



**INTEROFFICE MEMORANDUM**

**Oscar J. Garcia, CPA**

Auditor-Controller/Treasurer-Tax Collector

**Enedina Garcia**

Deputy Auditor-Controller

**Frank Gomez**

Deputy Treasurer-Tax Collector

**DATE:** January 5, 2024  
**TO:** Audit Committee Members  
**FROM:** Supervisor Nathan Magsig, Audit Committee Chairman  
**SUBJECT:** Audit Committee Meeting

This will confirm the next Audit Committee meeting scheduled on **January 5, 2024 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) Roll Call
- 2) Pledge of Allegiance
- 3) Approve Agenda
- 4) 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.
- 5) Approval of the December 8, 2023 Audit Committee Meeting Minutes
- 6) Consent Items
  - a. Approve Quarterly Fraud Report covering October 1, 2023 to December 31, 2023.
- 7) Discussion and Action Items
  - a. Review and approve the Department of Public Health Emergency Medical Services Authority (EMSA) Report for fiscal year ended June 30, 2023.
  - b. Review and accept the 2022-2023 County of Fresno Annual Comprehensive Financial Report.
  - c. Review and receive the 2022-2023 First Five Annual Comprehensive Financial Report.
- 8) Staff Updates

**9) Adjournment**

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Enclosures

**Audit Committee Members:**

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

**Next meeting scheduled on May 10, 2024.**

**County of Fresno**  
**Auditor-Controller/Treasurer-Tax Collector**  
**Audit Committee Minutes**  
**Board of Supervisors' Chambers**  
**December 8, 2023 – 10:00 a.m.**

**MEMBERS PRESENT:**

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

**Call to Order:** Supervisor Magsig called to order the regular meeting of the Audit Committee (Committee) on December 8, 2023, at 10:00 a.m. in the Board of Supervisors' Chambers.

**1. Roll Call**

- Karoll Diaz, Accounting & Financial Manager, Financial Reporting & Audits Division (FR&A) took roll call.

**2. Pledge of Allegiance**

- Vice-Chairman Cederborg led all in attendance with the Pledge of Allegiance.

**3. Approve Agenda**

- A motion was made by Paul Nerland, seconded by Vice-Chairman Cederborg, and carried 5-0 to approve the December 8, 2023 agenda.

**4. 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.

**5. Appointment of the Audit Committee Chairman and Vice-Chairman for Calendar years 2024 and 2025**

- Supervisor Magsig was appointed as Chairman for calendar years 2024 and 2025.
- There being no public comments, a motion was made by Vice-Chairman Cederborg, seconded by Paul Nerland, and carried 5-0 to appoint Supervisor Magsig as the new Audit Committee Chairman.
- Chairman Quintero was appointed as Vice-Chairman for calendar years 2024 and 2025.
- There being no public comments, a motion was made by Vice-Chairman Cederborg, second by Kulwinder Brar, and carried 5-0 to appoint Chairman Quintero as the new Audit Committee Vice-Chairman.

**6. Approval of August 11, 2023 Audit Committee Meeting Minutes**

- There being no public comments, a motion was made by Kulwinder Brar, seconded by Manuel Vilanova, and carried 5-0 to approve the August 11, 2023 Audit Committee Meeting Minutes.

## 7. Consent Items

### a) Approve Quarterly Fraud Report covering July 1, 2023 to September 30, 2023.

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

## 8. Discussion and Action Items

### a) Review and approve the Department of Social Services Food and Nutrition Services (FNS-209) Report for the quarter ended June 30, 2023.

- Karoll Diaz 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 8a.

### b) Review and approve the Department of Social Services Payroll Compliance Follow-Up Audit for dates in calendar years 2022 and 2023.

- Karoll Diaz introduced and presented the item.
- Supervisor Magsig inquired about the implementation of the previous audit recommendations, employee training, and the rectification of the over and underpayments noted in the report. Bruna Chavez, Deputy Director, Department of Social Services (DSS), responded that policies and procedures have been updated, and supervisors were provided with a Director's Office Memorandum as a form of training to be distributed to employees.
- Supervisor Magsig inquired about whether the Department followed appropriate federal and state requirements as it relates to the employees' salaries. Bruna Chavez responded yes.
- Supervisor Magsig recommended the Auditor-Controller/Treasurer-Tax Collector's Office conduct an additional payroll audit. Oscar J. Garcia, Auditor-Controller/Treasurer-Tax Collector, mentioned his office would be conducting a DSS payroll audit in fiscal year 2025.
- Vice-Chairman Cederborg inquired about what led to the under and overpayments that were discovered as a result of the audit. Bruna Chavez responded they resulted due to non-matching overtime forms.
- Vice-Chairman Cederborg inquired if the Auditor-Controller/Treasurer-Tax Collector's Office has the capabilities to do a review of the payroll process to reduce unnecessary steps in the process. Bruna Chavez responded the Department is constantly working on reducing unnecessary steps in processes.
- Paul Nerland mentioned the County is launching a Lean Six Sigma program with some Departments, which reviews, identifies, and cuts out deficiencies within departmental procedures.
- Paul Nerland inquired about the three overpayments and four underpayments discovered in the audit, as well as the payroll backlog in the Auditor-Controller/Treasurer-Tax Collector's Office. Karoll Diaz confirmed only three payroll adjustments will be needed. Oscar J. Garcia mentioned there is currently no payroll backlog as they are up to date.
- Paul Nerland inquired about the Department updated payroll policies and procedures. Bruna Chavez stated the overtime policies and procedures have been streamlined.
- Oscar J. Garcia inquired about the assurance that there were additional overpayments and underpayments that were possibly not captured in the audit. Bruna Chavez responded it would require a full payroll review to determine that.
- Supervisor Magsig inquired about the seven, overpayments and underpayments, that resulted as part of the audit and the pay periods included. Karoll Diaz stated the sample selection for the audit focused

on employees with significant amounts of overtime within pay periods in calendar years 2022 and 2023.

- Paul Nerland inquired about the managers and supervisors receiving the same instructions regarding the updated policies and procedures. Bruna Chavez responded all supervisors received the same updated instructions.
- Manuel Vilanova inquired about the identification of the units in DSS, where most of the overtime is primarily used. Bruna Chavez stated that yes, the units have been identified.
- There being no public comments, a motion was made by Vice-Chairman Cederborg, seconded by Manuel Vilanova, and carried 5-0 to approve Agenda Item 8b.

**c) Review and approve amendment to Agreement No. 19-309, with Brown Armstrong Accountancy Corporation for independent and professional external audit services.**

- Paige Benavides, County Budget Director, County Administrative Office, introduced and presented the item.
- Vice-Chairman Cederborg inquired about the additional services to be provided in the amendment, outside the scope of what was originally contracted. Eric Xin, Engagement Partner, Brown Armstrong Accountancy Corporation, responded that yes, additional services are to be provided.
- Supervisor Magsig inquired about the auditing of the FEMA reimbursements, which are due to disasters. Eric Xin responded they are not yet required to complete an audit for FEMA.
- Manuel Vilanova inquired about the County Council reviewing the amendment. Paige Benavides responded Peter Wall and herself have been working on the agreement. Vice-Chairman Cederborg responded he is comfortable moving forward with the agreement, given Peter Wall's review.
- Supervisor Magsig inquired about the term length of the original contract. Eric Xin responded the contract was for one year and four additional one year extension options.
- Paul Nerland inquired if there was a difference in the employee turnover in the FR&A Division after implementing some changes. Oscar J. Garcia responded no employees have left since the implementation of changes.
- There being no public comments, a motion was made by Vice-Chairman Cederborg, seconded by Manuel Vilanova, and carried 5-0 to approve Agenda Item 8c.

**d) Review and accept the Independence Certification.**

- Oscar J. Garcia introduced and presented the item.
- There being no public comments, a motion was made by Kulwinder Brar, seconded by Paul Nerland, and carried 5-0 to approve Agenda Item 8d.

**e) Review and approve the 2024 Audit Committee Meeting Dates.**

- Supervisor Magsig inquired about the January 5, 2024, meeting date. Karoll Diaz responded the plan is to present the Annual Comprehensive Financial Report in the upcoming meeting.
- Oscar J. Garcia mentioned the importance of the January 5<sup>th</sup> meeting is due to having to issue the Debt Compliance report for EMMA.
- There being no public comments, a motion was made by Paul Nerland, seconded by Kulwinder Brar, and carried 5-0 to approve Agenda Item 8e.

## **9. Staff Updates**

- Oscar J. Garcia discussed the continuation of departmental audits and inquired about the date of completion for the Internal Services Department Audit. Karoll Diaz responded the initial deadline for the Internal Services Audit was end of December and will need to be extended.
- Manuel Vilanova commented his term concludes at the end of December 2023. Vice-Chairman Cederborg responded Manuel will need to remain in the Committee until someone else applies. Supervisor Magsig suggested Manuel re-applies.
- Supervisor Magsig inquired about the method of financial reporting used in the Annual Comprehensive Financial Report and the continuing fiscal health of the County. Oscar J. Garcia responded the County uses modified accrual basis and the fiscal health of the County is good.
- Supervisor Magsig discussed pension funds and unfunded liabilities. Oscar J. Garcia commented about the reducing rate of the pension funds.
- Eric Xin mentioned that there will be future GASBs to make the financial statements more reader friendly. Supervisor Magsig mentioned he has been contacted to provide guidance on new GASBs. Oscar J. Garcia commented that it would be good for Supervisor Magsig to provide guidance since he can provide a public view.

## **10. Adjournment**

- A motion was made by Vice-Chairman Cederborg, seconded by Manuel Vilanova, and was carried 5-0 to adjourn the meeting at 11:02 a.m.

### **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



**INTEROFFICE MEMORANDUM**

**Oscar J. Garcia, CPA**

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

**Enedina Garcia**

Deputy Auditor-Controller

**Frank Gomez**

Deputy Treasurer-Tax Collector

**DATE:** January 5, 2024

**TO:** Audit Committee Members  
*Oscar J. Garcia*

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

**SUBJECT:** Fraud Hotline Quarterly Activity Report for the Quarter Ended December 31, 2023

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, 2023 through December 31, 2023.

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 Jarry Lim, Accountant at (559) 600-1368 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, 2023**

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



**COUNTY OF FRESNO**  
**FRAUD HOTLINE QUARTERLY REPORT**  
**Administered by the Auditor-Controller/Treasurer-Tax Collector**  
**For the Quarter Ended December 31, 2023**

Below is the County of Fresno Fraud Hotline activity for the period of October 1, 2023 through December 31, 2023.

1. Statistical Summary

The Financial Reporting and Audits Division received 111 Hotline allegations, complaints, or other contacts during the reporting period. Of these reports, 109 were made anonymously while 2 reports were made by individuals who identified themselves. The Hotline received 96 reports via telephone, 12 by email, and 3 by letter. These reports are categorized in Table 1.

Table 1 Statistical Summary	
Actionable Items	1
Referred Items	107
Non-Actionable Items	3
<b>Total Allegations/Complaints</b>	<b>111</b>

2. Types of Allegations/Complaints

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

**Actionable – County**

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

**Actionable – Non-County**

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

**Referral – County**

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

**COUNTY OF FRESNO  
 FRAUD HOTLINE QUARTERLY REPORT  
 Administered by the Auditor-Controller/Treasurer-Tax Collector  
 For the Quarter Ended December 31, 2023**

**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 – Non-County:	1
Forged/Altered Check	1
Referral – County:	88
Welfare Fraud	71
County - Other	17
Referral – Non-County:	19
Various	19
Non-Actionable Items:	3
Not enough information	3
<b>Total</b>	<b>111</b>

**COUNTY OF FRESNO  
 FRAUD HOTLINE QUARTERLY REPORT  
 Administered by the Auditor-Controller/Treasurer-Tax Collector  
 For the Quarter Ended December 31, 2023**

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 was no investigation by the County of Fresno Fraud Hotline. (See summary below)

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



## County of Fresno

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

December 28, 2023

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

The Auditor-Controller/Treasurer-Tax Collector'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 the County's compliance with the requirements of State Revenue Agreement C22-013, dated November 29, 2022, for the period of July 1, 2022 through June 30, 2023.

The accuracy of the Emergency Medical Services Authority 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 Agency and source documents have been filed.
  - No exceptions were noted.
- c. We verified that all reimbursements have been proper and reflect actual and allowable costs.
  - No exceptions were noted; however, we have the following comments:
    - i. The indirect cost reported for reimbursement from the State for the second quarter was understated by \$1,053.13. The understatement resulted from an incorrect indirect cost formula used. Upon the Department discovering the discrepancy, the \$1,053.13 was included in the indirect cost for the fourth

quarter reimbursement. There was no effect on the actual and allowable costs for reimbursement purposes.

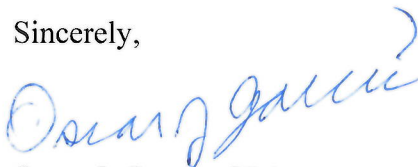
- ii. The State General Fund Invoices, for all four quarters, reflect an incorrect total Local indirect cost budget of \$701,802. This resulted from the use of incorrect departmental indirect cost rates in the formula. The correct total Local indirect cost budget should have reflected \$468,597. In addition, the total Local indirect cost, for quarters two through four, were also incorrectly reported due to a formula error. The total Local indirect cost to date in quarter four should have reflected \$345,030.59 instead of \$321,687.13. This, however, does not have any impact on the amount reimbursable by the State.
  - iii. The State General Fund Invoice, for the second quarter, submitted by the Department, excluded Local expenditures by \$60. Due to a timing constraint, the Department also excluded the fourth quarter Local expenditures by \$150,522. The excluded amounts did not have any impact as the Local expenditures to date had already exceeded the allowable Local budget.
- d. We verified that a physical inventory has been taken of all equipment/property purchased with State General Fund money.
- No exceptions were noted. There was no equipment/property purchased with State General Fund money.
- 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 3, 2024

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

Re: Response to the Compliance Review required by Health and Human Services Agency Medical Services Authority Revenue Agreement C22-013

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 (C22-013). We acknowledge that no exceptions were noted in your review.

