	<u>11,105</u>	<u>100,436</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 40,637</u>	<u>\$ 144</u>	<u>\$ 57,365</u>	<u>\$ 9</u>	<u>\$ 150</u>	<u>\$ 613</u>	<u>\$ 11,204</u>	<u>\$ 110,122</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, 2021
(amounts expressed in thousands)

	Road Fund	CAO Indian Gaming	County Free Library	Fish and Game	Off-Highway License	Emergency Medical Services	County Service Areas, Other	Total Special Revenue Funds
Revenues								
Taxes	\$ 9,265	\$ -	\$ 36,927	\$ -	\$ -	\$ -	\$ 60	\$ 46,252
Licenses and permits	1,319	-	-	-	-	-	-	1,319
Fines, forfeitures and penalties	-	-	-	2	-	377	-	379
Use of money and property	268	-	68	1	-	-	9	346
Aid from other governmental agencies:								
State	40,922	-	235	-	15	-	-	41,172
Federal	9,107	-	-	-	-	-	-	9,107
Other	1	-	-	-	-	-	-	1
Charges for services	2,992	-	1,395	-	-	-	1,645	6,032
Other revenues	-	-	71	-	-	-	85	156
Total revenues	<u>63,874</u>	<u>-</u>	<u>38,696</u>	<u>3</u>	<u>15</u>	<u>377</u>	<u>1,799</u>	<u>104,764</u>
Expenditures								
General government	-	1	3	4	1	-	-	9
Public ways and facilities	66,671	-	-	-	-	-	1,192	67,863
Health, sanitation, and public assistance	-	-	-	-	-	404	-	404
Education	-	-	28,661	-	-	-	-	28,661
Total expenditures	<u>66,671</u>	<u>1</u>	<u>28,664</u>	<u>4</u>	<u>1</u>	<u>404</u>	<u>1,192</u>	<u>96,937</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,797)</u>	<u>(1)</u>	<u>10,032</u>	<u>(1)</u>	<u>14</u>	<u>(27)</u>	<u>607</u>	<u>7,827</u>
Other Financing Sources (Uses)								
Transfers in	601	-	3	-	-	-	-	604
Transfers (out)	(1,095)	-	(372)	-	-	(67)	-	(1,534)
Total other financing sources (uses)	<u>(494)</u>	<u>-</u>	<u>(369)</u>	<u>-</u>	<u>-</u>	<u>(67)</u>	<u>-</u>	<u>(930)</u>
Net change in fund balances	(3,291)	(1)	9,663	(1)	14	(94)	607	6,897
Fund balances - beginning	36,814	145	45,815	6	136	125	10,498	93,539
Fund balances - ending	<u>\$ 33,523</u>	<u>\$ 144</u>	<u>\$ 55,478</u>	<u>\$ 5</u>	<u>\$ 150</u>	<u>\$ 31</u>	<u>\$ 11,105</u>	<u>\$ 100,436</u>

County of Fresno
Budgetary Comparison Schedule
Road Fund
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
Revenues				
Taxes	\$ 9,517	\$ 9,517	\$ 9,265	\$ (252)
Licenses and permits	615	615	1,319	704
Use of money and property	300	300	268	(32)
Intergovernmental revenues	71,763	71,763	50,030	(21,733)
Charges for services	1,533	1,533	2,992	1,459
Other revenues	10	10	-	(10)
Total revenues	<u>83,738</u>	<u>83,738</u>	<u>63,874</u>	<u>(19,864)</u>
Expenditures				
Public ways and facilities	<u>97,669</u>	<u>89,834</u>	<u>66,671</u>	<u>23,163</u>
Total expenditures	<u>97,669</u>	<u>89,834</u>	<u>66,671</u>	<u>23,163</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,931)</u>	<u>(6,096)</u>	<u>(2,797)</u>	<u>(43,027)</u>
Other Financing Sources (Uses)				
Transfers in	1,252	1,352	601	(751)
Transfers (out)	-	(1,500)	(1,095)	405
Total other financing sources (uses)	<u>1,252</u>	<u>(148)</u>	<u>(494)</u>	<u>(346)</u>
Net change in fund balance	(12,679)	(6,244)	(3,291)	(43,373)
Fund balance - beginning	<u>36,814</u>	<u>36,814</u>	<u>36,814</u>	<u>-</u>
Fund balance - ending	<u>\$ 24,135</u>	<u>\$ 30,570</u>	<u>\$ 33,523</u>	<u>\$ (43,373)</u>

County of Fresno
Budgetary Comparison Schedule
CAO Indian Gaming Fund
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

	Original Budget	Actual Amount	Final Budget	Variance with Final Budget
Revenues				
Use of money and property	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
General government	-	-	1	1
Total expenditures	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>1</u>
 Net change in fund balance	 -	 -	 (1)	 1
Fund balance - beginning	<u>145</u>	<u>145</u>	<u>145</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 145</u></u>	<u><u>\$ 145</u></u>	<u><u>\$ 144</u></u>	<u><u>\$ 1</u></u>

County of Fresno
Budgetary Comparison Schedule
County Free Library Fund
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
Revenues				
Taxes	\$ 31,310	\$ 31,310	\$ 36,927	\$ 5,617
Use of money and property	211	211	68	(143)
Intergovernmental revenues	120	154	235	81
Charges for services	1,671	1,671	1,395	(276)
Other revenues	340	350	71	(279)
Total revenues	<u>33,652</u>	<u>33,696</u>	<u>38,696</u>	<u>5,000</u>
Expenditures				
General government	3	3	3	-
Education	31,373	32,529	28,661	3,868
Total expenditures	<u>31,376</u>	<u>32,532</u>	<u>28,664</u>	<u>3,868</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,276</u>	<u>1,164</u>	<u>10,032</u>	<u>1,132</u>
Other Financing Sources (Uses)				
Transfers in	133	133	3	(130)
Transfers (out)	(22,934)	(22,890)	(372)	22,518
Total other financing sources (uses)	<u>(22,801)</u>	<u>(22,757)</u>	<u>(369)</u>	<u>22,388</u>
Net change in fund balance	(20,525)	(21,593)	9,663	23,520
Fund balance - beginning	<u>45,815</u>	<u>45,815</u>	<u>45,815</u>	<u>-</u>
Fund balance - ending	<u>\$ 25,290</u>	<u>\$ 24,222</u>	<u>\$ 55,478</u>	<u>\$ 23,520</u>

County of Fresno
Budgetary Comparison Schedule
Fish & Game Fund
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
Revenues				
Fines, forfeitures and penalties	\$ 7	\$ 7	\$ 2	\$ (5)
Use of money and property	-	-	1	1
Total revenues	<u>7</u>	<u>7</u>	<u>3</u>	<u>(4)</u>
Expenditures				
General government	7	6	4	2
Total expenditures	<u>7</u>	<u>6</u>	<u>4</u>	<u>2</u>
Excess (deficiency) of revenues over (under) expenditures	-	1	(1)	(6)
Net change in fund balance	-	1	(1)	(6)
Fund balance - beginning	<u>6</u>	<u>6</u>	<u>6</u>	<u>-</u>
Fund balance - ending	<u>\$ 6</u>	<u>\$ 7</u>	<u>\$ 5</u>	<u>\$ (6)</u>

County of Fresno
Budgetary Comparison Schedule
Off-Highway License Fund
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
Revenues				
Use of money and property	\$ 1	\$ 1	\$ -	\$ (1)
Intergovernmental revenues	11	11	15	4
Total revenues	<u>12</u>	<u>12</u>	<u>15</u>	<u>3</u>
Expenditures				
General government	11	11	1	10
Total expenditures	<u>11</u>	<u>11</u>	<u>1</u>	<u>10</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1</u>	<u>1</u>	<u>14</u>	<u>(7)</u>
Net change in fund balance	1	1	14	(7)
Fund balance - beginning	<u>136</u>	<u>136</u>	<u>136</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 137</u></u>	<u><u>\$ 137</u></u>	<u><u>\$ 150</u></u>	<u><u>\$ (7)</u></u>

County of Fresno
Budgetary Comparison Schedule
Emergency Medical Services Fund
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
Revenues				
Fines, forfeitures and penalties	\$ 846	\$ 846	\$ 377	\$ (469)
Use of money and property	4	4	-	(4)
Total revenues	<u>850</u>	<u>850</u>	<u>377</u>	<u>(473)</u>
Expenditures				
Health, sanitation, and public assistance	770	662	404	258
Total expenditures	<u>770</u>	<u>662</u>	<u>404</u>	<u>258</u>
Excess (deficiency) of revenues over (under) expenditures	<u>80</u>	<u>188</u>	<u>(27)</u>	<u>(731)</u>
Other Financing Sources (Uses)				
Transfers (out)	(129)	(120)	(67)	53
Total other financing sources (uses)	<u>(129)</u>	<u>(120)</u>	<u>(67)</u>	<u>53</u>
Net change in fund balance	(49)	68	(94)	(678)
Fund balance - beginning	<u>125</u>	<u>125</u>	<u>125</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 76</u></u>	<u><u>\$ 193</u></u>	<u><u>\$ 31</u></u>	<u><u>\$ (678)</u></u>

County of Fresno
Budgetary Comparison Schedule
County Service Areas, Other
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
Revenues				
Taxes	\$ 44	\$ 44	\$ 60	\$ 16
Use of money and property	77	77	9	(68)
Charges for services	1,604	1,604	1,645	41
Other revenues	88	88	85	(3)
Total revenues	<u>1,813</u>	<u>1,813</u>	<u>1,799</u>	<u>(14)</u>
Expenditures				
Public ways and facilities	-	4,848	1,192	3,656
Total expenditures	<u>-</u>	<u>4,848</u>	<u>1,192</u>	<u>3,656</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,813</u>	<u>(3,035)</u>	<u>607</u>	<u>(3,670)</u>
Other Financing Sources (Uses)				
Net change in fund balance	1,813	(3,035)	607	(3,670)
Fund balance - beginning	<u>10,498</u>	<u>10,498</u>	<u>10,498</u>	<u>-</u>
Fund balance - ending	<u>\$ 12,311</u>	<u>\$ 7,463</u>	<u>\$ 11,105</u>	<u>\$ (3,670)</u>