In response to the comments in numbered finding "c" of the final report, indicating that some expenditures and budgets were incorrectly stated on the invoices, the Department responds as follows:

Comments under numbered finding "c" – Indirect Cost Rate, local indirect budget, and expenditures left off of local costs

The Department concurs with the finding, and has implemented systems in place to address the incorrect indirect cost rate on invoices going forward reported for quarter 2, and fixed the local indirect cost budget formulas in the new 23-24 invoice template. For comment c. iii, the Department will be more diligent in reporting all costs for each quarter; however, for quarter 4, this will not be resolved in future invoices due to timing issues that remain with accruals that occur through the month of July for the prior fiscal year, and getting the invoice to the State timely. This does not affect the actual and allowable costs for reimbursement to the State.

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 or at [dluchini@fresnocountyca.gov](mailto:dluchini@fresnocountyca.gov) or Daniel Lynch at (559) 600-6460 or at [dlynch@fresnocountyca.gov](mailto: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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BOARD OF SUPERVISORS



# COUNTY OF FRESNO

## Annual Comprehensive Financial Report

FOR FISCAL YEAR ENDED June 30, 2023

COMPILED UNDER THE OFFICE OF:

**Oscar J. Garcia, CPA**

Auditor-Controller/Treasurer-Tax Collector



County of Fresno  
Annual Comprehensive Financial Report  
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## **INTRODUCTORY SECTION**

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



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

December 29, 2023

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, 2023, is hereby submitted in accordance with the provisions of Sections 25250 and 25253 of the Government Code of the State of California. All dollar amounts are actuals unless otherwise indicated.

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, 2023, 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, 2023. 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

1,011,499 as of January 1, 2023. 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
-----------------------------	-----------------------------	----------------------------	----------------------------	-----------------------------

Paul Nerland  
County Administrative Officer

Daniel C. Cederborg  
County Counsel

Public Protection	Health & Public Assistance	Public Ways & Facilities	Education	Culture & Recreation	General Government
John Zanoni Sheriff-Coroner Public Administrator	Sanja Bugay 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 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	Susan Holt Director Behavioral Health Public Guardian				Hollis Magill Director Human Resources
Antoinette Taillac 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 7,156 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 19,443,712 persons as of June 30, 2023. The employed labor force at June 30, 2023, was 18,554,377 persons on a seasonally adjusted basis. This number demonstrates an increase in the California labor market compared to the prior year. The State-wide unemployment rate is 4.6% or 889,335 persons. The County of Fresno has experienced a similar increase in labor force and employment with a corresponding increase in unemployment. The County of Fresno labor force consisted of 460,989 persons as of June 30, 2023. Unemployment in the County has increased by 1.6% from the prior year and is at a rate of 7.5% as of June 30, 2023.

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 \$97,834,105,424 in the 2022-2023 fiscal year. Property tax revenues increased by 6.77% from fiscal year 2021-2022 to fiscal year 2022-2023, while sales tax revenues increased by 3.4% over the same time period. This movement indicated a steady and continued recovery in the County's economy.

The housing market in the County has shown a decrease in home prices. The median home price within the County was down to \$410,000 during the month of September 2023; this represents a decrease of \$5,000 or 1.20%, as compared to the median home prices in September 2022 of \$415,000. Furthermore, housing sales decreased by 9.10% 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 3.3 months in September 2023 compared to 2.8 in September 2022. 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 2022 increased by 0.12% from 2021. This is largely due to an increase in the value of livestock and poultry products along with an increase in field and seed crops, apiary, nursery products, and vegetables. The number one crop in value was grapes (\$1,241,178,000) followed by almonds (\$1,141,308,000). Fruit and nut crops provide 55.86% (\$4,522,032,000) of the gross agricultural production value followed by vegetables at 15.33% (\$1,240,819,000) and livestock, et al. at 21.34% (\$1,727,705,000).

While agriculture currently accounts for 10.83% of wage and salary employment, other important sources of employment include: government 17.72%; educational and health services trade 18.84%; transportation and utilities 17.54%; leisure and hospitality services 8.67%; professional and business services 7.91%; manufacturing 6.20%; mining, logging, and construction 5.29%; and other 7.00%.

## **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 fiscal year 2023-2024 Road Fund adopted budget totals \$176.5 million, which reflects an increase of 19% from the prior year adopted budget. The fiscal year 2023-2024 road maintenance programs include \$19 million dedicated to paving projects; maintenance activities; joint County and City road paving; striping and signage of County roads; traffic signals and highway lighting maintenance; and Job Order Contracts (JOC). The contract construction budget includes \$51 million for road reconstruction, bridge constructions, shoulder paving, traffic signals and pedestrian projects. Over \$186 million is programmed in the 2023 Federal Transportation Improvement Program for projects currently being designed for delivery by fiscal year 2026-2027.

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, 2023, 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 by the end of 2023.

### **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 2023-2024 budget of \$307.9 billion (not including Bond Funds) on June 27, 2023, an increase of 1% over the prior year adopted budget. The budget includes a total of \$9.1 billion in fund balance and \$37.8 billion in reserves.

The County's fiscal year 2023-2024 adopted budget is \$4.8 billion, which is \$383.5 million greater than the prior year. The budget included \$92.3 million in carryover fund balance due to greater than budgeted countywide 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**

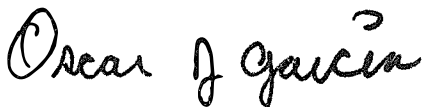
The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its ACFR for the fiscal year ended June 30, 2022. The County has received this prestigious award for over thirty years. In order to be awarded a Certificate of Achievement, the County is required to publish an easily readable and efficiently organized ACFR 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**

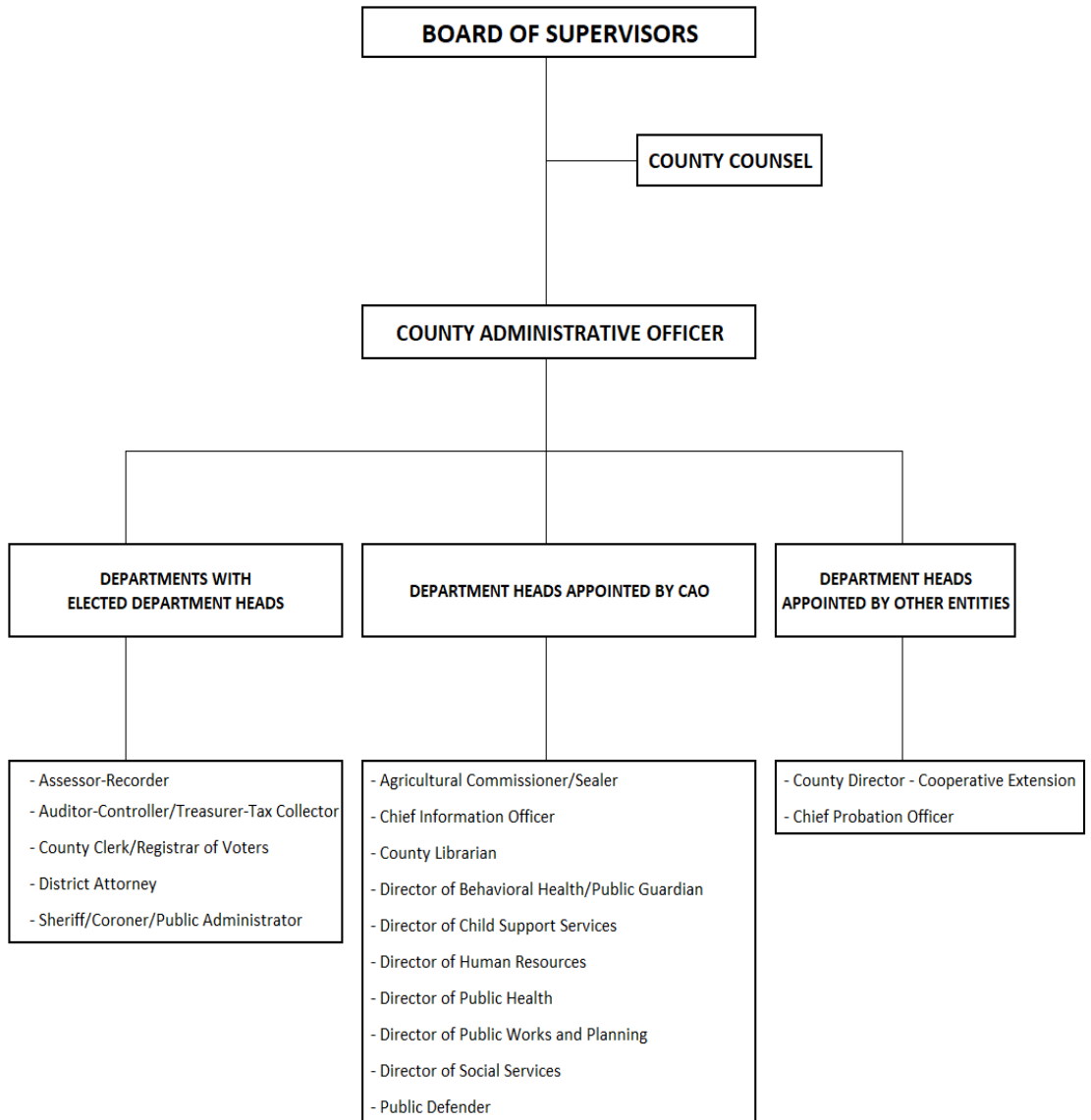
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

## COUNTY OF FRESNO ORGANIZATIONAL CHART



**County of Fresno  
List of Principal Officials  
June 30, 2023**

**ELECTED OFFICIALS**

Board of Supervisors:

Supervisor, District 1 .....	Brian Pacheco
Supervisor, District 2 .....	Steve Brandau
Chairman Supervisor, District 3 .....	Sal Quintero
Supervisor, District 4 .....	Buddy Mendes
Vice-Chairman 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 .....	John Zanoni

**APPOINTED OFFICIALS**

County Administrative Officer .....	Paul Nerland
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

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinions*

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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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, 2023, 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.

#### *Basis for Opinions*

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***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.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County’s basic financial statements. The combining and individual 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.

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2023, on our consideration of the County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION  
*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
December 29, 2023



**County of Fresno**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2023**  
(\$ 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, 2023. 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.

**FINANCIAL HIGHLIGHTS**

- At the close of the 2022-2023 fiscal year, the assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources of the County by \$967,363. The residual of this difference is referred to as "net position." The County has an unrestricted net position of \$93,813. 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 \$871,968 representing the County's net investment in capital assets.
- The County's long-term liabilities increased by \$786,857. Long-term liabilities totaled \$2,296,415 at June 30, 2023.
- The County's total net position increased to \$967,363. The governmental activities net position is \$853,434 and business-type activities net position is \$113,929.
- As of June 30, 2023, the County's governmental funds reported combined ending fund balances of \$963,568, which is an increase of \$90,333 in comparison to the prior year. Approximately 94.17% of combined fund balances, or \$907,385, is either nonspendable, restricted, or committed for specific uses; 5.83%, or \$56,183, 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 \$469,037. Approximately \$412,854 is either nonspendable, restricted, or committed for specific uses. The remaining \$56,183, which approximates to 11.98% of the General Fund's total expenditures for the year, is unassigned.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following narrative is an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) **Government-wide** financial statements, 2) **Fund** financial statements and 3) **Notes** to the basic financial statements. Required supplementary information is included in addition to the basic financial statements.

**Government-wide financial statements** are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. Therefore, the statements are reported using the accrual basis of accounting. Please refer to *Note 2, section (B)* on page 30 for further information on the accrual basis of accounting.

The *Statement of Net Position* presents information on all County assets and liabilities, as well as 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, 2023**  
(\$ 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, 2023, the County had no discretely presented component units.

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

**Fund Financial Statements** present the County's financial activities in a traditional fund format. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. The fund financial statements are reported using the modified accrual basis of accounting. See *Note 2, section (B)* on page 30, which explains the modified accrual basis of accounting. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**County of Fresno**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2023**  
(\$ amounts expressed in thousands)

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 the other, nonmajor governmental funds are combined into a single, aggregated presentation. Summary fund data by fund type and individual fund data for these nonmajor governmental funds is provided as other supplementary information in the form of *combining statements and schedules* found on pages 82-85 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 17-20 of this report.**

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

Proprietary funds provide the same type of information as the government-wide financial statements; however, information is provided in more detail and includes cash flow statements. The Landfills' and CSAs' operations are considered to be major funds of the County. The County's six internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided as supplementary information in the form of combining statements which can be found on pages 95-98 of this report.

**The proprietary funds financial statements can be found on pages 21-24 of this report.**

*Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the County's own programs. The accounting used for fiduciary funds, except for the 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. These statements can be found on page 100-101 of this report.

**County of Fresno**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2023**  
(\$ amounts expressed in thousands)

**The fiduciary fund financial statements can be found on pages 25-26 of this report.**

**Notes to the Basic Financial Statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. They are an integral part of the financial statements and should be read in conjunction with them. The notes can be found on pages 27-72 of this report.

**Required Supplementary Information** includes the Budgetary Comparison Schedules for the General Fund, Disaster Claiming, Local Health and Welfare, and 2011 Realignment Fund. Additionally, this section includes the Fresno County Employees' Retirement Association (FCERA) Schedule of the County's Proportionate Share of the Net Pension Liability, which provides information regarding the County's portion of the net pension liability, along with the Schedule of County Contributions, which provides information on the actuarially determined contribution amounts for the last 10 fiscal years. Required supplementary information can be found on pages 73-79 of this report.