County of Fresno
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Resources (inflows):				
Use of money and property	\$ -	\$ -	\$ 1	\$ 1
Intergovernmental revenues	-	-	1,761	1,761
Other revenues	-	-	11,712	11,712
Total resources	<u>-</u>	<u>-</u>	<u>13,474</u>	<u>13,474</u>
Charges to appropriations (outflows):				
General government	-	-	1	(1)
Debt Service:				
Principal	31,250	35,180	38,635	(3,455)
Interest & fiscal charges	<u>6,017</u>	<u>9,640</u>	<u>8,615</u>	<u>1,025</u>
Total charges to appropriations	<u>37,267</u>	<u>44,820</u>	<u>47,251</u>	<u>(2,431)</u>
Excess (deficiency) of resources over (under) appropriations	<u>(37,267)</u>	<u>(44,820)</u>	<u>(33,777)</u>	<u>11,043</u>
Other financing sources (uses)				
Transfers in	33,244	33,244	34,870	1,626
Transfers (out)	<u>-</u>	<u>(3,000)</u>	<u>-</u>	<u>3,000</u>
Total other financing sources (uses)	<u>33,244</u>	<u>30,244</u>	<u>34,870</u>	<u>4,626</u>
Net change in fund balance	(4,023)	(14,576)	1,093	15,669
Fund balance - beginning	<u>63,322</u>	<u>63,322</u>	<u>63,322</u>	<u>-</u>
Fund balance - ending	<u>\$ 59,299</u>	<u>\$ 48,746</u>	<u>\$ 64,415</u>	<u>\$ 15,669</u>

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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.

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, 2021
(amounts expressed in thousands)

	Information					PeopleSoft		
	Fleet Services	Technology Services	Facility Services	Security Services	Risk Management	Operations	Total	
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 15,438	\$ 9,593	\$ 2,726	\$ -	\$ 113,975	\$ 1,698	\$ 143,430	
Restricted cash and cash equivalents	-	-	-	-	3,758	-	3,758	
Accounts receivable (net of allowance)	390	33	49	3	347	2	824	
Interest receivable	96	59	-	-	764	11	930	
Due from other funds	1,830	4,665	5,893	437	453	248	13,526	
Due from other governmental units	100	-	-	-	6,573	-	6,673	
Total current assets	<u>17,854</u>	<u>14,350</u>	<u>8,668</u>	<u>440</u>	<u>125,870</u>	<u>1,959</u>	<u>169,141</u>	
Noncurrent assets:								
Accounts receivable	-	-	-	-	229	-	229	
Nondepreciable:								
Construction in progress	-	-	8,864	-	-	-	8,864	
Depreciable:								
Buildings and improvements, net	-	2,415	15,525	-	-	-	17,940	
Equipment, net	20,121	9,917	2,641	12	1	-	32,680	
Total noncurrent assets	<u>20,121</u>	<u>12,332</u>	<u>27,030</u>	<u>12</u>	<u>230</u>	<u>-</u>	<u>59,713</u>	
Total assets	<u>37,975</u>	<u>26,682</u>	<u>35,698</u>	<u>452</u>	<u>126,100</u>	<u>1,959</u>	<u>228,854</u>	
DEFERRED OUTFLOWS OF RESOURCES								
Deferred pensions	2,040	12,534	6,559	3,648	2,404	-	27,185	
Total deferred outflows of resources	<u>2,040</u>	<u>12,534</u>	<u>6,559</u>	<u>3,648</u>	<u>2,404</u>	<u>-</u>	<u>27,185</u>	
LIABILITIES								
Current liabilities:								
Cash overdraft	-	-	-	960	-	-	960	
Accounts payable	1,006	2,119	1,384	27	5,488	-	10,024	
Salaries and benefits payable	104	410	328	265	104	25	1,236	
Due to other funds	526	158	162	96	3,105	17	4,064	
Due to other governmental units	-	-	-	64	7,115	-	7,179	
Liability for self-insurance	-	-	-	-	23,313	-	23,313	
Deposits and other liabilities	1	10	4	-	821	-	836	
Unearned revenue	-	-	1,270	-	25	-	1,295	
Compensated leave and absences	91	613	284	177	110	-	1,275	
Capital lease obligations	-	1,182	-	-	-	-	1,182	
Total current liabilities	<u>1,728</u>	<u>4,492</u>	<u>3,432</u>	<u>1,589</u>	<u>40,081</u>	<u>42</u>	<u>51,364</u>	
Noncurrent liabilities:								
Liability for self-insurance	-	-	-	-	64,960	-	64,960	
Compensated leave and absences	124	1,150	333	213	186	-	2,006	
Capital lease obligations	-	1,340	-	-	-	-	1,340	
Net pension liability	4,843	29,759	15,573	8,661	5,708	-	64,544	
Total noncurrent liabilities	<u>4,967</u>	<u>32,249</u>	<u>15,906</u>	<u>8,874</u>	<u>70,854</u>	<u>-</u>	<u>132,850</u>	
Total liabilities	<u>6,695</u>	<u>36,741</u>	<u>19,338</u>	<u>10,463</u>	<u>110,935</u>	<u>42</u>	<u>184,214</u>	
DEFERRED INFLOWS OF RESOURCES								
Deferred pensions	255	1,566	819	456	300	-	3,396	
Total deferred inflows of resources	<u>255</u>	<u>1,566</u>	<u>819</u>	<u>456</u>	<u>300</u>	<u>-</u>	<u>3,396</u>	
NET POSITION								
Net investment in capital assets	20,121	9,810	27,030	12	1	-	56,962	
Unrestricted	12,944	(8,901)	(4,930)	(6,831)	17,268	1,917	11,467	
Total net position	<u>\$ 33,065</u>	<u>\$ 909</u>	<u>\$ 22,100</u>	<u>\$ (6,819)</u>	<u>\$ 17,269</u>	<u>\$ 1,917</u>	<u>\$ 68,429</u>	

County of Fresno
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

	Information					PeopleSoft	Total
	Fleet Services	Technology Services	Facility Services	Security Services	Risk Management	Operations	
Operating revenues							
Charges for services	\$ 15,935	\$ 54,742	\$ 41,309	\$ 7,718	\$ 124,364	\$ 2,797	\$ 246,865
Other revenues	32	194	1,849	51	333	-	2,459
Total operating revenues	<u>15,967</u>	<u>54,936</u>	<u>43,158</u>	<u>7,769</u>	<u>124,697</u>	<u>2,797</u>	<u>249,324</u>
Operating expenses							
Salaries and benefits	3,131	18,255	10,811	6,191	3,299	-	41,687
Insurance	18	257	655	189	120,809	6	121,934
Professional services	246	583	5,062	1,216	6,087	1,440	14,634
General and administrative	1,055	28,933	10,446	638	218	2,515	43,805
Repairs and maintenance	1,624	151	4,446	487	203	-	6,911
Rents and leases	264	9,934	57	292	-	-	10,547
Parts and supplies	4,250	1,916	150	55	-	-	6,371
Utilities	80	353	12,333	14	27	-	12,807
Depreciation	4,718	1,959	467	19	2	-	7,177
Total operating expenses	<u>15,386</u>	<u>62,341</u>	<u>44,427</u>	<u>9,101</u>	<u>130,645</u>	<u>3,961</u>	<u>265,873</u>
Operating income (loss)	<u>581</u>	<u>(7,405)</u>	<u>(1,269)</u>	<u>(1,332)</u>	<u>(5,948)</u>	<u>(1,164)</u>	<u>(16,549)</u>
Non-operating revenues (expenses)							
Gain (loss) on sale of capital assets	361	-	-	-	-	-	361
Insurance recoveries	-	-	-	-	3,973	-	3,973
Use of money and property	7	-	-	-	-	-	7
Total non-operating revenues (expenses)	<u>368</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,973</u>	<u>-</u>	<u>4,341</u>
Net income (loss) before transfers	<u>949</u>	<u>(7,405)</u>	<u>(1,269)</u>	<u>(1,332)</u>	<u>(1,975)</u>	<u>(1,164)</u>	<u>(12,208)</u>
Transfers in (out)							
Transfers in	1,233	8,011	16,838	88	2,936	638	29,744
Transfers (out)	(131)	(761)	(449)	(256)	(144)	-	(1,741)
Total transfers in (out)	<u>1,102</u>	<u>7,250</u>	<u>16,389</u>	<u>(168)</u>	<u>2,792</u>	<u>638</u>	<u>28,003</u>
Change in net position	<u>2,051</u>	<u>(155)</u>	<u>15,120</u>	<u>(1,500)</u>	<u>817</u>	<u>(526)</u>	<u>15,795</u>
Net position - beginning	31,014	1,064	6,980	(5,319)	16,803	2,443	52,985
Prior period adjustment	-	-	-	-	(351)	-	(351)
Net position - beginning restated	<u>31,014</u>	<u>1,064</u>	<u>6,980</u>	<u>(5,319)</u>	<u>16,452</u>	<u>2,443</u>	<u>52,634</u>
Net position - ending	<u>\$ 33,065</u>	<u>\$ 909</u>	<u>\$ 22,100</u>	<u>\$ (6,819)</u>	<u>\$ 17,269</u>	<u>\$ 1,917</u>	<u>\$ 68,429</u>