**The combining and individual fund statements and schedules** referred to earlier provide information for major and nonmajor governmental funds, internal service funds, and fiduciary funds, and are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 82-101 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 \$967,363 at June 30, 2023.

**Summary of Net Position**  
**June 30, 2023 and 2022**

	Governmental Activities		Business-Type Activities		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>Assets:</b>						
Current and other assets	\$ 1,540,682	\$ 1,420,095	\$ 94,284	\$ 104,771	\$ 1,634,966	\$ 1,524,866
Capital assets	1,312,317	1,268,869	95,099	73,571	1,407,416	1,342,440
<b>Total assets</b>	<u>2,852,999</u>	<u>2,688,964</u>	<u>189,383</u>	<u>178,342</u>	<u>3,042,382</u>	<u>2,867,306</u>
<b>Deferred Outflows of Resources:</b>						
Deferred pensions	674,592	386,977	5,331	2,991	679,923	389,968
<b>Total deferred outflows of resources</b>	<u>674,592</u>	<u>386,977</u>	<u>5,331</u>	<u>2,991</u>	<u>679,923</u>	<u>389,968</u>
<b>Liabilities:</b>						
Other liabilities	345,320	345,934	7,759	7,815	353,079	353,749
Long-term liabilities	2,224,215	1,447,770	72,200	61,788	2,296,415	1,509,558
<b>Total liabilities</b>	<u>2,569,535</u>	<u>1,793,704</u>	<u>79,959</u>	<u>69,603</u>	<u>2,649,494</u>	<u>1,863,307</u>
<b>Deferred Inflows of Resources:</b>						
Deferred pensions	104,622	567,548	826	4,387	105,448	571,935
<b>Total deferred inflows of resources</b>	<u>104,622</u>	<u>567,548</u>	<u>826</u>	<u>4,387</u>	<u>105,448</u>	<u>571,935</u>
<b>Net Position:</b>						
Net investment in capital assets	776,988	818,555	94,980	73,571	871,968	892,126
Restricted	-	-	1,582	1,582	1,582	1,582
Unrestricted (deficit)	76,446	(103,866)	17,367	32,190	93,813	(71,676)
<b>Total net position</b>	<u>\$ 853,434</u>	<u>\$ 714,689</u>	<u>\$ 113,929</u>	<u>\$ 107,343</u>	<u>\$ 967,363</u>	<u>\$ 822,032</u>

**County of Fresno**  
**Management's Discussion and Analysis**  
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(\$ amounts expressed in thousands)

The largest portion of the County's net position, \$871,968, 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.

Current and other assets increased from \$1,524,866 to \$1,634,966 or 7.22%. This increase is primarily due to an increase in taxes receivable to the County along with an increase in receivables due from other governmental units and an increase to cash and investments.

Capital assets increased by \$64,976 from \$1,342,440 to \$1,407,416, or 4.84% from the prior year. The increase was primarily due to the increase in depreciable assets, including the right to use subscription assets, with a corresponding increase in non-depreciable assets (construction & infrastructure 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 \$786,857, from \$1,509,558 to \$2,296,415, or 52.12% from the prior year. This is primarily due to an increase of Net Pension Liability by the amount of \$706,260.

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, 2023 and 2022**

	Governmental Activities		Business-Type Activities		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 151,871	\$ 124,210	\$ 32,279	\$ 28,089	\$ 184,150	\$ 152,299
Operating grants and contributions	1,338,174	1,237,692	514	258	1,338,688	1,237,950
Capital grants and contributions	-	-	-	39	-	39
General Revenues:						
Property taxes	323,734	300,504	907	896	324,641	301,400
Sales taxes	71,039	78,617	-	-	71,039	78,617
Motor vehicle in-lieu taxes	317,081	290,144	-	-	317,081	290,144
Franchise taxes	14,837	15,820	-	-	14,837	15,820
Investment earnings (losses)	10,646	(33,841)	2,423	(3,985)	13,069	(37,826)
Miscellaneous	6,780	7,215	12,025	8,676	18,805	15,891
Total revenues	<u>2,234,162</u>	<u>2,020,361</u>	<u>48,148</u>	<u>33,973</u>	<u>2,282,310</u>	<u>2,054,334</u>
<b>Expenses:</b>						
General government	317,527	283,771	-	-	317,527	283,771
Public protection	467,639	373,108	-	-	467,639	373,108
Public ways and facilities	101,909	84,820	-	-	101,909	84,820
Health, sanitation & public assistance	1,116,654	983,096	-	-	1,116,654	983,096
Education	29,731	26,916	-	-	29,731	26,916
Culture and recreation	3,520	2,860	-	-	3,520	2,860
Interest on long-term debt	24,706	16,787	-	-	24,706	16,787
County Service Areas, other	-	-	14,799	18,767	14,799	18,767
Landfill	-	-	26,709	24,162	26,709	24,162
Total expenses	<u>2,061,686</u>	<u>1,771,358</u>	<u>41,508</u>	<u>42,929</u>	<u>2,103,194</u>	<u>1,814,287</u>
Increase (decrease) in net position before transfers						
Transfers	172,476	249,003	6,640	(8,956)	179,117	240,047
	54	(174)	(54)	174	-	-
Increase (decrease) in net position	<u>172,531</u>	<u>248,828</u>	<u>6,586</u>	<u>(8,782)</u>	<u>179,117</u>	<u>240,047</u>
Net position beginning of year	714,689	474,839	107,343	121,399	822,032	596,238
Prior period adjustment	(33,786)	(8,979)	-	(5,274)	(33,786)	(14,253)
Net position end of year	<u>\$ 853,434</u>	<u>\$ 714,689</u>	<u>\$ 113,929</u>	<u>\$ 107,343</u>	<u>\$ 967,363</u>	<u>\$ 822,032</u>

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**Governmental activities.** Governmental activities increased the County's net position by \$172,531, which accounts for most of the total increase in net position of the County. Revenue related to charges for services increased by \$27,661 due to an increase in service levels. Operating grant revenue increased by \$100,482, primarily due to the increase in Healthcare Sales Tax and Vehicle License Fee revenues. Property taxes increased by \$23,230. 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 decreased by \$7,578 due to less distribution of Bradley-Burns State tax revenues. Motor vehicle in lieu taxes increased by \$26,937 to a higher growth allocation and Investment earnings increase due to improvements in the investment market.

Expenditures for general government increased by \$33,756, and public protection increased by \$94,531, primarily due to an increase in salaries and facility operation and maintenance costs for the Sheriff Department. Expenditures for health, sanitation, and public assistance increased by \$133,558. Expenditures for public ways and facilities increased by \$17,089, due to increased costs associated with 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 \$6,586, which is attributable to an increase in operating revenues.

### **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, 2023, the County's governmental funds reported combined ending fund balances of \$963,568, an increase of \$90,333 in comparison with the prior fiscal year. Approximately 5.83% of this total amount, or \$56,183, constitutes fund balance that is available for appropriation in the upcoming year. The remainder of the fund balance, totaling \$907,385, is restricted or committed; this includes \$17,960 "not in spendable form" for items that are not expected to be converted into cash, such as long-

**County of Fresno**  
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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 \$889,425 restricted or committed for programs at various levels.

**General Fund.** The General Fund is the chief operating fund of the County. At June 30, 2023, unassigned fund balance of the General Fund was \$56,183, while total fund balance was \$469,037. 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 11.98% of total fund expenditures less transfers, while total fund balance represents 24.58% of that same amount.

The fund balance of the County's General Fund decreased by \$1,032 during the current fiscal year primarily due to an increase in overall expenditures attributed to increased costs associated with CalWORKs and professional and specialized services for the Department of Behavioral Health.

Revenues for the General Fund without transfers totaled \$1,458,136, which represents an 8.63% increase from fiscal year 2021-2022. Overall revenue increased by \$115,871 during the current fiscal year primarily due to an 8.20% increase in revenue received from motor vehicle license fees and a 7.40% increase in revenue received from secured property tax collections.

Expenditures without other financing sources (uses) for the General Fund totaled \$1,908,485 in fiscal year 2022-2023, which represents an increase of 1.93% from fiscal year 2021-2022. The primary cause for the increase is related to spending associated with CalWORKs and to professional and specialized services for the Department of Behavioral Health, which accounts for a combined total of 24.89% of all General Fund expenditures. Other increases were seen in expenditures for salaries of public safety employees and welfare expenditures, with a combined increase of 10.15% from fiscal year 2021-2022.

**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. Revenues for the Disaster Claiming fund during fiscal year 2022-2023 totaled \$33,784, with \$11,573 in disbursements along with \$23,349 in transfers out to other funds.

**Debt Service Fund.** The Debt Service Fund is a major governmental fund. Fund balance decreased by \$1,577 from \$69,260 to \$67,683, or 3.92%. This decrease is due to a payoff of a lease revenue bond during fiscal year 2022-2023.

**Local Health and Welfare Fund.** The Local Health and Welfare Fund was created pursuant to Assembly Bill 1288 of 1991. This fund received \$315,844 in revenues along with \$11,360 in transfers in and distributed \$300,314 to the General Fund which, when combined with the \$78,006 in restricted fund balance from the prior year, resulted in \$104,896 in restricted fund balance for fiscal year 2022-2023. This change was due to an increase in healthcare sales tax revenue.

**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 \$249,425 in revenues, along with \$848 in transfers in and distributed \$220,664 to the General Fund which, when combined with the \$106,340 in restricted fund balance from the prior year, resulted in \$135,949 in restricted fund balance for fiscal year 2022-2023. This change is due to an increase of State aid funding.

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

**County of Fresno**  
**Management's Discussion and Analysis**  
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(\$ amounts expressed in thousands)

Landfills have \$85,789 in net position on June 30, 2023, and the CSAs have \$28,140. The Landfills' and CSAs' unrestricted net positions are \$22,351 and \$(4,984), respectively; this comprises 26.05% and (17.71)%, respectively, of their total net positions. Landfills had an increase in revenues, notably in charges for services which had an increase of 3.54% from prior year. CSAs had an increase in revenues, notably in other revenues. Overall, net position increased by \$6,586 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 \$24,227. The difference between the original budget and the final amended budget is primarily due to an increase in appropriations for various services and supplies for the Sheriff-Coroner-Public Administrator, as well as an increase in appropriations for building improvements for the Department of Public Health.

The actual General Fund revenue balance of \$1,458,136 was \$33,813 or 2.37% more than what was expected. The revenue increased primarily due to more than anticipated property tax revenues. Actual General Fund expenditures fell below the total budget estimates by \$265,620, or 12.22%. The savings were achieved by an array of continuous efforts to manage the County's budget effectively.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets**

As of June 30, 2023, the County's investment in capital assets for its governmental and business-type activities was \$1,407,416. This investment in capital assets includes infrastructure, infrastructure in progress, land, land easements, buildings and improvements, equipment, intangible assets, intangible in progress, construction in progress, tenant improvements, right to use leased assets, and right to use subscription assets. The total increase in the County's investment in capital assets for the current period was \$64,976.

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.



**County of Fresno**  
**Management’s Discussion and Analysis**  
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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/Amortization)  
As of June 30, 2023, and 2022

	Governmental Activities		Business-Type Activities		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>Assets:</b>						
Infrastructure	\$ 338,503	\$ 338,517	\$ -	\$ -	\$ 338,503	\$ 338,517
Infrastructure in progress	65,054	45,635	-	-	65,054	45,635
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	347,197	419,789	50,520	44,806	397,717	464,595
Equipment	38,963	39,406	6,155	3,672	45,118	43,078
Construction in progress	141,981	133,564	29,125	15,910	171,106	149,474
Intangible assets	50	170	-	-	50	170
Tenant improvements	75,396	-	-	-	75,396	-
Right to use leased assets	226,774	233,072	-	-	226,774	233,072
Right to use subscription asset	19,683	-	116	-	19,799	-
	<u>\$ 1,312,317</u>	<u>\$ 1,268,869</u>	<u>\$ 95,099</u>	<u>\$ 73,571</u>	<u>\$ 1,407,416</u>	<u>\$ 1,342,440</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 2022-2023, the County added infrastructure totaling \$11,011. Accumulated depreciation for infrastructure increased by \$11,025.

**Long-Term Liabilities**

At June 30, 2023, the County had total long-term liabilities outstanding of \$2,296,415, compared to \$1,509,558 for the prior fiscal year. This amount includes \$2,224,215 from governmental activities, which was comprised of \$58,570 in compensated absences; \$234,176 in lease obligations; \$18,942 in subscription obligations; \$81,462 in liability for tenant improvements; \$100,487 in liability for self-insurance; \$287,686 in bonds payable; \$303,900 from accreted interest; and \$1,138,992 in net pension liability. This combined with \$72,200 from business-type activities, which was comprised of \$461 in compensated absences; \$119 in subscription obligations; \$1,740 in bonds payable; \$4,391 in loans payable; \$56,490 in closure and post-closure care liability; and \$8,999 in net pension liability. Please refer to Note 9 to Note 13 on pages 48 through 68 and Note 16 on page 70 for further information on the County’s long-term liabilities.

**County of Fresno**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2023**  
(\$ amounts expressed in thousands)

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

- The economy has shown signs of slowing since 2022. While the Gross Domestic Product saw slight growth in the first and second quarters of 2023, it was slightly lower than its pre-pandemic average level of growth. In addition, although inflation had increased to historic levels to an average 8 percent in 2022, it has decreased to slightly above 3 percent as interest rates were raised. The housing market has cooled, with 2023 average housing prices in the State of California down from 2022. National unemployment has remained low since the significant increases during the pandemic; however, the state unemployment rate has seen slight increases.
- 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.
- To address the impacts of COVID-19, the County received a total amount of \$194 million under the American Rescue Plan Act (ARPA). As of September 2023, approximately \$76.5 million has been expended. According to the fiscal year 2023-2024 adopted budget, the ARPA funds are being expended on a variety of projects including funding assistance for construction of affordable homes and the enhancement of homelessness initiatives.
- 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 have shown continued increases in fiscal year 2022-2023, it is expected that these revenues will flatten.