County of Fresno
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

	Fleet Services	ITSD	Facility Services	Security Services	Risk Management	PeopleSoft Operations	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash received from users	\$ 15,073	\$ 57,564	\$ 42,463	\$ 8,018	\$ 124,990	\$ 2,755	\$ 250,863
Cash paid to suppliers	(6,982)	(42,267)	(39,965)	(3,044)	(103,519)	(4,535)	(200,312)
Cash paid to employees	(3,298)	(19,759)	(10,597)	(5,062)	(3,265)	(76)	(42,057)
Cash paid for claims	-	-	-	-	(20,588)	-	(20,588)
Net cash provided by (used in) operating activities	<u>4,793</u>	<u>(4,462)</u>	<u>(8,099)</u>	<u>(88)</u>	<u>(2,382)</u>	<u>(1,856)</u>	<u>(12,094)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers from other funds	1,233	8,011	16,838	88	2,936	638	29,744
Transfers to other funds	(131)	(761)	(449)	(256)	(144)	-	(1,741)
Net cash provided by (used in) noncapital financing activities	<u>1,102</u>	<u>7,250</u>	<u>16,389</u>	<u>(168)</u>	<u>2,792</u>	<u>638</u>	<u>28,003</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Sales of capital assets	-	-	-	256	-	-	256
Purchases of capital assets	(3,172)	(4,607)	(10,285)	-	(182)	-	(18,246)
Insurance recoveries	-	-	-	-	3,973	-	3,973
Net cash provided by (used in) capital and related financing activities	<u>(3,172)</u>	<u>(4,607)</u>	<u>(10,285)</u>	<u>256</u>	<u>3,791</u>	<u>-</u>	<u>(14,017)</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Use of money and property received	(31)	1	22	-	(251)	3	(256)
Net cash provided by (used in) investing activities	<u>(31)</u>	<u>1</u>	<u>22</u>	<u>-</u>	<u>(251)</u>	<u>3</u>	<u>(256)</u>
Net increase (decrease) in cash and cash equivalents	2,692	(1,818)	(1,973)	-	3,950	(1,215)	1,636
Cash and cash equivalents - beginning	12,746	11,411	4,699	-	113,783	2,913	145,552
Cash and cash equivalents - ending	<u>\$ 15,438</u>	<u>\$ 9,593</u>	<u>\$ 2,726</u>	<u>\$ -</u>	<u>\$ 117,733</u>	<u>\$ 1,698</u>	<u>\$ 147,188</u>
Reconciliation of cash and cash equivalents to the statement of net position:							
Cash and cash equivalents	\$ 15,438	\$ 9,593	\$ 2,726	\$ -	\$ 113,975	\$ 1,698	\$ 143,430
Restricted cash and investments	-	-	-	-	3,758	-	3,758
Total	<u>\$ 15,438</u>	<u>\$ 9,593</u>	<u>\$ 2,726</u>	<u>\$ -</u>	<u>\$ 117,733</u>	<u>\$ 1,698</u>	<u>\$ 147,188</u>

County of Fresno
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

	Fleet Services	ITSD	Facility Services	Security Services	Risk Management	PeopleSoft Operations	Total Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ 581	\$ (7,405)	\$ (1,269)	\$ (1,332)	\$ (5,948)	\$ (1,164)	\$ (16,549)
Adjustments to reconcile operating income (loss)							
to net cash provided by (used in) operating activities:							
Pension expense	(143)	(879)	(460)	(256)	(169)	-	(1,907)
Depreciation expense	4,718	1,959	467	19	2	-	7,177
Decrease (increase) in accounts receivable	(386)	(4)	148	38	(134)	-	(338)
Decrease (increase) in due from other funds	(408)	2,632	(2,093)	211	(210)	(42)	90
Decrease (increase) in due from other governmental units	(100)	-	-	-	694	-	594
Decrease (increase) in inventory of supplies	-	1,630	(3,317)	-	-	-	(1,687)
(Decrease) increase in accounts payable	490	(1,774)	(3,401)	(171)	2,282	(466)	(3,040)
(Decrease) increase in salaries and benefits payable	6	96	69	55	28	-	254
(Decrease) increase in unearned revenue	-	-	-	-	(56)	-	(56)
(Decrease) increase in deposits held for others	-	-	1,250	-	(1)	-	1,249
(Decrease) increase in due to other funds	65	4	(98)	19	894	(108)	776
(Decrease) increase in due to other governmental units	-	-	-	959	(248)	-	711
(Decrease) increase in deferred outflows pensions	(910)	(5,400)	(3,184)	(1,784)	(1,150)	28	(12,400)
(Decrease) increase in deferred inflows pensions	(161)	(1,063)	(424)	(231)	(162)	(10)	(2,051)
(Decrease) increase in net pension liabilities	1,041	5,742	4,213	2,385	1,487	(94)	14,774
(Decrease) increase in liability for self-insurance	-	-	-	-	309	-	309
Total adjustments	4,212	2,943	(6,830)	1,244	3,566	(692)	4,455
Net cash provided by (used in) operating activities	<u>\$ 4,793</u>	<u>\$ (4,462)</u>	<u>\$ (8,099)</u>	<u>\$ (88)</u>	<u>\$ (2,382)</u>	<u>\$ (1,856)</u>	<u>\$ (12,094)</u>
Sales (Purchase) of capital assets	<u>\$ (3,172)</u>	<u>\$ (4,607)</u>	<u>\$ (10,285)</u>	<u>\$ 256</u>	<u>\$ (182)</u>	<u>\$ -</u>	<u>\$ (17,990)</u>

County of Fresno Custodial Funds

Custodial Funds

The County, in a fiduciary capacity, maintains various custodial 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, external investment pool used to account for the investments made by the County, property taxes collected on behalf of other governmental units, monies held by the Public Administrator-Guardian, San Joaquin Valley Insurance Authority, and other custodial funds.

External Investment Pool

This fund is used to account for the investments made by the County on behalf of the schools and special districts.

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 custodial 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 custodial capacity.

Other Custodial 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 Changes in Assets and Liabilities
Custodial Funds
For the Fiscal Year Ended June 30, 2021
(amounts expressed in thousands)

	Balance <u>July 1, 2020</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2021</u>
External Investment Pool				
Assets				
Cash and investments	\$ 2,839,417	\$ 13,283,245	\$ 12,088,819	\$ 4,033,843
Accounts receivable	133	899	-	1,032
Taxes receivable	-	196	-	196
Interest receivable	-	93,956	-	93,956
Total assets	<u>\$ 2,839,550</u>	<u>\$ 13,378,296</u>	<u>\$ 12,088,819</u>	<u>\$ 4,129,027</u>
Liabilities				
Due to other governmental units	\$ 2,300	\$ -	\$ 2,300	\$ -
Fiduciary liability	2,837,250	13,378,296	12,086,519	4,129,027
Total liabilities	<u>\$ 2,839,550</u>	<u>\$ 13,378,296</u>	<u>\$ 12,088,819</u>	<u>\$ 4,129,027</u>
Property Tax Collection				
Assets				
Cash and investments	\$ 62,850	\$ 1,279,657	\$ 1,277,237	\$ 65,270
Taxes receivable	2	-	2	-
Interest receivable	775	452	-	1,227
Total assets	<u>\$ 63,627</u>	<u>\$ 1,280,109</u>	<u>\$ 1,277,239</u>	<u>\$ 66,497</u>
Liabilities				
Due to other taxing units	\$ 63,627	\$ 1,280,109	\$ 1,277,239	\$ 66,497
Total liabilities	<u>\$ 63,627</u>	<u>\$ 1,280,109</u>	<u>\$ 1,277,239</u>	<u>\$ 66,497</u>
Public Administrator - Guardian				
Assets				
Cash and investments	\$ 12,103	\$ 15,559	\$ 17,276	\$ 10,386
Property held by public administrator	4,034	387	1,106	3,315
Total assets	<u>\$ 16,137</u>	<u>\$ 15,946</u>	<u>\$ 18,382</u>	<u>\$ 13,701</u>
Liabilities				
Deposits held for others-trust	\$ -	\$ 25	\$ 2	\$ 23
Fiduciary liability	16,137	15,921	18,380	13,678
Total liabilities	<u>\$ 16,137</u>	<u>\$ 15,946</u>	<u>\$ 18,382</u>	<u>\$ 13,701</u>
San Joaquin Valley Insurance Authority				
Assets				
Cash and investments	\$ 22,260	\$ 123,845	\$ 112,471	\$ 33,634
Accounts receivable	7,897	-	864	7,033
Interest receivable	-	199	-	199
Total assets	<u>\$ 30,157</u>	<u>\$ 124,044</u>	<u>\$ 113,335</u>	<u>\$ 40,866</u>
Liabilities				
Due to other governmental units	\$ 30,157	\$ 124,044	\$ 113,335	\$ 40,866
Total liabilities	<u>\$ 30,157</u>	<u>\$ 124,044</u>	<u>\$ 113,335</u>	<u>\$ 40,866</u>
Other Custodial Funds				
Assets				
Cash and investments	\$ 33,717	\$ 2,567,586	\$ 2,545,776	\$ 55,527
Accounts receivable	-	16	-	16
Interest receivable	-	248	65	183
Total assets	<u>\$ 33,717</u>	<u>\$ 2,567,850</u>	<u>\$ 2,545,841</u>	<u>\$ 55,726</u>
Liabilities				
Fiduciary liability	\$ 33,717	\$ 2,567,850	\$ 2,545,841	\$ 55,726
Total liabilities	<u>\$ 33,717</u>	<u>\$ 2,567,850</u>	<u>\$ 2,545,841</u>	<u>\$ 55,726</u>
Total Custodial Funds				
Assets				
Cash and investments	\$ 2,970,347	\$ 17,269,892	\$ 16,041,579	\$ 4,198,660
Accounts receivable	8,030	915	864	8,081
Taxes receivable	2	196	2	196
Interest receivable	775	94,855	65	95,565
Property held by public administrator	4,034	387	1,106	3,315
Total assets	<u>\$ 2,983,188</u>	<u>\$ 17,366,245</u>	<u>\$ 16,043,616</u>	<u>\$ 4,305,817</u>
Liabilities				
Due to other taxing units	\$ 63,627	\$ 1,280,109	\$ 1,277,239	\$ 66,497
Due to other governmental units	32,457	124,044	115,635	40,866
Deposits held for others-trust	-	25	2	23
Fiduciary liability	2,887,104	15,962,067	14,650,740	4,198,431
Total liabilities	<u>\$ 2,983,188</u>	<u>\$ 17,366,245</u>	<u>\$ 16,043,616</u>	<u>\$ 4,305,817</u>

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STATISTICAL SECTION

County of Fresno 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 annual comprehensive 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