To the extent these factors were known, or could be estimated, they were considered in preparing the County's budget for fiscal year 2023-2024. The County budgets conservatively which will help alleviate a potential downturn in the economy. The County will continue to monitor revenue streams and make any necessary adjustments during the fiscal year.

**Request for Information**

This ACFR 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, 2023**  
(\$ amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 1,118,431	\$ 41,450	\$ 1,159,881
Restricted cash and investments	16,167	48,684	64,851
Receivables, net:			
Accounts	27,968	3,948	31,916
Taxes	48,951	-	48,951
Interest	7,733	620	8,353
Loans	42,726	-	42,726
Internal balances	418	(418)	-
Due from other governmental units	261,169	-	261,169
Prepaid items	17,119	-	17,119
Capital Assets, net:			
Land	16,878	9,183	26,061
Land easements	41,838	-	41,838
Buildings and improvements	347,197	50,520	397,717
Equipment	38,963	6,155	45,118
Construction in progress	141,981	29,125	171,106
Infrastructure	338,503	-	338,503
Infrastructure in progress	65,054	-	65,054
Intangible	50	-	50
Tenant Improvements, net of amortization	75,396	-	75,396
Right to use leased assets, net of amortization	226,774	-	226,774
Right to use subscription assets, net of amortization	19,683	116	19,799
Total assets	<u>2,852,999</u>	<u>189,383</u>	<u>3,042,382</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pensions	<u>674,592</u>	<u>5,331</u>	<u>679,923</u>
Total deferred outflows of resources	<u>674,592</u>	<u>5,331</u>	<u>679,923</u>
<b>LIABILITIES</b>			
Cash overdraft	5,355	-	5,355
Accounts payable	95,823	749	96,572
Salaries and benefits payable	50,298	182	50,480
Interest payable	1,965	80	2,045
Due to other governmental units	33,858	-	33,858
Deposits and other liabilities	12,570	6,748	19,318
Unearned revenue	145,451	-	145,451
Noncurrent liabilities:			
Due within one year	88,601	710	89,311
Due beyond one year	2,135,614	71,490	2,207,104
Total liabilities	<u>2,569,535</u>	<u>79,959</u>	<u>2,649,494</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pensions	<u>104,622</u>	<u>826</u>	<u>105,448</u>
Total deferred inflows of resources	<u>104,622</u>	<u>826</u>	<u>105,448</u>
<b>NET POSITION</b>			
Net investment in capital assets	776,988	94,980	871,968
Restricted for:			
Debt service	-	1,582	1,582
Unrestricted	76,446	17,367	93,813
Total net position	<u>\$ 853,434</u>	<u>\$ 113,929</u>	<u>\$ 967,363</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, 2023**  
(\$ amounts expressed in thousands)

<b>Functions / Programs:</b>	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:						
General government	\$ 317,527	\$ 53,907	\$ 86,593	\$ (177,027)	\$ -	\$ (177,027)
Public protection	467,639	34,037	384,358	(49,244)	-	(49,244)
Public ways and facilities	101,909	21,990	68,065	(11,854)	-	(11,854)
Health, sanitation and public assistance	1,116,654	39,235	798,857	(278,562)	-	(278,562)
Education	29,731	1,848	301	(27,582)	-	(27,582)
Culture and recreation	3,520	854	-	(2,666)	-	(2,666)
Interest and fiscal charges	24,706	-	-	(24,706)	-	(24,706)
Total governmental activities	2,061,686	151,871	1,338,174	(571,640)	-	(571,640)
Business-type activities:						
Water/Sewer services	14,799	9,012	-	-	(5,787)	(5,787)
Landfill	26,709	23,267	514	-	(2,928)	(2,928)
Total business-type activities	41,508	32,279	514	-	(8,715)	(8,715)
Total primary government	\$ 2,103,194	\$ 184,150	\$ 1,338,688	(571,640)	(8,715)	(580,355)
General revenues:						
Property tax				323,734	907	324,641
Sales tax				71,039	-	71,039
Franchise tax				14,837	-	14,837
Unrestricted motor vehicle in-lieu taxes				317,081	-	317,081
Other				6,780	12,025	18,805
Unrestricted investment earnings				10,646	2,423	13,069
Transfers in (out)				54	(54)	-
Total general revenues and transfers				744,171	15,301	759,472
Change in net position				172,531	6,586	179,117
Net position - beginning				714,689	107,343	822,032
Prior period adjustments				(33,786)	-	(33,786)
Net position - beginning restated				680,903	107,343	788,246
Net position - ending				\$ 853,434	\$ 113,929	\$ 967,363

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

**County of Fresno**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**  
(\$ amounts expressed in thousands)

	General Fund	Disaster Claiming	Debt Service	Local Health and Welfare	2011 Realignment	Other Governmental Funds	Total Governmental Funds
<b>ASSETS &amp; DEFERRED OUTFLOWS OF RESOURCES</b>							
<b>Assets</b>							
Cash and investments	\$ 372,743	\$ 131,447	\$ 55,826	\$ 116,369	\$ 117,890	\$ 183,270	\$ 977,545
Restricted cash and investments	33	-	11,814	-	-	218	12,065
Receivables, net:							
Accounts	27,037	-	-	-	-	219	27,256
Taxes	48,951	-	-	-	-	-	48,951
Interest	2,935	931	352	836	958	718	6,730
Loans	42,726	-	-	-	-	-	42,726
Due from other funds	52,010	240	-	-	3,782	3,653	59,685
Due from other governmental units	185,488	-	156	12,066	36,260	18,877	252,847
Advances to other funds	263	-	-	-	-	-	263
Prepaid items	17,026	-	-	-	-	93	17,119
Total assets	<u>749,212</u>	<u>132,618</u>	<u>68,148</u>	<u>129,271</u>	<u>158,890</u>	<u>207,048</u>	<u>1,445,187</u>
<b>Deferred outflows of resources</b>							
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 749,212</u>	<u>\$ 132,618</u>	<u>\$ 68,148</u>	<u>\$ 129,271</u>	<u>\$ 158,890</u>	<u>\$ 207,048</u>	<u>\$ 1,445,187</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, &amp; FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable	\$ 65,901	\$ 1,812	\$ 2	\$ -	\$ -	\$ 15,596	\$ 83,311
Salaries and benefits payable	46,277	-	-	-	-	2,708	48,985
Due to other governmental units	27,124	2,427	-	-	-	-	29,551
Due to other funds	17,000	4,195	463	24,375	22,941	2,379	71,353
Deposits and other liabilities	11,340	-	-	-	-	316	11,656
Unearned revenue	21,164	124,184	-	-	-	46	145,394
Total liabilities	<u>188,806</u>	<u>132,618</u>	<u>465</u>	<u>24,375</u>	<u>22,941</u>	<u>21,045</u>	<u>390,250</u>
<b>Deferred inflows of resources</b>							
Unavailable property taxes	48,643	-	-	-	-	-	48,643
Unavailable HARP loan	42,726	-	-	-	-	-	42,726
Total deferred inflows of resources	<u>91,369</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,369</u>
<b>Fund balances</b>							
Nonspendable	17,846	-	-	-	-	114	17,960
Restricted	302,840	-	67,683	104,896	135,949	185,889	797,257
Committed	92,168	-	-	-	-	-	92,168
Unassigned	56,183	-	-	-	-	-	56,183
Total fund balances	<u>469,037</u>	<u>-</u>	<u>67,683</u>	<u>104,896</u>	<u>135,949</u>	<u>186,003</u>	<u>963,568</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 749,212</u>	<u>\$ 132,618</u>	<u>\$ 68,148</u>	<u>\$ 129,271</u>	<u>\$ 158,890</u>	<u>\$ 207,048</u>	<u>\$ 1,445,187</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, 2023**  
(\$ amounts expressed in thousands)

Fund balances - total governmental funds	\$	963,568
Amounts reported for net position of governmental activities are different because:		
Capital assets are not recorded in the governmental funds statements but are recorded in government-wide statements to conform with generally accepted accounting principles.		905,980
Deferred outflows of resources are not recorded in the governmental funds statements but are recorded in the government-wide statements.		640,859
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.		(1,717,599)
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.		(1,965)
Deferred inflows of resources are not recorded in the governmental funds statements but are recorded in the government-wide statements.		(99,391)
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.		91,369
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.		70,613
Net position of governmental activities	\$	853,434

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, 2023**  
(\$ amounts expressed in thousands)

	General Fund	Disaster Claiming	Debt Service	Local Health and Welfare	2011 Realignment	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
Taxes	\$ 345,206	\$ -	\$ -	\$ -	\$ -	\$ 49,567	\$ 394,773
Licenses and permits	14,100	-	-	-	-	737	14,837
Fines, forfeitures and penalties	6,423	-	-	-	-	372	6,795
Use of money and property	8,552	(246)	1,536	(371)	1,543	(368)	10,646
Aid from other governmental agencies:							
State	431,642	-	-	316,215	247,882	47,436	1,043,175
Federal	534,035	34,030	-	-	-	19,178	587,243
Other	2,810	-	2,084	-	-	-	4,894
Charges for services	69,338	-	-	-	-	21,657	90,995
Other revenues	46,030	-	14,444	-	-	402	60,876
Total revenues	<u>1,458,136</u>	<u>33,784</u>	<u>18,064</u>	<u>315,844</u>	<u>249,425</u>	<u>138,981</u>	<u>2,214,234</u>
<b>Expenditures</b>							
General government	58,477	-	1	-	-	296	58,774
Public protection	534,786	-	-	-	-	-	534,786
Public ways and facilities	4,223	-	-	-	-	101,084	105,307
Health, sanitation, and public assistance	1,258,810	11,573	-	-	-	410	1,270,793
Education	287	-	-	-	-	31,954	32,241
Culture and recreation	4,098	-	-	-	-	-	4,098
Capital outlay	14,665	-	-	-	-	7,485	22,150
Debt service:							
Principal	22,489	-	47,860	-	-	929	71,278
Interest and fiscal charges	10,650	-	7,613	-	-	54	18,317
Total expenditures	<u>1,908,485</u>	<u>11,573</u>	<u>55,474</u>	<u>-</u>	<u>-</u>	<u>142,212</u>	<u>2,117,744</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(450,349)</u>	<u>22,211</u>	<u>(37,410)</u>	<u>315,844</u>	<u>249,425</u>	<u>(3,231)</u>	<u>96,490</u>
<b>Other Financing Sources (Uses)</b>							
Proceeds from sale of capital assets	156	-	-	-	-	-	156
Insurance recoveries	(15)	-	-	-	-	-	(15)
Transfers in	535,522	1,138	38,673	11,360	848	37,560	625,101
Transfers (out)	(86,574)	(23,349)	(2,840)	(300,314)	(220,664)	(3,323)	(637,064)
Lease liabilities issued	228	-	-	-	-	-	228
Total other financing sources (uses)	<u>449,317</u>	<u>(22,211)</u>	<u>35,833</u>	<u>(288,954)</u>	<u>(219,816)</u>	<u>34,237</u>	<u>(11,594)</u>
Net change in fund balances	(1,032)	-	(1,577)	26,890	29,609	31,006	84,896
Fund balances - beginning	470,069	-	63,823	78,006	106,340	154,997	873,235
Prior period adjustment	-	-	5,437	-	-	-	5,437
Fund balances - beginning restated	<u>470,069</u>	<u>-</u>	<u>69,260</u>	<u>78,006</u>	<u>106,340</u>	<u>154,997</u>	<u>878,672</u>
Fund balances - ending	<u>\$ 469,037</u>	<u>\$ -</u>	<u>\$ 67,683</u>	<u>\$ 104,896</u>	<u>\$ 135,949</u>	<u>\$ 186,003</u>	<u>\$ 963,568</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, 2023**  
(\$ amounts expressed in thousands)

Net change in fund balances - total governmental funds \$ 84,896

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, other related capital asset adjustments, right to use leased assets, and subscription assets	22,150	
Less - current year depreciation and amortization expense	<u>(48,352)</u>	(26,202)

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.		126
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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.		11,753
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. This amount is net of internal service fund activity.		6,636
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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.		19,943
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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 governmental funds. Neither transaction has any effect in the treatment of long-term debt and related items.		
New long-term debt issued	(228)	
Principal payments on long-term debt	<u>71,278</u>	71,050