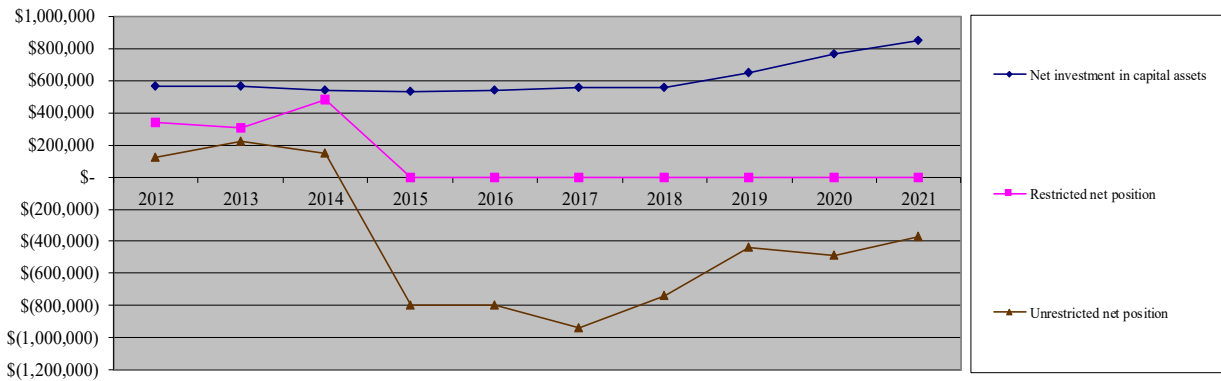
Last Ten Fiscal Years

(amounts expressed in thousands)

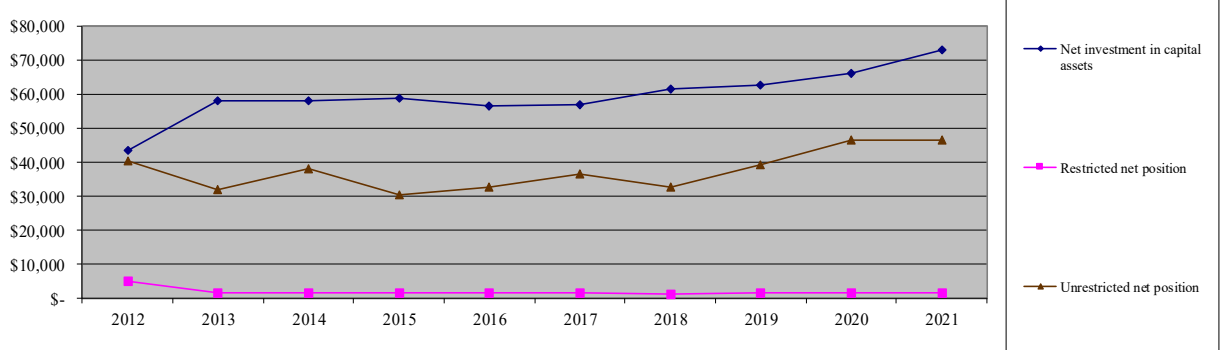
	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 562,279	\$ 560,544	\$ 537,359	\$ 533,674	\$ 539,314	\$ 556,268	\$ 558,579	\$ 647,516	\$ 763,973	\$ 842,665
Restricted net position	335,573	301,425	482,088	-	-	-	-	-	-	-
Unrestricted net position	124,904	223,627	142,637	(793,620)	(795,311)	(939,690)	(735,368)	(434,745)	(488,332)	(367,826)
Total governmental activities net position	1,022,756	1,085,596	1,162,084	(259,946)	(255,997)	(383,422)	(176,789)	212,771	275,641	474,839
Business-type activities										
Net investment in capital assets	43,336	57,836	58,001	58,661	56,353	56,970	61,569	62,473	66,208	73,133
Restricted net position	5,090	1,690	1,646	1,588	1,588	1,589	1,178	1,596	1,590	1,582
Unrestricted net position	40,392	32,032	38,104	30,583	32,533	36,358	32,543	39,216	46,567	46,684
Total business-type activities net position	88,818	91,558	97,751	90,832	90,474	94,917	95,290	103,285	114,365	121,399
Primary government										
Net investment in capital assets	605,615	618,380	595,360	592,335	595,667	613,238	620,148	709,989	830,181	915,798
Restricted net position	340,663	303,115	483,734	1,588	1,588	1,589	1,178	1,596	1,590	1,582
Unrestricted net position	165,296	255,659	180,741	(763,037)	(762,778)	(903,332)	(702,825)	(395,529)	(441,765)	(321,142)
Total primary government net position	\$ 1,111,574	\$ 1,177,154	\$ 1,259,835	\$ (169,114)	\$ (165,523)	\$ (288,505)	\$ (81,499)	\$ 316,056	\$ 390,006	\$ 596,238

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Program Revenues										
Governmental activities:										
Charges for services										
General government	\$ 22,628	\$ 18,258	\$ 15,712	\$ 22,475	\$ 31,721	\$ 33,698	\$ 36,083	\$ 35,067	\$ 38,620	\$ 41,504
Public protection	40,711	38,244	31,486	26,476	23,462	19,745	27,462	27,279	26,556	32,134
Public ways and facilities	12,822	10,782	8,121	2,227	6,903	15,345	9,569	6,074	7,334	10,299
Health, sanitation and public assistance	33,090	16,032	22,045	20,771	16,329	18,669	29,412	16,716	24,994	82,951
Education	3,388	3,378	2,574	1,808	1,879	1,761	6,606	3,034	1,962	1,466
Culture and recreation	1,496	1,353	899	1,023	771	957	1,014	855	867	1,089
Operating grants and contributions	715,246	690,028	770,108	812,333	622,116	652,321	910,527	919,835	960,735	1,214,344
Capital grants and contributions	3,069	187	-	-	-	-	-	-	-	-
Subtotal Governmental activities program revenues	<u>832,450</u>	<u>778,262</u>	<u>850,945</u>	<u>887,113</u>	<u>703,181</u>	<u>742,496</u>	<u>1,020,673</u>	<u>1,008,860</u>	<u>1,061,068</u>	<u>1,383,787</u>
Business-type activities:										
Charges for services										
Water and sewer	2,695	3,456	3,478	4,001	3,980	5,897	5,032	6,761	5,885	8,233
Landfill	9,054	9,861	13,814	16,379	15,337	13,615	14,037	18,278	15,997	20,303
Operating grants and contributions	-	-	625	494	304	-	452	367	485	542
Capital grants and contributions	-	-	-	-	509	336	-	-	-	-
Subtotal Business-type activities program revenues	<u>11,749</u>	<u>13,317</u>	<u>17,917</u>	<u>20,874</u>	<u>20,130</u>	<u>19,848</u>	<u>19,521</u>	<u>25,406</u>	<u>22,367</u>	<u>29,078</u>
Total primary government program revenues	<u>844,199</u>	<u>791,579</u>	<u>868,862</u>	<u>907,987</u>	<u>723,311</u>	<u>762,344</u>	<u>1,040,194</u>	<u>1,034,266</u>	<u>1,083,435</u>	<u>1,412,865</u>
General Revenues										
Governmental activities:										
Taxes										
Property taxes	196,145	209,419	216,038	232,374	233,408	254,804	260,350	262,330	271,007	293,027
Sales taxes	140,232	154,998	161,119	186,747	216,434	195,316	51,043	58,264	62,561	67,670
Franchise taxes	4,849	4,784	14,070	22,736	17,946	17,558	10,756	16,192	17,110	15,231
Motor vehicle in-lieu taxes	35,491	34,077	37,713	58,964	230,264	223,883	215,224	258,594	265,955	255,054
Road use tax	-	-	-	-	-	-	-	-	-	-
Tobacco settlement proceeds	8,352	13,213	6,657	-	-	-	-	-	-	-
Other	4,708	4,832	18,110	13,970	23,531	7,066	(11,695)	2,934	8,474	10,169
Gain (loss) on bond refunding and sale of capital assets	-	338	-	-	-	-	-	-	-	-
Unrestricted investment earnings	5,945	14,159	14,776	9,344	14,407	2,804	561	32,538	33,511	3,473
Subtotal governmental activities general revenues	<u>395,722</u>	<u>435,820</u>	<u>468,483</u>	<u>524,135</u>	<u>735,990</u>	<u>701,431</u>	<u>526,239</u>	<u>630,852</u>	<u>658,618</u>	<u>644,624</u>
Business-type activities:										
Property taxes	-	-	671	711	744	773	765	796	819	855
Other	2,355	2,326	1,446	1,870	1,891	1,918	3,803	3,202	9,745	5,163
Gain/(loss) on sale of capital assets	-	(19)	-	-	-	145	(402)	(2,529)	-	-
Unrestricted investment earnings	1,257	974	1,732	638	1,837	316	172	4,007	4,614	431
Subtotal business-type activities general revenues	<u>3,612</u>	<u>3,281</u>	<u>3,849</u>	<u>3,219</u>	<u>4,472</u>	<u>3,152</u>	<u>4,338</u>	<u>5,476</u>	<u>15,178</u>	<u>6,449</u>
Total primary government general revenues	<u>399,334</u>	<u>439,101</u>	<u>472,332</u>	<u>527,354</u>	<u>740,462</u>	<u>704,583</u>	<u>530,577</u>	<u>636,328</u>	<u>673,796</u>	<u>651,073</u>
Total primary government revenues	<u>\$ 1,243,533</u>	<u>\$ 1,230,680</u>	<u>\$ 1,341,194</u>	<u>\$ 1,435,341</u>	<u>\$ 1,463,773</u>	<u>\$ 1,466,927</u>	<u>\$ 1,570,771</u>	<u>\$ 1,670,594</u>	<u>\$ 1,757,231</u>	<u>\$ 2,063,938</u>