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.		4,329
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Change in net position of governmental activities		<u>\$ 172,531</u>
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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, 2023**  
(\$ amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities
	County Service		Total	Internal Service
	Solid Waste	Areas, Other		Funds
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 39,119	\$ 2,331	\$ 41,450	\$ 140,886
Restricted cash and cash equivalents	47,102	1,582	48,684	4,102
Accounts receivable (net of allowance)	2,852	1,096	3,948	466
Interest receivable	598	22	620	1,003
Due from other funds	933	43	976	18,596
Due from other governmental units	-	-	-	8,322
Total current assets	<u>90,604</u>	<u>5,074</u>	<u>95,678</u>	<u>173,375</u>
Noncurrent assets:				
Accounts receivable	-	-	-	246
Non-depreciable:				
Land	7,956	1,227	9,183	-
Construction in progress	22,572	6,553	29,125	3,620
Depreciable:				
Buildings and improvements, net	30,806	19,714	50,520	27,338
Equipment, net	2,107	4,048	6,155	30,335
Right to use leased assets, net	-	-	-	3,073
Right to use subscription assets, net	116	-	116	7,391
Total noncurrent assets	<u>63,557</u>	<u>31,542</u>	<u>95,099</u>	<u>72,003</u>
Total assets	<u>154,161</u>	<u>36,616</u>	<u>190,777</u>	<u>245,378</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pensions	3,703	1,628	5,331	33,733
Total deferred outflows of resources	<u>3,703</u>	<u>1,628</u>	<u>5,331</u>	<u>33,733</u>
<b>LIABILITIES</b>				
Current liabilities:				
Cash overdraft	-	-	-	5,355
Accounts payable	341	408	749	12,512
Salaries and benefits payable	138	44	182	1,313
Due to other funds	1,067	64	1,131	6,773
Due to other governmental units	-	-	-	4,307
Advances from other funds	-	263	263	-
Liability for self-insurance	-	-	-	20,439
Interest payable	-	80	80	-
Deposits and other liabilities	6,726	22	6,748	914
Loans payable	-	142	142	-
General obligation bonds payable	-	305	305	-
Unearned revenue	-	-	-	57
Compensated leave and absences	143	92	235	1,743
Lease obligations	28	-	28	6,772
Total current liabilities	<u>8,443</u>	<u>1,420</u>	<u>9,863</u>	<u>60,185</u>
Noncurrent liabilities:				
Liability for self-insurance	-	-	-	80,048
Compensated leave and absences	226	-	226	1,929
General obligation bonds payable	-	1,435	1,435	-
Loans payable	-	4,249	4,249	-
Accrued closure/post-closure liability	56,490	-	56,490	-
Lease obligations	91	-	91	4,151
Net pension liability	6,251	2,748	8,999	56,954
Total noncurrent liabilities	<u>63,058</u>	<u>8,432</u>	<u>71,490</u>	<u>143,082</u>
Total liabilities	<u>71,501</u>	<u>9,852</u>	<u>81,353</u>	<u>203,267</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred pensions	574	252	826	5,231
Total deferred inflows of resources	<u>574</u>	<u>252</u>	<u>826</u>	<u>5,231</u>
<b>NET POSITION</b>				
Net investment in capital assets	63,438	31,542	94,980	60,834
Restricted for:				
Debt service	-	1,582	1,582	-
Unrestricted	22,351	(4,984)	17,367	9,779
Total net position	<u>\$ 85,789</u>	<u>\$ 28,140</u>	<u>\$ 113,929</u>	<u>\$ 70,613</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, 2023**  
(\$ amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities
	County Service		Total	Internal Service Funds
	Solid Waste	Areas, Other		
<b>Operating revenues</b>				
Charges for services	\$ 23,267	\$ 9,012	\$ 32,279	\$ 276,695
Other revenues	3,877	8,148	12,025	5,215
Total operating revenues	27,144	17,160	44,304	281,910
<b>Operating expenses</b>				
Salaries and benefits	4,743	2,199	6,942	42,699
Insurance	481	141	622	138,469
Professional services	6,000	4,838	10,838	18,002
General and administrative	5,483	2,122	7,605	31,299
Repairs and maintenance	2,146	3,122	5,268	9,008
Rents and leases	27	1	28	12,569
Parts and supplies	602	-	602	8,157
Accrued closure/post-closure costs	5,228	-	5,228	-
Utilities	170	1,095	1,265	19,021
Depreciation	1,659	1,163	2,822	8,520
Amortization	34	-	34	8,924
Total operating expenses	26,573	14,681	41,254	296,668
<b>Operating income (loss)</b>	571	2,479	3,050	(14,758)
<b>Non-operating revenues (expenses)</b>				
Gain (Loss) on sale of capital assets	(148)	(66)	(214)	366
Use of money and property	1,935	488	2,423	1,786
Interest expense	-	(52)	(52)	(85)
Tax revenues	-	907	907	-
Insurance recoveries	-	-	-	5,003
Closure/post-closure expense/fees	12	-	12	-
Grants and other revenues	514	-	514	-
Total non-operating revenues (expenses)	2,313	1,277	3,590	7,070
Net income (loss) before transfers	2,884	3,756	6,640	(7,688)
<b>Transfers in (out)</b>				
Transfers in	276	2	278	14,068
Transfers (out)	(227)	(105)	(332)	(2,051)
Total transfers in (out)	49	(103)	(54)	12,017
<b>Change in net position</b>	2,933	3,653	6,586	4,329
Net position - beginning	82,856	24,487	107,343	66,284
Net position - ending	\$ 85,789	\$ 28,140	\$ 113,929	\$ 70,613

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, 2023**  
(\$ amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities
	County Service Areas, Other			Internal Service Funds
	Solid Waste	Other	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from users	\$ 27,259	\$ 17,073	\$ 44,332	\$ 280,092
Cash paid to suppliers	(31,488)	(8,331)	(39,819)	(206,466)
Cash paid to employees	(4,985)	(2,515)	(7,500)	(42,688)
Cash paid for claims	-	-	-	(19,820)
Net cash provided by (used in) operating activities	<u>(9,214)</u>	<u>6,227</u>	<u>(2,987)</u>	<u>11,118</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Tax revenues	-	907	907	-
Grant revenues	514	-	514	-
Transfers from other funds	276	2	278	14,068
Transfers to other funds	(227)	(105)	(332)	(2,051)
Advances paid to/returned to other funds	-	(302)	(302)	-
Cash paid to closure/post-closure liability	-	-	-	-
Net cash provided by noncapital financing activities	<u>563</u>	<u>502</u>	<u>1,065</u>	<u>12,017</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Sales of capital assets	199	-	199	187
Purchases of capital assets	(3,186)	(7,795)	(10,981)	(15,174)
Insurance recoveries	-	-	-	5,003
Interest paid on capital debt	-	(52)	(52)	(85)
Net cash (used in) capital and related financing activities	<u>(2,987)</u>	<u>(7,847)</u>	<u>(10,834)</u>	<u>(10,069)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Use of money and property received	<u>1,675</u>	<u>65</u>	<u>1,740</u>	<u>1,239</u>
Net cash provided by investing activities	<u>1,675</u>	<u>65</u>	<u>1,740</u>	<u>1,239</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(9,963)</b>	<b>(1,053)</b>	<b>(11,016)</b>	<b>14,305</b>
<b>Cash and cash equivalents - beginning</b>	<b><u>96,184</u></b>	<b><u>4,966</u></b>	<b><u>101,150</u></b>	<b><u>130,683</u></b>
<b>Cash and cash equivalents - ending</b>	<b><u>\$ 86,221</u></b>	<b><u>\$ 3,913</u></b>	<b><u>\$ 90,134</u></b>	<b><u>\$ 144,988</u></b>
<b>Reconciliation of cash and cash equivalents to the statement of net position:</b>				
Cash and cash equivalents	\$ 39,119	\$ 2,331	\$ 41,450	\$ 140,886
Restricted cash and investments	<u>47,102</u>	<u>1,582</u>	<u>48,684</u>	<u>4,102</u>
Total	<u>\$ 86,221</u>	<u>\$ 3,913</u>	<u>\$ 90,134</u>	<u>\$ 144,988</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, 2023**  
(\$ amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds			Governmental Activities
	County			Internal Service Funds
	Solid Waste	Service Areas, Other	Total	
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
<b>Operating income (loss)</b>	\$ 571	\$ 2,479	\$ 3,050	\$ (14,758)
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:</b>				
Landfill closure and post-closure costs	5,228	-	5,228	-
Pension expense	(243)	(107)	(350)	(2,209)
Depreciation/amortization expense	1,693	1,163	2,856	17,444
Decrease (increase) in accounts receivable	(351)	(146)	(497)	(90)
Decrease (increase) in due from other funds	134	59	193	(1,091)
Decrease (increase) in due from other governmental units	-	-	-	(659)
Decrease (increase) in inventory of supplies	(16,566)	3,351	(13,215)	(410)
(Decrease) increase in accounts payable	(171)	(276)	(447)	261
(Decrease) increase in salaries and benefits payable	45	(5)	40	257
(Decrease) increase in unearned revenue	332	-	332	14
(Decrease) increase in deposits held for others	-	-	-	8
(Decrease) increase in due to other funds	158	(87)	71	435
(Decrease) increase in due to other governmental units	-	-	-	5,009
(Decrease) increase in deferred outflows pensions	(1,706)	(634)	(2,340)	(14,138)
(Decrease) increase in deferred inflows pensions	(2,355)	(1,206)	(3,561)	(23,507)
(Decrease) increase in net pension liability	4,017	1,636	5,653	35,043
(Decrease) increase in liabilities for self-insurance	-	-	-	9,509
Total adjustments	(9,785)	3,748	(6,037)	25,876
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (9,214)</u>	<u>\$ 6,227</u>	<u>\$ (2,987)</u>	<u>\$ 11,118</u>
Sales (Purchase) of capital assets	<u>\$ (2,987)</u>	<u>\$ (7,795)</u>	<u>\$ (10,782)</u>	<u>\$ (14,987)</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, 2023**  
(\$ amounts expressed in thousands)

	Pension Trust	Custodial Funds	
		External Investment Pool	Other Custodial Funds
<b>ASSETS &amp; DEFERRED OUTFLOWS OF RESOURCES</b>			
<b>Assets</b>			
Cash and investments	\$ 342,275	\$ 5,695,480	\$ 205,427
Receivables, net:			
Accounts	105,501	-	6,520
Taxes	-	196	1
Interest	18,320	-	1,846
Loans	-	654	-
Due from other governmental units	-	2,265	2,246
Prepaid expense	140	93	-
Property held by public administrator	-	-	4,286
Investments, at fair value	5,938,348	-	-
Capital assets, net	11,632	-	-
Total assets	<u>6,416,216</u>	<u>5,698,688</u>	<u>220,326</u>
<b>Deferred outflows of resources</b>			
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 6,416,216</u>	<u>\$ 5,698,688</u>	<u>\$ 220,326</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, &amp; NET POSITION</b>			
<b>Liabilities</b>			
Accounts payable	\$ 317,191	\$ -	\$ 819
Due to other governmental units	<u>-</u>	<u>-</u>	<u>8,514</u>
Total liabilities	<u>317,191</u>	<u>-</u>	<u>9,333</u>
<b>Deferred inflows of resources</b>			
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Position</b>			
Restricted for:			
Pensions	6,099,025	-	-
Pool participants	-	5,698,688	-
Individuals & other governments	<u>-</u>	<u>-</u>	<u>210,993</u>
Total net position	<u>6,099,025</u>	<u>5,698,688</u>	<u>210,993</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,416,216</u>	<u>\$ 5,698,688</u>	<u>\$ 220,326</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, 2023**  
(\$ amounts expressed in thousands)

	Custodial Funds		
	Pension Trust	External Investment Pool	Other Custodial Funds
<b>ADDITIONS</b>			
Contributions:			
Employers	\$ 242,221	\$ -	\$ -
Plan members	47,117	-	-
Contributions to pooled investments	-	22,503,872	-
Total contributions	<u>289,338</u>	<u>22,503,872</u>	<u>-</u>
Investment income (loss):			
Net investment income (loss), before securities lending	536,123	-	-
Net income from securities lending activities	1,384	-	-
Net increase (decrease) in fair value of investments	-	(184,714)	7,114
Net investment income (loss)	<u>537,507</u>	<u>(184,714)</u>	<u>7,114</u>
Property tax collections	-	-	1,421,605
Other tax collections	-	-	27
Custodial fund collections	-	-	3,045,219
Total additions	<u>826,845</u>	<u>22,319,158</u>	<u>4,473,965</u>
<b>DEDUCTIONS</b>			
Benefits paid to plan members and beneficiaries	340,440	-	-
Refunds of member contributions	4,245	-	-
Administrative expenses	6,412	-	-
Distributions from pooled investments	-	21,330,429	-
Property & other tax distributions	-	-	1,411,864
Custodial fund distributions	-	-	3,027,736
Other	122	-	-
Total deductions	<u>351,219</u>	<u>21,330,429</u>	<u>4,439,600</u>
Change in fiduciary net position before extraordinary items	-	-	-
<b>Extraordinary Items</b>			
Assets of ...	-	-	-
Liabilities of ...	-	-	-
Total extraordinary items	-	-	-
Change in fiduciary net position	475,626	988,729	34,365
Fiduciary net position - beginning	<u>5,623,399</u>	<u>4,709,959</u>	<u>176,628</u>
Fiduciary net position - ending	<u>\$ 6,099,025</u>	<u>\$ 5,698,688</u>	<u>\$ 210,993</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, 2023**  
(\$ 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

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2023**  
(\$ amounts expressed in thousands)

in the County's Debt Service Fund. The FCFA and the County have a financial and operational relationship (FCFA is financially accountable to the County), which requires that the FCFA's financial statements be blended into the County's financial statements. A five-member board, appointed by the Board, determines the FCFA's policies.

The Fresno County Tobacco Funding Corporation (FCTFC) is reported in the County's Debt Service Fund. The FCTFC 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, 2023, 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 are available for use, restricted resources are used prior to depleting unrestricted resources.

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2023**  
(\$ amounts expressed in thousands)

*Fund Financial Statements*

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category, *governmental, proprietary, and fiduciary*, are presented. The emphasis of fund financial statements is on major governmental and enterprise funds. These funds are each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and combined into one column for reporting as nonmajor funds in the fund financial statements.

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

The County reports 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 culture 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.

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2023**  
(\$ amounts expressed in thousands)

- The *County Service Areas, Other Fund* is used to account for special districts, governed by the Board, which include County Service Areas (CSAs), Lighting Districts, Waterworks Districts, and one administrative fund.

The County reports the following additional fund types:

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

*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.

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2023**  
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General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

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

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

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

**(C) Budgeting**

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

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

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

The General, Disaster Claiming, Local Health and Welfare, and 2011 Realignment Funds' Budgetary Comparison Schedules are part of Required Supplementary Information on pages 73-76.