Note 1: Accrual basis of accounting

County of Fresno
Changes in Net Position (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 51,348	\$ 52,919	\$ 45,280	\$ 34,673	\$ 72,302	\$ 72,551	\$ 247,100	\$ 235,530	\$ 266,452	\$ 352,695
Public protection	293,106	304,365	319,197	291,148	343,711	362,779	253,532	266,178	403,010	426,547
Public ways and facilities	48,529	41,895	43,145	45,635	78,926	127,525	51,304	36,765	69,231	73,319
Health, sanitation, and public assistance	751,998	686,767	787,234	760,840	869,387	940,554	710,821	659,419	853,749	911,730
Education	24,897	24,191	25,073	23,918	26,510	27,342	27,565	18,288	26,118	26,029
Culture and recreation	2,331	2,712	2,933	2,380	2,868	3,370	3,450	2,122	2,818	2,858
Interest on long-term debt	44,232	42,519	40,030	40,219	41,782	36,571	36,402	35,302	35,820	35,695
Subtotal governmental activities expenses	<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>	<u>1,828,873</u>
Business-type activities:										
Solid waste enterprise	14,024	14,063	6,162	5,652	6,572	7,453	9,350	8,265	12,274	12,451
County service areas, other	5,607	6,139	17,783	21,451	17,402	16,722	17,219	14,726	18,260	15,009
Subtotal business-type activities expenses	<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>	<u>27,460</u>
Total primary government expenses	<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>	<u>1,856,333</u>
Extraordinary item - RDA dissolution transaction	-	(274)	-	-	-	-	-	-	-	-
Excess (deficiency) before transfers										
- governmental activities	(2,359)	164,060	58,714	240,358	8,377	(126,765)	216,738	386,108	62,488	199,538
Transfers	32	271	302	(2,724)	297	(645)	240	252	15	11
Excess (deficiency) before transfers										
- business-type activities	(3,033)	1,564	(2,969)	(2,501)	1,437	(1,175)	(2,710)	7,891	7,011	8,067
Transfers	(32)	(271)	(302)	2,724	(297)	645	(240)	(252)	(15)	(11)
Special Items	-	-	-	-	-	-	-	-	-	-
Change in net position										
Governmental activities	(2,327)	164,057	59,016	237,634	8,674	(127,410)	216,978	386,360	62,503	199,549
Business-type activities	(3,065)	1,293	(3,271)	223	331	(530)	(2,950)	7,639	6,996	8,056
Total primary government	<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>\$ 69,499</u>	<u>\$ 207,605</u>

Note 1: Accrual basis of accounting

County of Fresno
Fund Balances – Governmental Funds
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year				
	2012	2013	2014	2015	2016
General Fund					
Nonspendable	\$ 3,585	\$ 3,939	\$ 4,110	\$ 43,092	\$ 47,208
Restricted	195,072	199,306	49,932	4,985	9,398
Committed	-	-	-	18,724	21,024
Assigned	33,896	57,176	23,035	77,493	83,021
Unassigned	66,022	47,117	72,338	46,239	39,520
Total General Fund	<u>\$ 298,575</u>	<u>\$ 307,538</u>	<u>\$ 149,415</u>	<u>\$ 190,533</u>	<u>\$ 200,171</u>
Other Governmental Funds					
Nonspendable	\$ 854	\$ 683	\$ 775	\$ 736	\$ 816
Restricted	97,561	123,153	391,338	443,609	529,190
Committed	-	-	-	-	-
Assigned	29,357	33,597	37,391	37,009	36,560
Unassigned	-	-	-	-	-
Total other governmental funds	<u>\$ 127,772</u>	<u>\$ 157,433</u>	<u>\$ 429,504</u>	<u>\$ 481,354</u>	<u>\$ 566,566</u>
General Fund					
Fiscal Year					
	2017	2018	2019	2020	2021
Nonspendable	\$ 49,736	\$ 8,971	\$ 5,840	\$ 5,803	\$ 5,780
Restricted	4,255	-	6,205	7,590	310,747
Committed	63,602	68,410	91,380	91,417	91,440
Assigned	8,654	-	-	-	-
Unassigned	85,193	128,236	100,693	92,976	63,366
Total General Fund	<u>\$ 211,440</u>	<u>\$ 205,617</u>	<u>\$ 204,118</u>	<u>\$ 197,786</u>	<u>\$ 471,333</u>
All Other Governmental Funds					
Nonspendable	\$ 702	\$ 816	\$ 36	\$ 36	\$ 36
Restricted	586,978	570,404	597,722	558,996	355,271
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total other governmental funds	<u>\$ 587,680</u>	<u>\$ 571,220</u>	<u>\$ 597,758</u>	<u>\$ 559,032</u>	<u>\$ 355,307</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)

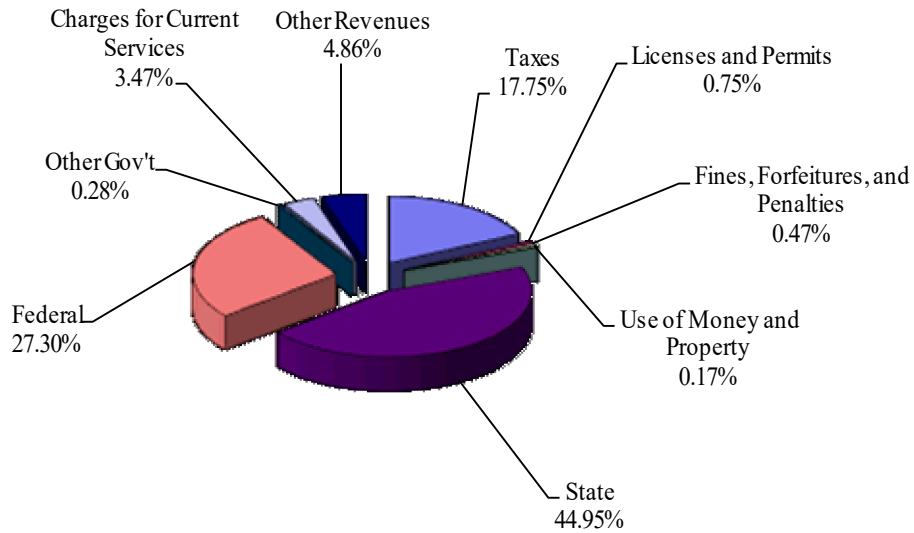
	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 334,763	\$ 380,541	\$ 394,370	\$ 422,029	\$ 449,842	\$ 450,120	\$ 311,405	\$ 320,594	\$ 331,781	\$ 360,697
Licenses and permits	8,600	8,872	14,070	17,272	17,946	17,558	10,756	16,192	18,896	15,231
Fines, forfeitures and penalties	9,577	9,529	14,657	13,866	13,015	11,944	10,061	10,408	8,473	9,368
Use of money and property	6,278	14,315	12,562	8,022	12,087	2,804	3,615	32,538	33,511	3,473
Aid from other governmental agencies	788,758	714,785	811,917	850,931	846,114	885,091	1,092,732	1,180,254	1,288,132	1,473,973
Charges for current services	83,947	66,491	68,274	55,541	56,305	63,611	64,043	62,995	68,887	70,596
Other revenues	25,724	24,358	29,554	26,690	25,386	26,932	46,324	26,030	31,447	98,847
Total revenues	<u>1,257,647</u>	<u>1,218,891</u>	<u>1,345,404</u>	<u>1,394,351</u>	<u>1,420,695</u>	<u>1,458,060</u>	<u>1,538,936</u>	<u>1,649,011</u>	<u>1,781,127</u>	<u>2,032,185</u>
Expenditures										
General government	35,648	32,976	38,715	37,014	40,860	59,083	45,764	46,135	54,559	96,329
Public protection	289,991	298,179	312,604	324,104	340,802	359,422	383,305	431,489	467,157	502,148
Public ways and facilities	55,691	32,807	31,106	36,880	33,901	34,876	46,448	40,017	67,730	71,633
Health, sanitation, and public assistance	750,154	682,001	779,890	798,019	832,667	854,187	931,587	903,032	969,670	1,077,440
Education	23,898	23,891	23,708	25,152	25,350	26,205	25,881	27,818	28,870	28,932
Culture and recreation	2,342	2,684	2,900	2,596	2,688	2,898	4,453	2,998	3,250	3,371
Capital outlay	2,783	16,594	18,378	21,714	30,097	31,362	35,849	106,715	124,462	108,079
Debt service:										
Principal	24,080	30,785	30,295	32,655	36,585	40,035	44,505	47,690	29,314	38,635
Interest	27,465	25,509	22,677	20,960	19,221	15,318	13,584	11,132	9,307	8,615
Total expenditures	<u>1,212,052</u>	<u>1,145,426</u>	<u>1,260,273</u>	<u>1,299,094</u>	<u>1,362,171</u>	<u>1,423,386</u>	<u>1,531,376</u>	<u>1,617,026</u>	<u>1,754,319</u>	<u>1,935,182</u>
Excess (deficiency) of revenues over (under) expenditures	45,595	73,465	85,131	95,257	58,524	34,674	7,560	31,985	(38,145)	97,003
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	-	-	-	-	16	248	227	121	199	10
Insurance recoveries	-	-	-	-	-	-	-	-	-	801
Transfers in	316,612	353,820	848,216	917,133	852,206	888,482	1,008,110	1,012,413	1,142,770	557,584
Transfers (out)	(314,520)	(350,907)	(849,296)	(920,117)	(855,814)	(891,006)	(1,010,824)	(1,013,551)	(1,149,882)	(585,576)
Refunded bond principal	-	(26,160)	-	-	(26,765)	-	-	-	-	-
Refunding bond issue proceeds	-	(820)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>2,092</u>	<u>(480)</u>	<u>(1,080)</u>	<u>(2,984)</u>	<u>(3,102)</u>	<u>(2,276)</u>	<u>(2,487)</u>	<u>(1,017)</u>	<u>(6,913)</u>	<u>(27,181)</u>
Net change in fund balances before extraordinary items	47,687	72,985	84,051	92,273	55,422	32,398	5,073	30,968	(45,058)	69,822
Extraordinary item										
Redevelopment Agency dissolution transaction	(274)	-	-	-	-	-	-	-	-	-
Net change in fund balances	<u>\$ 47,413</u>	<u>\$ 72,985</u>	<u>\$ 84,051</u>	<u>\$ 92,273</u>	<u>\$ 55,422</u>	<u>\$ 32,398</u>	<u>\$ 5,073</u>	<u>\$ 30,968</u>	<u>\$ (45,058)</u>	<u>\$ 69,822</u>
Debt service as a percentage of non capital expenditures	3.98%	4.26%	4.99%	4.27%	4.20%	4.19%	3.98%	3.64%	2.20%	2.44%

Note 1: Modified accrual basis of accounting

County of Fresno
Governmental Funds Revenue by Source
Last Ten Fiscal Years
(amounts expressed in thousands)