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2023**  
(\$ amounts expressed in thousands)

**(D) Cash and Cash Equivalents**

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

**(E) Restricted Cash and Investments**

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

**(F) Investments**

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

**(G) Receivables**

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

The County is responsible for the assessment, collection, and apportionment of property taxes for all jurisdictions including the school and special districts within the County. The Board levies property taxes as of September 1, on property values certified on July 1. Secured property tax payments are due in two equal installments. The first is generally due November 1 and delinquent with penalties after December 10 and the second is generally due on February 1 and delinquent with penalties after April 10. Secured property taxes become a lien on the property on January 1. Property taxes on the unsecured roll are due upon receipt of the tax bill and become delinquent if unpaid on August 31. Property taxes are accounted for in the Property Tax Collection fund, a Custodial 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 2022-23, the County recorded \$323,734 in property taxes that were used to finance general governmental services.

**County of Fresno**  
**Notes to the Basic Financial Statements**  
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*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 Electronic Benefit Transfers (EBTs). Issuances are calculated at fiscal month end and recorded as prepaid items for the following period.

**(I) Capital Assets**

Capital assets, including infrastructure, are recorded at historical cost, or at estimated historical cost, if the actual cost is not available. Capital assets received by the County in a service concession arrangement, and donated capital assets, including works of arts and similar items, are recorded at the estimated acquisition value at the date of donation.

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 using the straight-line method over the asset's estimated life 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 or amortization are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

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

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

**(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*

**County of Fresno**  
**Notes to the Basic Financial Statements**  
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*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 or Balance Sheet will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources represents a consumption of net assets by the government that is applicable to a future reporting period.

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

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

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

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

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

**(M) Leases**

The County is a lessee for noncancellable lease of buildings and equipment. It recognizes a lease liability and an intangible right to use leased asset (leased asset) in the government-wide financial statements. It recognizes lease liabilities with an initial, individual value of \$10 or more annually.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the leased asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.



**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2023**  
(\$ amounts expressed in thousands)

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the leased asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Leased assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

**(N) Subscription-Based Information Technology Arrangements (SBITA)**

The County has a policy to recognize a subscription liability and a right to use subscription asset (subscription asset) in the government-wide financial statements and proprietary fund financial statements. It recognizes subscription liabilities with an initial, individual value of \$10 or more with a subscription term greater than one year.

At the commencement of a SBITA, the County initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made.

Subscription assets are recorded at the amount of the initial measurement of the subscription liabilities, adjusted for any payments made to the SBITA vendor before the commencement of the subscription term, and capitalizable initial implementation cost, less any incentives received from the SBITA vendor at or before the commencement of the subscription term.

Costs associated with a SBITA, other than subscription payments, are accounted for as follows:

- **Preliminary Project Stage:** Outlays are expensed as incurred.
- **Initial Implementation Stage:** Outlays are capitalized as an addition to the subscription asset.
- **Operation and Additional Implementation Stage:** Outlays are expensed as incurred unless they meet specific capitalization criteria.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the Statement of Net Position.

Subscription assets are amortized using the straight-line method over the shorter of the subscription term or the useful life of the underlying IT asset, unless the subscription contains a purchase option that the County has determined is reasonably certain of being exercised. In this case, the subscription asset is amortized over the useful life of the underlying IT asset.

Key estimates and judgments related to SBITA include how the County determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2023**  
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- The County uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the County uses its estimated incremental borrowing rate as the discount rate for the SBITA.
- The subscription term includes the noncancellable period of the SBITA. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its subscription liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

**(O) 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.

**(P) 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.

**(Q) Special Assessments**

The total amount of special assessments for special districts collected for the year ended June 30, 2023, was \$81,817. 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.

**(R) 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

**County of Fresno**  
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reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period.

**(S) Recently Issued Accounting Pronouncements**

During the fiscal year ended June 30, 2023, the County implemented the following GASB Statements:

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. 94 – *Public-Private and Public-Public Partnerships (PPPs) 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 (SBITAs)*. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.

The GASB has issued Statement No. 99 – *Omnibus 2022*. The requirements related to extension of the use of London Interbank Offered Rate (LIBOR), accounting for Supplemental Nutrition Assistance Program (SNAP) distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, as amended, and terminology updates related to Statement No. 53 and Statement No. 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

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.100 – *Accounting Changes and Error Corrections-an Amendment of GASB Statement No. 62*. The requirements of this statement are effective fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The GASB has issued Statement No. 101 – *Compensated Absences*. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

**County of Fresno**  
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**NOTE 3 - Cash and Investments**

Cash and investments as of June 30, 2023, are classified in the accompanying basic financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 1,159,881
Restricted cash and investments	64,851
Fiduciary Funds, excluding the Pension Trust Fund:	
Cash and investments	5,900,907
Total cash and investments	\$ 7,125,639

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, 2023, consist of the following:

Cash on hand	\$ 33,308
Imprest cash	131
Postage funds	637
Total cash & cash equivalents	\$ 34,076
Deposits with financial institutions	53,138
Investments (pooled)	7,001,838
Total pooled cash and investments	7,089,052
Debt investments (fiscal agents)	12,318
External investments (fiscal agents)	24,269
Total cash, investments, and investments with fiscal agents	\$ 7,125,639

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The following represents a condensed statement of net position for the Treasury Investment Pool as of June 30, 2023.

Cash and investments	\$ 7,221,873
Less: transitory items/warrants payable	(132,821)
Net position held in trust for pool participants	\$ 7,089,052
Equity of internal pool participants	\$ 1,188,145
Equity of external pool participants (voluntary and involuntary)	5,900,907
	\$ 7,089,052

The following represents a condensed statement of changes in net position for the Treasury Investment Pool as of June 30, 2023.

**Statement of Changes in Net Position**

Net position at July 1, 2022	\$ 5,951,875
Net change in investments by pool participants	1,137,177
Net position held in trust for pool participants at June 30, 2023	\$ 7,089,052

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

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

<b>Authorized Investment Types</b>	<b>Maximum Percentage Of Portfolio</b>	<b>Maximum Maturity</b>
U.S. Treasury Bills, Notes and Bonds	100%	5 Years
U.S. Government Agency Obligations	100%	5 Years
Bankers' Acceptances	40%	180 Days
Commercial Paper	40%	270 Days
Negotiable Certificates of Deposit	30%	13 Months
Non-Negotiable Certificates of Deposit	50%	13 Months
Repurchase Agreements	15%	Overnight/Weekend
Local Agency Investment Fund	\$75,000	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 \$12,318 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 possibility that the fair value of an investment will be adversely affected as the result of an unexpected change in market interest rates. 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:**

	Remaining Maturity (in months)				
	<u>Totals</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	\$ 2,664,860	\$ 432,099	\$ 641,070	\$ 498,136	\$ 1,093,555
Medium-Term Corporate Notes	1,277,575	205,092	200,767	190,750	680,966
U.S. Treasury Notes	1,655,491	22,881	-	263,080	1,369,530
Municipal Bonds	280,809	22,345	55,343	57,616	145,505
Mutual Funds	1,030,000	1,030,000	-	-	-
Certificates of Deposit	10,000	-	10,000	-	-
Money Market Funds	303,138	303,138	-	-	-
Vault					
Total	<u>\$ 7,221,873</u>	<u>\$ 2,015,555</u>	<u>\$ 907,180</u>	<u>\$ 1,009,582</u>	<u>\$ 3,289,556</u>
Less: Outstanding Warrants Still Invested	(132,821)				
Total Financial Statement Pooled Investments	<u>\$ 7,089,052</u>				

**Investments with Fiscal Agents:**

Cash Balance	\$ 3,569	\$ 3,569	\$ -	\$ -	\$ -
Federated Government Obligation Fund	504	504	-	-	-
Money Market Mutual Funds	8,245	8,245	-	-	-
Total	<u>\$ 12,318</u>	<u>\$ 12,318</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>	<u>Ratings as of the Year-End 6/30/2023</u>					
		<u>Minimum</u>	<u>Exempt</u>				
		<u>Legal</u>	<u>from</u>	<u>A1/P1</u>	<u>B-BBB</u>	<u>C-CCC</u>	<u>Not Rated</u>
		<u>Rating</u>	<u>Disclosure</u>	<u>A-AAA</u>	<u>B-BBB</u>	<u>C-CCC</u>	<u>Not Rated</u>
U.S. Government Agency Obligations	\$ 2,664,860	N/A	\$ -	\$ 2,664,860	\$ -	\$ -	\$ -
Medium-Term Corporate Notes	1,277,575	A3	-	1,277,575	-	-	-
U.S. Treasury Notes	1,655,491	N/A	-	1,655,491	-	-	-
Municipal Bonds	280,809	N/A	-	280,809	-	-	-
Mutual Funds	1,030,000	N/A	-	1,025,000	-	-	5,000
Certificates of Deposit	10,000	N/A	-	-	-	-	10,000
Money Market Funds	303,138	N/A	-	-	-	-	303,138
Total	<u>\$ 7,221,873</u>		<u>\$ -</u>	<u>\$ 6,903,735</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 318,138</u>

**Investments with Fiscal Agents:**

<u>Investment Type</u>	<u>Total</u>	<u>Ratings as of the Year-End 6/30/2023</u>					
		<u>Minimum</u>	<u>Exempt</u>				
		<u>Legal</u>	<u>from</u>	<u>A1/P1</u>	<u>B-BBB</u>	<u>C-CCC</u>	<u>Not Rated</u>
		<u>Rating</u>	<u>Disclosure</u>	<u>A-AAA</u>	<u>B-BBB</u>	<u>C-CCC</u>	<u>Not Rated</u>
Cash Balance	\$ 3,569	N/A	\$ -	\$ 3,569	\$ -	\$ -	\$ -
Federated Government Obligation Fund	504	N/A	-	504	-	-	-
Money Market Mutual Funds	8,245	N/A	-	8,245	-	-	-
Total	<u>\$ 12,318</u>		<u>\$ -</u>	<u>\$ 12,318</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Concentration of Credit Risk**

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

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal Farm Credit Bank	Federal Agency Securities	\$ 1,024,381
Federal Home Loan Bank	Federal Agency Securities	789,436
Federal National Mortgage Association	Federal Agency Securities	656,578

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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, 2023, 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, 2023, all of the County's investments were held with the County's custodian or by a broker-dealer (counterparty) other than the broker-dealer used by the County to purchase the securities.

**Investment in State Investment Pool**

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

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

**Fair Value Measurements**

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

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



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

The County's pooled investments have the following recurring fair value measurements as of June 30, 2023:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in</u>	<u>Other Observable</u>	
		<u>Active Markets</u>	<u>Inputs</u>	<u>Unobservable Inputs</u>
		<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
U.S. Government Agency Obligations	\$ 2,664,860	\$ -	\$ 2,664,860	\$ -
Medium-Term Corporate Notes	1,277,575	-	1,277,575	-
U.S. Treasury Notes	1,655,491	-	1,655,491	-
Municipal Bonds	280,809	-	280,809	-
	<u>\$ 5,878,735</u>	<u>\$ -</u>	<u>\$ 5,878,735</u>	<u>\$ -</u>

Investments at Net Asset Value:

Mutual Funds	\$ 1,030,000
Certificates of Deposit	10,000
Money Market Funds	303,138
	<u>\$ 7,221,873</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	\$ 33
Debt Service:	
Bond repayment	11,814
Capital Projects:	218
Internal Service Funds:	4,102
Total	<u>\$ 16,167</u>
Business-type activities:	
Enterprise funds:	
Solid Waste Enterprise:	
American Avenue post-closure care - other	\$ 3
Corrective action	47,099
Subtotal	<u>47,102</u>
CSAs:	
Bond repayment/construction	1,582
Subtotal	<u>1,582</u>
Total	<u>\$ 48,684</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, 2023, the General Fund had a HARP loans allowance of \$872, while the Internal Services Risk Management Fund had an allowance of \$98, and American Avenue Solid Waste Fund had an allowance of \$1. The total allowance for uncollectible accounts was \$971.

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

*Loans Receivable*

The County engages in affordable housing programs and housing assistance rehabilitation programs designed to encourage construction or improvement of housing for persons with low to moderate incomes. Under these programs, loans are provided under favorable terms to homeowners or developers who agree to spend these funds in accordance with County terms. Since the County does not expect to collect these loans in the near term, they have been offset by deferred inflows of resources in the fund financials statements. The amount not expected to be collected within the next fiscal year is \$42,726.

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, 2023 was as follows:

<u>Payable Fund</u>	<u>Receivable Fund</u>							<u>Total</u>
	General Fund	Disaster Claiming	2011 Realignment	Nonmajor Governmental	Solid Waste	CSAs	Internal Service	
General Fund	\$ -	\$ 13	\$ 2,934	\$ 3,550	\$ 6	\$ 1	\$ 10,496	\$ 17,000
Debt Service	228	227	-	-	-	-	8	463
Disaster Claiming	2,759	-	848	59	7	3	519	4,195
Local Health and Welfare	24,375	-	-	-	-	-	-	24,375
2011 Realignment Fund	22,941	-	-	-	-	-	-	22,941
Nonmajor Governmental	626	-	-	41	-	9	1,703	2,379
Solid Waste Enterprise	296	-	-	-	601	-	170	1,067
CSAs	1	-	-	3	-	30	30	64
Internal Service Funds	784	-	-	-	319	-	5,670	6,773
Totals	<u>\$ 52,010</u>	<u>\$ 240</u>	<u>\$ 3,782</u>	<u>\$ 3,653</u>	<u>\$ 933</u>	<u>\$ 43</u>	<u>\$ 18,596</u>	<u>\$ 79,257</u>

The following schedule briefly summarizes the County's transfer activity for the fiscal year ended June 30, 2023:

<u>Transfers From</u>	<u>Transfers To</u>									<u>Total</u>
	General Fund	Debt Service	Disaster Claiming	Local Health and Welfare	2011 Realignment	Nonmajor Governmental	Solid Waste	CSAs	Internal Service	
General Fund	\$ -	\$34,505	\$ 662	\$ 11,360	\$ 848	\$ 37,392	\$ 268	\$ -	\$ 1,539	\$ 86,574
Debt Service	2,614	-	226	-	-	-	-	-	-	2,840
Disaster Claiming	11,871	-	-	-	-	58	8	2	11,410	23,349
Local Health and Welfare	300,314	-	-	-	-	-	-	-	-	300,314
2011 Realignment Fund	220,664	-	-	-	-	-	-	-	-	220,664
Nonmajor Governmental	58	1,923	113	-	-	110	-	-	1,119	3,323
Solid Waste Enterprise	1	214	12	-	-	-	-	-	-	227
CSAs	-	99	6	-	-	-	-	-	-	105
Internal Service Funds	-	1,932	119	-	-	-	-	-	-	2,051
Totals	<u>\$ 535,522</u>	<u>\$38,673</u>	<u>\$ 1,138</u>	<u>\$ 11,360</u>	<u>\$ 848</u>	<u>\$ 37,560</u>	<u>\$ 276</u>	<u>\$ 2</u>	<u>\$14,068</u>	<u>\$ 639,447</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, 2023:

	<u>To Other Funds</u>	<u>From Other Funds</u>
General Fund	\$ 263	\$ -
CSAs	-	263
	<u>\$ 263</u>	<u>\$ 263</u>

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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.

**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 one-time 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, 2023, the Williamson Act Program tax abatements were \$60,383.

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**NOTE 8 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments</u>	<u>Balance June 30, 2023</u>
<b>Governmental activities</b>					
Capital assets, not being depreciated					
Land	\$ 16,878	\$ -	\$ -	\$ -	\$ 16,878
Land easements	41,838	-	-	-	41,838
Construction in progress	133,564	10,912	(2,620)	125	141,981
Infrastructure in progress	<u>45,635</u>	<u>30,478</u>	<u>(11,011)</u>	<u>(48)</u>	<u>65,054</u>
Total capital assets, not being depreciated	<u>237,915</u>	<u>41,390</u>	<u>(13,631)</u>	<u>77</u>	<u>265,751</u>
Capital assets, being depreciated/amortized					
Buildings and improvements <sup>1</sup>	623,857	3,118	(10)	-	626,965
Equipment	123,330	12,951	(3,483)	664	133,462
Infrastructure	687,586	11,011	-	-	698,597
Intangible	45,421	-	-	440	45,861
Tenant improvements <sup>1</sup>	86,943	-	-	-	86,943
Right to use leased assets <sup>1</sup>	260,805	1,003	(3,990)	3,079	260,897
Right to use subscription assets	<u>-</u>	<u>34,741</u>	<u>-</u>	<u>-</u>	<u>34,741</u>
Total capital assets, being depreciated/amortized	<u>1,827,942</u>	<u>62,824</u>	<u>(7,483)</u>	<u>4,183</u>	<u>1,887,466</u>
Less accumulated depreciation/amortization for:					
Buildings and improvements <sup>1</sup>	(265,727)	(16,356)	10	2,305	(279,768)
Equipment	(83,924)	(10,523)	2,656	(2,708)	(94,499)
Infrastructure	(349,069)	(11,025)	-	-	(360,094)
Intangible	(45,251)	(27)	-	(533)	(45,811)
Tenant improvements (amortization) <sup>1</sup>	(4,791)	(4,451)	-	(2,305)	(11,547)
Right to use leased assets (amortization) <sup>2</sup>	(17,716)	(19,898)	3,990	(499)	(34,123)
Right to use subscription assets (amortization)	<u>-</u>	<u>(15,058)</u>	<u>-</u>	<u>-</u>	<u>(15,058)</u>
Total accumulated depreciation/amortization	<u>(766,478)</u>	<u>(77,338)</u>	<u>6,656</u>	<u>(3,740)</u>	<u>(840,900)</u>
Total capital assets, being depreciated/amortized, net	<u>1,061,464</u>	<u>(14,514)</u>	<u>(827)</u>	<u>443</u>	<u>1,046,566</u>
Governmental activities capital assets, net	<u>\$ 1,299,379</u>	<u>\$ 26,876</u>	<u>\$ (14,458)</u>	<u>\$ 520</u>	<u>\$ 1,312,317</u>
<b>Business-type activities</b>					
Capital assets, not being depreciated					
Land	\$ 9,183	\$ -	\$ -	\$ -	\$ 9,183
Construction in progress	<u>15,910</u>	<u>17,796</u>	<u>(7,930)</u>	<u>3,349</u>	<u>29,125</u>
Total capital assets, not being depreciated	<u>25,093</u>	<u>17,796</u>	<u>(7,930)</u>	<u>3,349</u>	<u>38,308</u>
Capital assets, being depreciated					
Buildings and improvements	103,085	4,699	-	3,041	110,825
Equipment	21,129	3,283	-	(4)	24,408
Right to use subscription assets	<u>-</u>	<u>150</u>	<u>-</u>	<u>-</u>	<u>150</u>
Total capital assets, being depreciated/amortized	<u>124,214</u>	<u>8,132</u>	<u>-</u>	<u>3,037</u>	<u>135,383</u>
Less accumulated depreciation for:					
Buildings and improvements	(58,279)	(1,707)	-	(319)	(60,305)
Equipment	(17,457)	(794)	-	(2)	(18,253)
Right to use subscription assets (amortization)	<u>-</u>	<u>(34)</u>	<u>-</u>	<u>-</u>	<u>(34)</u>
Total accumulated depreciation/amortization	<u>(75,736)</u>	<u>(2,535)</u>	<u>-</u>	<u>(321)</u>	<u>(78,592)</u>
Total capital assets being depreciated, net	<u>48,478</u>	<u>5,597</u>	<u>-</u>	<u>2,716</u>	<u>56,791</u>
Business-type activities capital assets, net	<u>\$ 73,571</u>	<u>\$ 23,393</u>	<u>\$ (7,930)</u>	<u>\$ 6,065</u>	<u>\$ 95,099</u>

<sup>1</sup>Restated beginning balance related to Tenant Improvement leased assets.

<sup>2</sup>Total depreciation/amortization expense does not match additions to accumulated depreciation/amortization due to adjustments to ISF's Right to use leased assets.

**County of Fresno**  
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**Depreciation/Amortization**

Depreciation and amortization expense was charged to governmental functions as follows:

General government	\$ 9,687
Public protection	10,226
Public ways and facilities	11,174
Health, sanitation, and public assistance	27,370
Education	1,927
Culture and recreation	9
Depreciation/amortization on capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets	17,444
Total depreciation/amortization expense - governmental functions	\$ 77,837

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

Solid waste enterprise	
Depreciation	\$ 1,659
Amortization	34
Total Solid Waste enterprise Depreciation/Amortization	\$ 1,693
County service areas, other	
Depreciation	\$ 1,163
Total County service areas, other Depreciation/Amortization	\$ 1,163
Total depreciation/amortization expense - business-type functions	\$ 2,856

**NOTE 9 – Lease Payables**

**Leases as Lessee**

GASB Statement No. 87, *Leases*, establishes as its primary objective to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right to use leased asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

As of June 30, 2023, the County of Fresno has 37 building, 3 infrastructure, 3 equipment, and 40 vehicle leases that are material to report under GASB Statement No. 87. The current year lease financing principal and interest expense totaled \$15,950 and \$3,746, respectively. For additional information, refer to the table below.

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(\$ amounts expressed in thousands)

**Buildings**

Leased Asset	Lease Liability 7/1/2022	Additions/ Adjustments	Reductions/ Adjustments	Lease Liability 6/30/2023	Annual Payments	Interest Rate	Value of the Right to Use 6/30/2023	Accumulated Amortization
L-027	\$ 125	\$ -	\$ (40)	\$ 85	\$ 41	0.315%	\$ 125	\$ 63
L-339	2,730	-	(107)	2,623	147	1.485%	2,835	299
L-306	103	-	(72)	31	72	0.218%	173	143
L-025	80	-	(53)	27	53	0.315%	132	105
L-012	189	-	(189)	-	190	0.245%	-	-
L-312	829	-	(158)	671	162	0.560%	972	324
L-302	327	-	(327)	-	328	0.218%	-	-
L-127	97	-	(97)	-	97	0.245%	-	-
L-176	54	-	(54)	-	54	0.245%	-	-
L-042	34	-	(11)	23	11	0.457%	45	22
L-289	205	-	(136)	69	136	0.411%	336	269
L-041	1,018	-	(212)	806	218	0.686%	1,105	313
L-208	580	-	(209)	371	211	0.457%	779	422
L-073	50	-	(26)	24	26	0.411%	75	51
L-061	22	-	(3)	19	3	0.218%	25	5
L-335	3,728	-	(144)	3,584	199	1.485%	3,870	394
L-083	372	-	(210)	162	215	1.902%	424	265
L-260	4,720	-	(609)	4,111	651	0.947%	5,323	1,278
L-308	249	-	(61)	188	64	0.815%	312	113
L-065	121	-	(121)	-	121	0.308%	-	-
Agreement No. 19-331	30,005	-	(1,168)	28,837	1,650	1.635%	31,196	3,298
L-289A	202	-	(134)	68	134	0.411%	331	265
L-327	28,264	-	(1,165)	27,099	1,612	1.612%	29,418	3,239
L-347	49,774	-	(1,485)	48,289	2,287	1.635%	50,670	4,222
L-337	4,436	-	(176)	4,260	247	1.612%	4,612	496
L-128	134	-	(63)	71	63	0.411%	195	126
L-003	9	-	(9)	-	9	0.308%	-	-
Agreement No. 22-059	24,510	-	(2,334)	22,176	2,640	1.305%	25,309	3,374
L-267	968	-	(268)	700	273	0.577%	1,236	543
L-316	281	-	(281)	-	281	0.308%	-	-
L-324	39,193	-	(1,831)	37,362	2,436	1.577%	41,001	4,896
L-320	168	-	(168)	-	168	0.245%	-	-
L-326	49,806	-	(2,127)	47,679	2,913	1.612%	51,911	5,849
L-333	84	-	(78)	6	78	0.308%	159	156
L-286	406	-	(93)	313	95	0.687%	495	192
L-263	497	-	(85)	412	89	0.947%	579	177
L-261	1,906	-	(951)	955	957	0.411%	2,823	1,907

**Infrastructure**

Leased Asset	Lease Liability 7/1/2022	Additions/ Adjustments	Reductions/ Adjustments	Lease Liability 6/30/2023	Annual Payments	Interest Rate	Value of the Right to Use 6/30/2023	Accumulated Amortization
L-015	\$ -	\$ 135	\$ (40)	\$ 95	\$ 41	0.457%	\$ 175	\$ 82
Agreement No. 17-635	-	2,322	(414)	1,908	432	0.833%	2,734	841
L-023	-	21	(8)	13	8	0.457%	29	17

**County of Fresno**  
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**Equipment**

Leased Asset	Lease Liability 7/1/2022	Additions/ Adjustments	Reductions/ Adjustments	Lease Liability 6/30/2023	Annual Payments	Interest Rate	Value of the Right to Use 6/30/2023
Agreement No. 18-528	\$ 38	\$ -	\$ (30)	\$ 8	\$ 30	0.263%	\$ 68
Agreement No. 19-565	-	68	(27)	41	27	0.315%	94
Agreement No. 21-144	57	-	(3)	54	36	57.069%	59
Vehicle - 20 Chev Silverado 1500 #02301	20	-	(8)	12	9	0.41%	28
Vehicle - 20 Chrysler Voyager #01701	16	-	(6)	10	6	0.56%	22
Vehicle - 20 Chrysler Voyager #01702	16	-	(6)	10	6	0.56%	22
Vehicle - 20 Chrysler Voyager #01703	16	-	(6)	10	6	0.56%	22
Vehicle - 20 Chrysler Voyager #01704	16	-	(6)	10	6	0.56%	22
Vehicle - 20 Chrysler Voyager #01705	16	-	(6)	10	6	0.56%	22
Vehicle - 20 Ford Explorer #01720	17	-	(6)	11	7	0.56%	23
Vehicle - 20 Ford Explorer #02308	19	-	(7)	12	7	0.56%	26
Vehicle - 20 Toyota Tacoma #02001	14	-	(5)	9	5	0.56%	19
Vehicle - 20 Toyota Tacoma #02002	14	-	(5)	9	5	0.56%	19
Vehicle - 22 Chevrolet Malibu #21307	-	26	(5)	21	5	2.86%	26
Vehicle - 22 Chevrolet Malibu #21308	-	26	(5)	21	5	2.86%	26
Vehicle - 22 Chevrolet Malibu #21309	-	27	(4)	23	5	2.86%	27
Vehicle - 22 Chevrolet Malibu #21310	-	27	(3)	24	3	4.00%	27
Vehicle - 22 Chevrolet Malibu #21311	-	27	(2)	25	2	3.25%	27
Vehicle - 22 Ford Explorer #21721	-	44	(9)	35	10	2.61%	46
Vehicle - 22 Ford Explorer #22360	-	31	(6)	25	7	2.86%	31
Vehicle - 22 Ford Explorer #22361	-	31	(6)	25	7	2.86%	31
Vehicle - 22 Ford Explorer #22362	-	34	(3)	31	4	3.25%	34
Vehicle - 22 Ford Explorer #22386	-	36	(2)	34	3	3.25%	36
Vehicle - 22 Ford F-150 #22180	-	27	(3)	24	4	4.00%	27
Vehicle - 22 Ford F-150 #22181	-	30	(3)	27	4	4.00%	30
Vehicle - 22 Ford F-150 #22182	-	31	(4)	27	4	4.00%	31
Vehicle - 22 Ford F-150 #22183	-	30	(3)	27	4	4.00%	30
Vehicle - 22 Ford F-150 #22184	-	30	(3)	27	4	4.00%	30
Vehicle - 22 Ford F-150 #22185	-	30	(4)	26	4	4.00%	30
Vehicle - 22 Ford F-150 #22186	-	30	(3)	27	4	4.00%	30
Vehicle - 22 Ford F-150 #22187	-	30	(3)	27	4	4.00%	30
Vehicle - 22 Ford F-150 #22188	-	31	(2)	29	2	3.25%	31
Vehicle - 22 Ford F-150 #22317	-	32	(4)	28	4	4.00%	32
Vehicle - 22 Ford F-150 #22318	-	35	(4)	31	4	3.25%	35
Vehicle - 22 Ford F-150 #22321	-	60	(5)	55	5	3.25%	60
Vehicle - 22 Ford Ranger #22070	-	26	(4)	22	5	2.86%	26
Vehicle - 23 Ford F-150 #32121	-	35	(2)	33	3	3.25%	35
Vehicle - 23 Ford F-150 #32122	-	38	(3)	35	3	3.25%	38
Vehicle - 23 Ford F-150 #32360	-	47	(4)	43	5	3.25%	47
Vehicle - 23 Ford F-150 #32361	-	47	(4)	43	5	3.25%	47
Vehicle - 23 Ford F-150 #32362	-	51	(4)	47	5	3.25%	51
Vehicle - 23 Ford F-150 #32363	-	50	(4)	46	5	3.25%	50
Vehicle - 23 Jeep Grand Cherokee #31705	-	47	(2)	45	2	2.80%	47



**County of Fresno**  
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The future principal and interest lease payments as of June 30, 2023, are as follows:

<u>Governmental Activities Fiscal Year Ended June 30</u>	<u>Total Payments</u>	<u>Imputed Interest</u>	<u>Net Present Value of Minimum Lease Payments</u>
2024	\$ 18,455	\$ 3,562	\$ 14,893
2025	17,215	3,355	13,860
2026	17,214	3,137	14,077
2027	17,069	2,921	14,148
2028	16,697	2,708	13,989
2029-2033	80,168	10,279	69,889
2034-2038	76,725	4,748	71,977
2039-2041	21,701	358	21,343
Total	<u>\$ 265,244</u>	<u>\$ 31,068</u>	<u>\$ 234,176</u>

**NOTE 10 – Subscription Liability**

The County has entered into subscription-based information technology arrangements (SBITAs) for various administrative and operational purposes. These subscriptions include services related to cloud-based software applications, data storage, and management services.