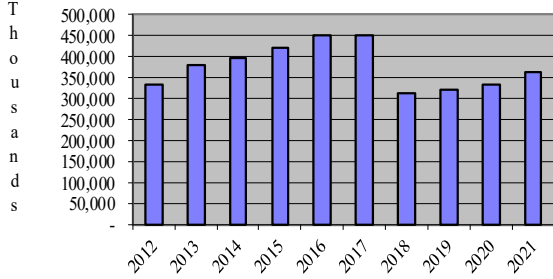
Fiscal Year	Total Revenues	Taxes	Licenses and Permits	Fines, Forfeitures, and Penalties	Use of Money and Property	Aid From Other Governmental Agencies			Charges for Current Services	Other Revenues
						State	Federal	Other Gov't		
2012	\$ 1,257,647	\$ 334,763	\$ 8,600	\$ 9,577	\$ 6,278	\$ 465,232	\$ 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	1,716,174	331,781	18,896	8,473	33,511	778,589	439,783	4,807	68,887	31,447
2021	2,032,185	360,697	15,231	9,368	3,473	913,382	554,813	5,778	70,596	98,847

For Fiscal Year 2021

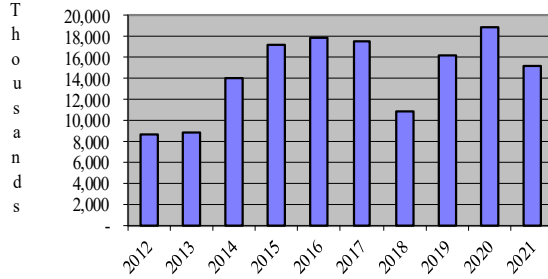


**County of Fresno
Governmental Funds Revenue by Source (Continued)
Last Ten Fiscal Years
(amounts expressed in thousands)**

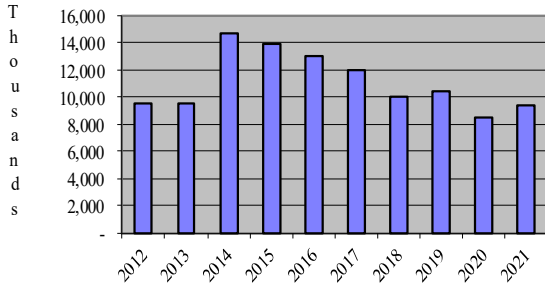
Taxes



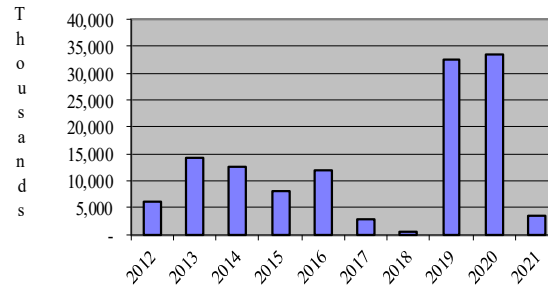
Licenses and Permits



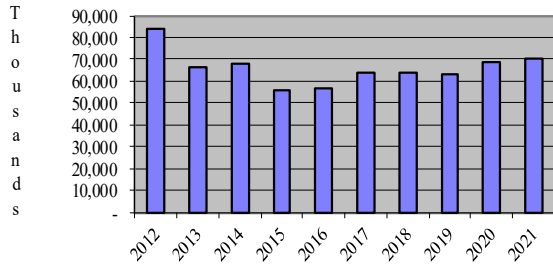
Fines, Forfeitures, and Penalties



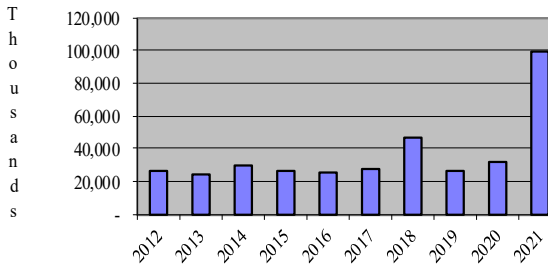
Use of Money and Property



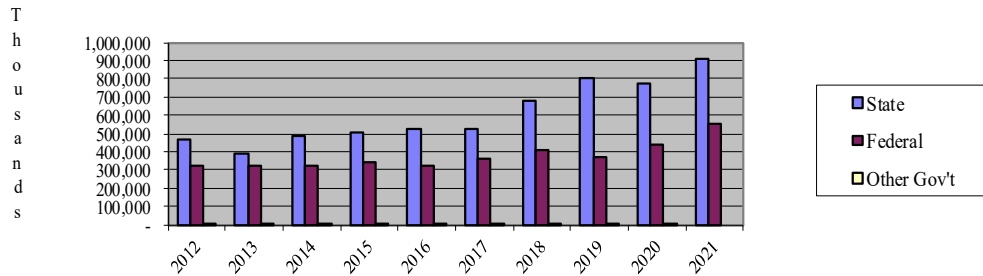
Charges for Current Services



Other Revenues



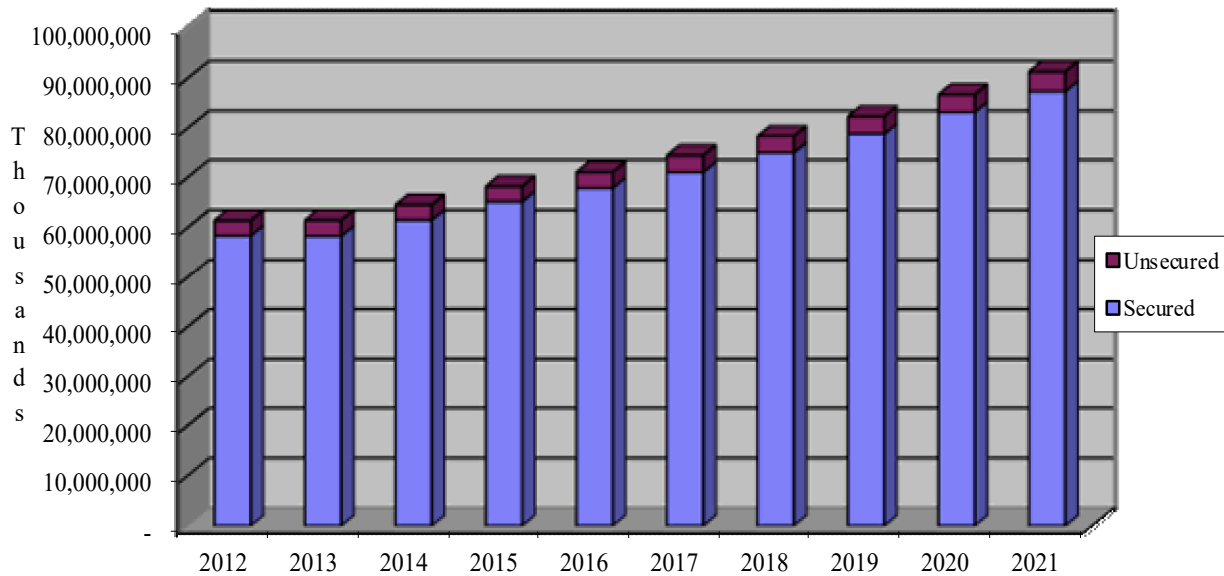
Aid From Other Governmental Agencies



County of Fresno
Gross Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Secured Estimated Actual</u>	<u>Unsecured Estimated Actual</u>	<u>Total Estimated Actual</u>	<u>Ratio of Assessed to Estimated Actual</u>	<u>Total Direct Tax Rate</u>
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%
2021	87,403,882	3,959,891	91,363,773	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>		
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
2020 - 2021	1.00000	0.032438	0.239536		1.271974

Notes:

(1) The above taxrates are for TaxRate 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, 2021
And June 30, 2012
(amounts expressed in thousands)**

<u>Taxpayer</u>	<u>2021</u>			<u>2012</u>		
	<u>Assessed Value</u>	<u>Rank</u>	<u>% of Total County Assessed Value</u>	<u>Assessed Value</u>	<u>Rank</u>	<u>% of Total County Assessed Value</u>
Pacific Gas & Electric Co.	\$ 2,611,553	1	2.86%	\$ 1,707,659	1	2.78%
Southern California Edison Co.	655,852	2	0.72%	450,993	3	0.73%
Chevron USA, Inc.	238,067	3	0.26%	704,628	2	1.15%
Gallo E & J Winery	150,331	4	0.16%	107,765	9	0.18%
Gap, Inc.	170,468	5	0.19%	141,443	7	0.23%
Panoche Energy Center, LLC	191,300	6	0.21%	325,000	4	0.53%
AERA Energy, LLC	174,809	7	0.19%	199,161	6	0.32%
Terraces at San Joaquin Gardens	-	8	N/A	-		N/A
Macerich Fresno Limited Partnership	143,210	9	0.16%	130,074	8	0.21%
Meganova	115,162	10	0.13%	-		N/A
Total	<u>\$ 4,450,752</u>		<u>4.87%</u>	<u>\$ 3,766,723</u>		<u>6.13%</u>

Source: Auditor-Controller/Treasurer-Tax Collector, County of Fresno

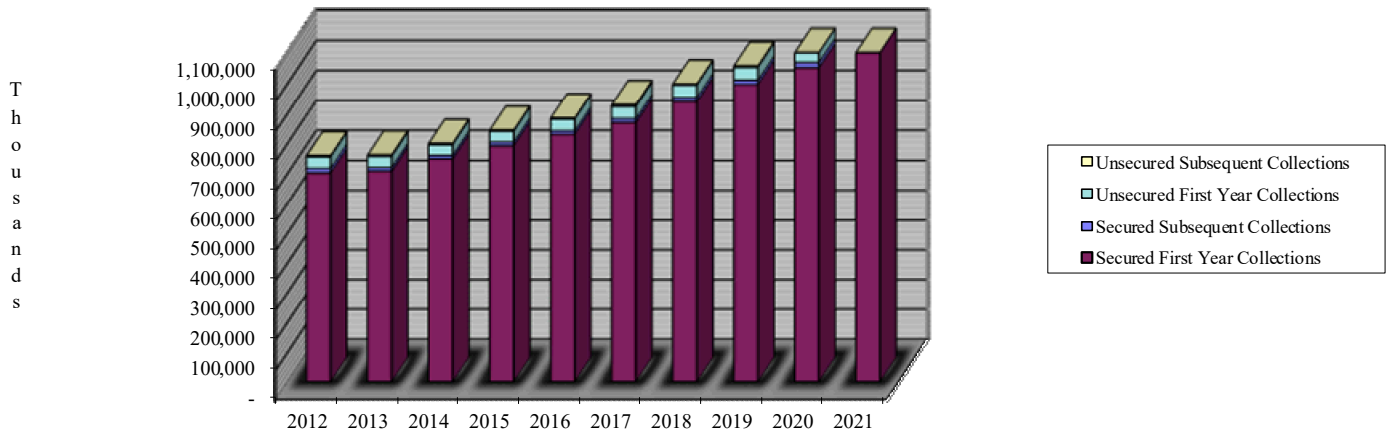
Note: Percentages based on estimated property values of \$91,363,773 in 2021 and \$61,419,373 in 2012.

Terraces at San Joaquin Gardens is included due to taxes paid in FY20-21 totaling \$2,029,660.

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				
2012	\$ 714,008	\$ 699,603	97.98%	\$ 14,405	2.02%	\$ 14,405	\$ 714,008	100.00%	\$ 4,1579	\$39,028	93.86%	\$ 2,551	6.14%	\$ 2,551	\$ 41,579	100.00%				
2013	717,057	705,356	98.37%	11,701	1.63%	11,701	717,057	100.00%	4,1027	37,482	91.36%	3,545	8.64%	3,545	41,027	100.00%				
2014	757,605	746,292	98.51%	11,314	1.49%	11,314	757,606	100.00%	38,947	35,944	92.29%	3,003	7.71%	3,003	38,947	100.00%				
2015	801,553	789,983	98.56%	11,550	1.44%	11,550	801,533	100.00%	38,950	36,263	93.10%	2,687	6.90%	2,687	38,950	100.00%				
2016	839,524	827,836	98.61%	11,688	1.39%	11,665	839,501	99.80%	4,1729	38,931	93.29%	2,799	6.71%	2,793	41,724	99.80%				
2017	879,820	867,520	98.60%	12,299	1.40%	12,250	879,770	99.60%	45,719	40,764	89.16%	4,955	10.84%	4,935	45,699	99.60%				
2018	950,394	937,062	98.60%	13,332	1.40%	13,252	950,314	99.40%	44,286	41,949	94.72%	2,337	5.28%	2,323	44,272	99.40%				
2019	1,008,351	994,415	98.62%	13,937	1.38%	13,826	1,008,241	99.20%	46,957	43,515	92.67%	3,342	7.12%	3,315	46,830	99.20%				
2020	1,068,014	1,050,543	98.36%	17,471	1.64%	17,121	1,067,664	98.00%	50,925	48,611	95.46%	2,314	4.54%	2,268	50,879	98.00%				
2021	1,127,261	1,111,066	98.56%	16,195	1.44%	15,871	1,126,937	98.00%	52,822	50,074	94.80%	2,747	5.20%	2,692	52,766	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

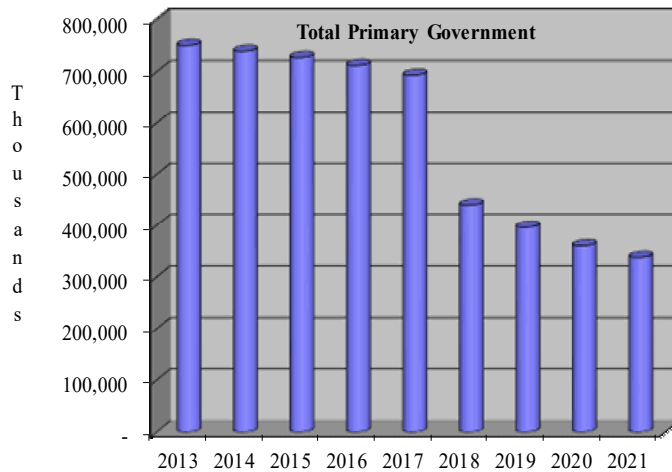
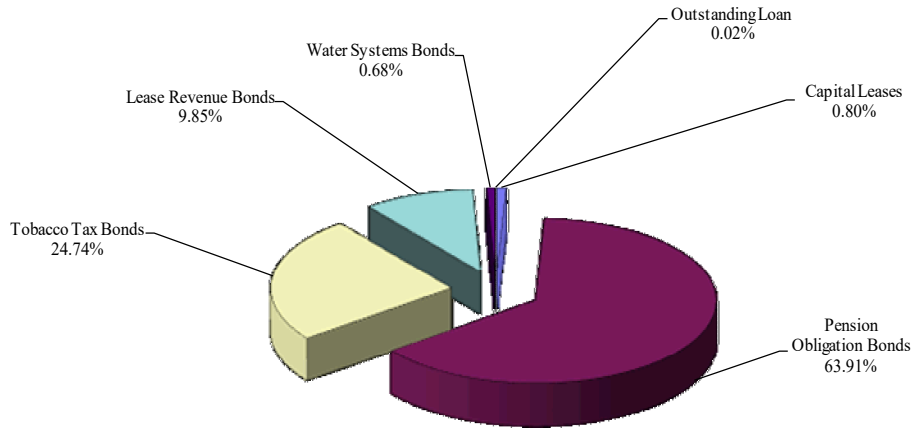
County of Fresno
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita)

Fiscal Year	Governmental Activities					Business-Type Activities			Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
	Capital Lease	Pension Obligation Bonds	Tobacco Tax Bonds	Lease Revenue Bonds	Water Systems Bonds	Outstanding Loan	Capital Leases				
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	59	-	359,464	0.89%	364	
2021	2,705	215,367	83,384	33,179	2,295	56	-	336,986	0.74%	337	

Note 1: Accrual basis of accounting

^a 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 2021



County of Fresno
Estimated Direct and Overlapping Bonded Debt
June 30, 2021
(amounts expressed in thousands)

Overlapping Tax and Assessment Debt:	Total Debt 6/30/21	% Applicable (1)	County's Share of Debt 6/30/21
Merced Community College District School Facilities Improvement District No. 2	\$ 5,800	2.842%	\$ 165
State Center Community College District	343,015	83.222%	285,464
West Hills Community College District and School Facilities Improvement Districts	64,060	26.479-99.591%	35,311
Central Unified School District	170,970	100%	170,970
Clovis Unified School District	373,098	100%	373,098
Fresno Unified School District	692,858	100%	692,858
Kings Canyon Joint Unified School District	76,975	90.710%	69,824
Sanger Unified School District	248,594	100%	248,594
Other Unified School Districts	329,889	Various	294,319
High School and School Districts	54,384	Various	45,608
City of Selma	3,755	100%	3,755
Hospital Districts	21,570	100%	21,570
Coalinga-Huron Recreation and Park District	14,475	100%	14,475
California Statewide Community Development Authority	4,090	100%	4,090
City Community Facilities Districts	2,725	100%	2,725
1915 Act Bonds (Estimated)	4,433	100%	4,433
Total Overlapping Tax and Assessment Debt			2,267,259
Direct and Overlapping General Fund Debt:			
Fresno County General Fund Obligations	29,055	100.00%	29,055
Fresno County Pension Obligation Bonds	215,756	100.00%	215,756
Community College District General Fund Obligations	16,893	Various	7,739
Central Unified School District Certificates of Participation	29,080	100%	29,080
Clovis Unified School District General Fund Obligations	18,815	100%	18,815
Fresno Unified School District General Fund Obligations	6,260	100%	6,260
Sanger Unified School District Certificates of Participation	38,515	100%	38,515
Other School District General Fund Obligations	53,628	Various	34,193
City of Clovis General Fund Obligations	20,307	100%	20,307
City of Fresno General Fund Obligations	157,499	100%	157,499
City of Fresno Pension Obligation Bonds	98,395	100%	98,395
Other City General Fund Obligations	17,556	100%	17,556
Coalinga Regional Medical Center General Fund Obligations	3,800	100%	3,800
Clovis Memorial Water District General Fund Obligations	3,470	100%	3,471
Total Gross Overlapping General Fund Obligation Debt			680,441
Total Direct and Overlapping General Fund Debt			2,947,700
Overlapping Tax Increment Debt:			
Successor Agencies	\$ 46,838	100%	\$ 46,838
Total Direct Debt			244,811
Total Overlapping Debt			2,749,727
Combined Total Debt			2,994,538
Ratios to 2020-21 Assessed Valuation:			
Total Overlapping Tax and Assessment Debt		2.48%	
Total Direct Debt (\$244,811)		0.27%	
Combined Total Debt		3.28%	
Ratios to Redevelopment Incremental Valuation (\$6,388,824):			
Total Overlapping Tax Increment Debt		0.73%	

(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 2019 & 2020 ACFRs were unrounded.

Source: California Municipal Statistics, Inc.

**County of Fresno
Computation of Legal Debt Margin
Last Ten Fiscal Year
(amounts expressed in thousands)**

Amount of Debt Applicable to Limit

<u>Fiscal Year</u>	<u>Assessed Value</u>	<u>Debt Limit Percentage</u>	<u>Debt Limit</u>	<u>Bonds Payable</u>	Less Resources	Total Net Debt	<u>Legal Debt Margin</u>
					<u>Restricted to Paying Principal</u>	<u>Applicable to Limit</u>	
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
2021	91,363,773	1.25%	1,142,047	331,930	21,682	310,248	831,799

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**

<u>Fiscal Year</u>	<u>Net General Bonded Debt per Capita*</u>	<u>Net General Bonded Debt to Assessed Value</u>	<u>General Debt Service to General Expenditures</u>
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%	3.16%
2021	332.23	0.36%	3.16%

**Updated amounts based on the revised population estimates for 2021 from Department of Finance as released on July 1, 2021.*

**County of Fresno
Pledged Revenue Coverage
For the Last Ten Fiscal Years**

CSA 47 Water/Sewer Revenue Bonds

<u>Fiscal Year</u>			Net Available	<u>Debt Service</u>		<u>Coverage</u>
	<u>Charges</u>	Less: Operating <u>Expenses</u>		<u>Revenue</u>	<u>Principal</u>	
2012	\$ 1,211,528	\$ 796,012	\$ 415,516	\$ 140,000	\$ 276,395	100%
2013	1,235,362	816,663	418,699	150,000	266,995	100%
2014	1,285,578	866,263	419,315	160,000	256,610	101%
2015	1,326,035	823,055	502,980	170,000	245,555	121%
2016	1,321,276	821,220	500,056	180,000	233,830	121%
2017	1,379,703	834,824	544,879	195,000	221,268	131%
2018	1,315,000	899,000	416,000	205,000	207,868	101%
2019	1,697,000	882,000	815,000	220,000	193,630	197%
2020	1,697,142	1,034,570	662,572	235,000	178,388	160%
2021	1,841,042	1,012,727	828,315	250,000	162,140	201%

**County of Fresno
Demographic and Economic Statistics
For the Last Ten Calendar Years**

<u>Year</u>	<u>Population</u>	<u>Personal Income*</u>	<u>Per Capita Personal Income</u>	<u>Median Family Income</u>	<u>Unemployment Rate</u>
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%
2021	1,026,681	45,446	45,487	70,700	9.50%

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 2021 and 2012**

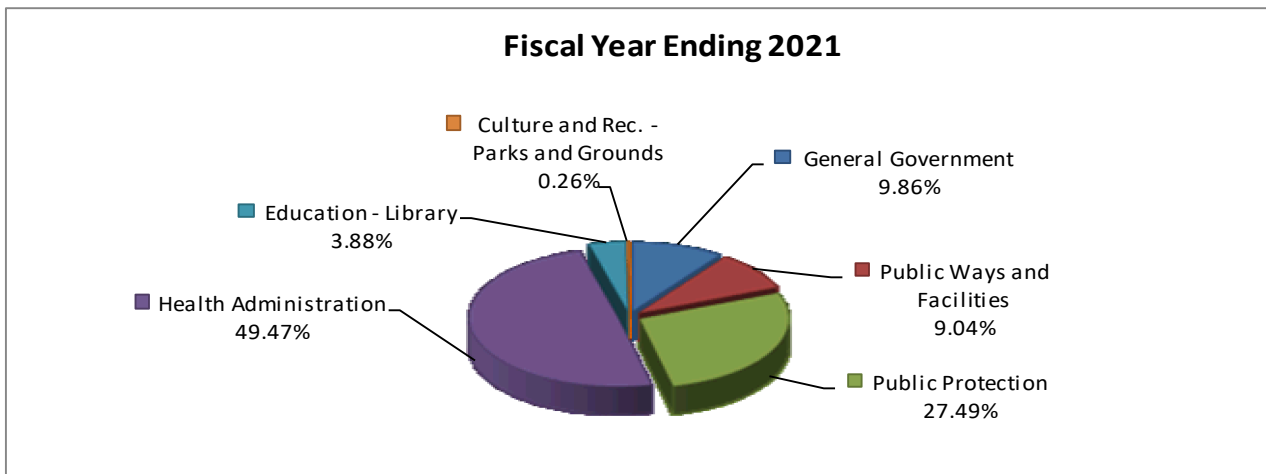
<u>Employer</u>	<u>2021</u>			<u>2012</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Fresno Unified School District	14,272	1	3.19%	8,023	1	1.80%
County of Fresno	9,381	2	2.10%	6,309	2	1.41%
Community Medical Centers	8,800	3	1.97%	6,000	3	1.34%
Clovis Unified School District	8,429	4	1.89%	2,977	5	0.67%
California State University Fresno	5,010	5	1.12%	2,118	8	0.47%
State Center Community College District	4,520	6	1.01%	2,892	6	0.65%
City of Fresno	4,284	7	0.96%	3,258	4	0.73%
Children's Hospital of Central CA	4,140	8	0.93%	-	-	0.00%
Saint Agnes Medical	2,867	9	0.64%	2,710	7	0.61%
Kaiser Permanente Medical	<u>2,300</u>	10	<u>0.51%</u>	<u>1,873</u>	10	<u>0.42%</u>
Total	<u>64,003</u>		<u>14.32%</u>	<u>36,160</u>		<u>8.09%</u>

Source: The 2021 employee counts are obtained from various entity websites. The 2012 employee count was obtained from the 2012 County of Fresno Annual Comprehensive Financial Report.

Note: Percentages based on labor force of 446,800 in 2021 and 446,700 in 2012.

**County of Fresno
Employees by Function/Program
For the Last Ten Fiscal Years
Employees as of June 30**

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Administration	52	53	56	57	62	62	62	61	61	62
County Counsel	25	28	31	32	32	32	33	34	36	34
Finance	235	212	218	225	237	238	233	231	231	243
Internal Service	344	346	340	374	383	383	408	418	447	454
Other	23	24	25	27	28	30	32	32	32	33
Total	679	663	670	715	742	745	768	776	807	826
Public Ways and Facilities										
Planning	105	105	110	120	137	144	159	161	166	166
Roads	198	198	196	196	203	206	223	246	247	247
Community Development	14	14	13	11	11	10	10	10	9	229
Solid Waste	21	21	21	21	15	15	16	16	17	20
Other	83	82	83	88	93	93	93	95	95	95
Total	421	420	423	436	459	468	501	528	534	757
Public Protection										
Sheriff - Coroner	1,011	1,038	1,067	1,071	1,139	1,182	1,231	1,254	1,247	1,247
Probation	544	546	572	585	639	641	650	659	660	642
District Attorney	222	238	256	254	260	255	247	252	249	252
Public Defender	79	84	88	105	111	112	120	144	162	162
Total	1,856	1,906	1,983	2,015	2,149	2,190	2,248	2,309	2,318	2,303
Health Administration										
Child and Family Services	232	231	239	239	239	239	224	224	278	278
Adult Services	514	514	542	542	584	584	616	641	742	747
Social Services	2,182	2,320	2,452	2,457	2,559	2,600	2,643	2,639	2,642	2,654
Community Health	467	481	368	368	394	394	404	405	409	446
In-Home Supportive Services	7	7	7	7	12	12	12	12	12	12
Veterans Services	5	5	5	6	6	7	7	7	7	7
Total	3,410	3,560	3,613	3,619	3,794	3,836	3,906	3,928	4,090	4,144
Education - Library	293	292	314	316	326	329	326	326	326	325
Culture and Rec. - Parks and Grounds	20	16	17	19	24	24	24	24	25	22
Grand Total	6,679	6,857	7,020	7,120	7,494	7,592	7,773	7,891	8,100	8,377



Source: 2021-2022 Recommended Budget

County of Fresno
Operating Indicators by Function/Program
For the Last Ten Fiscal Years

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Public protection										
<i>Child Support Services</i>										
Number of child support cases opened	60,115	58,444	56,755	57,388	58,556	59,934	60,152	59,943	58,992	56,925
Child support collected (in thousands) \$	\$ 83,681	\$ 82,529	\$ 82,525	\$ 85,345	\$ 86,430	\$ 88,016	\$ 90,658	\$ 92,071	\$ 108,960	\$ 107,875
<hr/>										
<i>Sheriff</i>										
Zone offices	4	4	4	4	4	4	4	4	4	4
Patrol units	249	240	242	237	281	280	263	294	304	307
Dispatched calls	199,408	215,403	188,672	115,649	109,997	101,022	96,365	92,945	107,276	141,328
Physical arrests	9,299	7,954	7,171	4,658	4,985	6,338	4,978	4,888	3,979	4,347
Traffic citations	1,077	737	917	959	995	834	760	700	521	447
Stolen vehicles	899	997	770	644	809	711	695	779	799	1,025
Jail bookings	40,025	41,696	44,321	34,245	29,693	29,350	30,358	30,256	25,422	22,713
Avg. daily jail population	1,810	2,867	2,978	2,725	2,748	2,849	3,030	3,046	2,837	2,494
<hr/>										
Public ways and facilities										
Street miles maintained	3,519	3,517	3,516	3,508	3,507	3,505	3,496	3,488	3,485	3,481
<hr/>										
Health, sanitation, and public assistance										
<i>Emergency Medical Services (EMS)</i>										
Number of 9-1-1 medical calls	107,235	107,039	101,982	111,501	122,868	130,451	135,237	136,445	144,040	164,588
<i>Department of Social Services</i>										
Number of client months served	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	8,977,837
<hr/>										
Education										
<i>Library</i>										
Number of branches	35	35	35	39	39	39	39	37	37	37
Number of volumes	3,698,458	3,656,593	2,188,608	2,357,614	982,245	982,245	750,420	734,929	671,985	670,108
Volumes borrowed	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	1,208,513
<hr/>										
Culture and recreation										
<i>Parks and Grounds</i>										
Acreage	2,120	2,120	2,000	1,089	1,089	1,409	1,290	1,578	1,578	1,578
Park passes issued	166	193	106	18	20	20	91	265	232	446

Sources: Various county departments

Note 1: The County's Department of Social Services had corrected their service description to client months served during 2013 for all periods presented above.

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Glossary

County of Fresno
Glossary for the Annual Comprehensive 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.

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 COMPREHENSIVE FINANCIAL REPORT (ACFR). A financial report that encompasses all funds and component units of the government. The Financial Report 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 Financial Report 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.

County of Fresno Glossary for the Annual Comprehensive Financial Report

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.

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.

County of Fresno
Glossary for the Annual Comprehensive Financial Report

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.

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 Financial Reports 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.

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 Annual Comprehensive 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.

CUSTODIAL FUNDS. Funds which are used to report fiduciary activities that are not required to be reported in pension or OPEB trust funds, investment trust funds or private-purpose trust funds. The external portion of investment pools that are not held in a trust should be reported in a separate external investment pool fund column, under the custodial funds classification.

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.

County of Fresno

Glossary for the Annual Comprehensive Financial Report

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).

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.

County of Fresno Glossary for the Annual Comprehensive Financial Report

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.

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 prepaids (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.

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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.

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.

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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.

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.

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MEASUREMENT PERIOD. The period between the prior and the current measurement dates.

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.

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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.

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 Financial Report/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.

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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.

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.

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TOTAL PENSION LIABILITY. The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service.

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.