As of June 30, 2023, the County of Fresno has a total of 52 subscription-based assets, 45 existing and 7 new. The current year SBITA financing principal and interest expense totaled \$12,750 and \$97, respectively. For additional information, refer to the table below.

**County of Fresno**  
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**Governmental Activities**

Subscription Asset	Subscription Liability 7/1/2022	Additions/ Adjustments	Reductions/ Adjustments	Subscription Liability 6/30/2023	Annual Payments	Interest Rate	Value of the Right to Use 6/30/2023	Accumulated Amortization
A-18-709	\$ 1,165	\$ -	\$ (181)	\$ 984	\$ 190	1.710%	\$ 1,165	\$ 818
P-21-284	12	-	(6)	6	6	2.194%	11	5
A-19-270	231	-	(83)	148	86	2.024%	231	84
A-19-313	212	-	(72)	140	72	2.024%	212	105
A-21-262	372	-	(96)	276	96	2.024%	402	100
P-20-522	36	-	(18)	18	18	2.024%	36	24
P-22-091	1	-	(1)	-	1	2.024%	1	1
P-22-240	-	65	(29)	36	30	1.710%	65	30
A-23-037	75	-	(20)	55	20	2.184%	75	25
A-21-034	429	-	(135)	294	140	2.024%	429	119
P-21-324	25	-	(12)	13	13	2.194%	28	14
A-22-056	380	-	(130)	250	133	2.194%	380	156
A-19-589	16	-	(16)	-	16	1.710%	16	12
A-16-206	-	-	-	-	-	2.024%	575	303
A-17-458	1,062	-	(342)	720	346	2.024%	1,062	483
A-19-736	99	-	(49)	50	50	2.024%	99	66
A-19-521	8,893	-	(3,992)	4,901	4,000	2.024%	8,893	4,356
P-19-355	32	-	(16)	16	16	1.710%	39	20
P-22-498	-	40	(14)	26	14	3.238%	40	8
A-21-261	145	-	(73)	72	73	2.024%	728	358
P-22-122	12	-	(6)	6	6	2.184%	12	4
A-18-419	210	-	(210)	-	210	1.710%	210	180
A-19-124	45	-	(45)	-	45	2.024%	45	26
A-19-735	160	-	(79)	81	80	1.710%	160	111
P-20-248	2,835	-	(749)	2,086	749	2.184%	2,835	945
A-22-231	4,416	-	(1,922)	2,494	1,922	2.024%	4,416	2,208
A-22-540	155	-	(155)	-	156	1.710%	155	133
P-19-071	14	-	(14)	-	14	2.024%	14	9
A-14-055	1,581	-	(1,581)	-	1,600	2.024%	1,581	990
P-22-413	-	21	(6)	15	6	2.184%	21	5
A-18-712	33	-	(33)	-	33	1.710%	334	231
A-19-191	43	-	(43)	-	44	2.024%	43	24
P-21-280	144	-	(34)	110	35	2.024%	144	67
A-20-153	77	-	(38)	39	39	2.024%	113	64
P-20-077	12	-	(6)	6	6	1.710%	20	10
A-20-156	482	-	(482)	-	493	2.194%	488	268
P-22-328	95	-	(55)	40	55	2.024%	95	47
A-17-576	6,700	-	(1,257)	5,443	1,276	1.710%	7,900	1,880
P-23-004	-	100	(19)	81	19	2.656%	100	17
P-22-520	-	128	(65)	63	65	3.207%	128	42
A-21-325	153	-	(38)	115	38	2.024%	163	82
P-20-001	48	-	(16)	32	17	2.024%	48	14
P-23-025	-	74	(19)	55	19	2.656%	74	12
P-20-203	7	-	(7)	-	7	1.850%	-	-
A-18-005	277	-	(277)	-	280	2.184%	499	315
A-20-229	132	-	(43)	89	43	2.184%	132	44
P-22-019	126	-	(63)	63	64	2.184%	126	50
A-19-034	55	-	(55)	-	56	2.194%	135	85
A-19-741	27	-	(27)	-	27	1.710%	27	18
P-21-392	62	-	(24)	38	25	2.024%	62	28
A-22-013	112	-	(56)	56	57	2.184%	112	44
P-22-387	-	35	(10)	25	10	2.184%	60	17

**County of Fresno**  
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**Business-Type Activities**

Subscription Asset	Subscription Liability 7/1/2022	Additions/ Adjustments	Reductions/ Adjustments	Subscription Liability 6/30/2023	Annual Payments	Interest Rate	Value of the Right to Use 6/30/2023	Accumulated Amortization
A-22-493	\$ -	\$ 150	\$ (31)	\$ 119	31	3.238%	\$ 150	\$ 34

The future principal and interest subscription payments as of June 30, 2023, are as follows:

<u>Governmental Activities Fiscal Year Ended June 30</u>	<u>Total Payments</u>	<u>Imputed Interest</u>	<u>Net Present Value of Minimum Lease Payments</u>
2024	\$ 11,219	\$ 367	\$ 10,852
2025	4,066	150	3,916
2026	2,129	74	2,055
2027	1,940	37	1,903
2028	220	4	216
Total	<u>\$ 19,574</u>	<u>\$ 632</u>	<u>\$ 18,942</u>

<u>Business-Type Activities Fiscal Year Ended June 30</u>	<u>Total Payments</u>	<u>Imputed Interest</u>	<u>Net Present Value of Minimum Lease Payments</u>
2024	\$ 32	\$ 4	\$ 28
2025	31	3	28
2026	31	2	29
2027	35	1	34
Total	<u>\$ 129</u>	<u>\$ 10</u>	<u>\$ 119</u>

**County of Fresno**  
**Notes to the Basic Financial Statements**  
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**NOTE 11 - Long-Term Liabilities**

Long-term obligations of the County consist of bonds, 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, 2023:

	<b>Balance</b>	<b>Additions/</b>	<b>Deductions/A</b>	<b>Balance</b>	<b>Amounts</b>
	<b><u>July 1, 2022</u></b>	<b><u>Adjustments</u></b>	<b><u>djustments</u></b>	<b><u>June 30, 2023</u></b>	<b><u>due within</u></b>
					<b><u>one year</u></b>
<b>Governmental activities</b>					
Earned compensated absences	\$ 56,853	\$ 57,297	\$ (55,580)	\$ 58,570	\$ 25,255
Lease obligations (Note 9) <sup>1</sup>	246,534	3,593	(15,951)	234,176	14,893
Subscription obligations (Note 10)	-	18,942	-	18,942	10,852
Tenant improvements liability <sup>1</sup>	83,687	-	(2,225)	81,462	2,418
Liability for self-insurance (Note 13)	90,976	29,461	(19,950)	100,487	20,439
Adverse judgment (Note 16)	-	-	-	-	-
Bonds payable	309,251	-	(21,565)	287,686	14,744
Accreted interest	297,470	27,293	(20,863)	303,900	-
Net pension liability (Note 12)	432,732	706,260	-	1,138,992	-
Total governmental activities	<u>\$ 1,517,503</u>	<u>\$ 842,846</u>	<u>\$ (136,134)</u>	<u>\$ 2,224,215</u>	<u>\$ 88,601</u>
	<b>Balance</b>	<b>Additions/</b>	<b>Deductions/A</b>	<b>Balance</b>	<b>Amounts</b>
	<b><u>July 1, 2022</u></b>	<b><u>Adjustments</u></b>	<b><u>djustments</u></b>	<b><u>June 30, 2023</u></b>	<b><u>due within</u></b>
					<b><u>one year</u></b>
<b>Business-type activities</b>					
Earned compensated absences	\$ 480	\$ 716	\$ (735)	\$ 461	\$ 235
Subscription obligations (Note 10)	-	150	(31)	119	28
Bonds	2,025	-	(285)	1,740	305
Loans	4,663	-	(272)	4,391	142
Closure and post-closure	51,274	5,216	-	56,490	-
Net pension liability	3,346	5,653	-	8,999	-
Total business-type activities	<u>\$ 61,788</u>	<u>\$ 11,735</u>	<u>\$ (1,323)</u>	<u>\$ 72,200</u>	<u>\$ 710</u>
Totals	<u>\$ 1,579,291</u>	<u>\$ 854,581</u>	<u>\$ (137,457)</u>	<u>\$ 2,296,415</u>	<u>\$ 89,311</u>

<sup>1</sup>Beginning balances as restated.

**County of Fresno**  
**Notes to the Basic Financial Statements**  
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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>
2024	\$ 14,744	\$ 7,115	\$ 21,859
2025	14,782	6,983	21,765
2026	14,864	6,845	21,709
2027	15,020	6,700	21,720
2028	15,063	7,784	22,847
2029-2033	138,266	37,048	175,314
2034-2038	33,155	9,511	42,666
2039-2043	-	-	-
2044-2048	19,496	-	19,496
2049-2053	-	-	-
2054-2057	19,519	-	19,519
Subtotal	284,909	81,986	366,895
Less: Original issue premium	3,180	-	3,180
Original issue discount	(403)	-	(403)
Total	<u>\$ 287,686</u>	<u>\$ 81,986</u>	<u>\$ 369,672</u>

The following is a schedule of future tenant improvements liability for governmental activities:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2024	\$ 2,418	\$ 6,751	\$ 9,169
2025	2,629	6,540	9,169
2026	2,858	6,311	9,169
2027	3,107	6,062	9,169
2028	3,377	5,792	9,169
2029-2033	21,839	24,007	45,846
2034-2038	33,154	12,692	45,846
2039-2041	12,080	1,142	13,222
Total	<u>\$ 81,462</u>	<u>\$ 69,297</u>	<u>\$ 150,759</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.

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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.

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

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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 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, 2023</u>	<u>Accreted Value at Maturity</u>
2004A	August 15, 2033	1.3% to 5.67%	\$ 327,898	\$ 601,263	\$ 711,250
			Less principal	(327,898)	
			Less interest	(56,671)	
			Accreted interest	\$ 216,694	

**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, 2023</u>	<u>Accreted Value at Maturity</u>
2006A	June 1, 2046	6.50%	\$ 16,606	\$ 49,699	\$ 216,420
2006B	June 1, 2046	6.65%	2,890	8,866	39,920
2006C	June 1, 2055	7.00%	9,757	31,723	286,800
2006D	June 1, 2055	7.75%	9,762	35,933	409,500
	Total		\$ 39,015	\$ 126,221	\$ 952,640
			Less principal	(39,015)	
			Accreted interest	\$ 87,206	
			Total accreted	\$ 303,900	

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**Limited Obligation Improvement Bonds**

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

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

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2024	\$ 305	\$ 106	\$ 411
2025	325	85	410
2026	345	63	408
2027	370	39	409
2028	<u>395</u>	<u>13</u>	<u>408</u>
Total	<u>\$ 1,740</u>	<u>\$ 306</u>	<u>\$ 2,046</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, 2023, the special district's unpaid loan balance was \$54.

Waterworks District No. 38 was issued a loan of \$599 from the State Water Resources Control Board Revolving Fund. In addition, loans payable in the amount of \$4,158 was issued to County Service Area No. 44 from the State Water Resources Control Board Revolving fund. Both loans are to be repaid over a period of thirty (30) years in yearly payments, with interest. As of June 30, 2023. The special districts' unpaid loan balances were \$547 and \$3,790, respectively.

**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 was certified closed in January 2000 and began post-closure activities, which are still ongoing as of June 30, 2023. Coalinga completed its closure activities during fiscal year 2017 and began post-closure activities in fiscal year 2018.



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The \$56,490 reported as landfill closure and post-closure care liability at June 30, 2023, 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 \$33,198 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, 2023. 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.

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, 2023</u>	<u>Estimated Years Remaining</u>	<u>Total Estimated Liability June 30, 2023</u>	<u>Liability Recognized June 30, 2023</u>	<u>Remaining Liability to be Recognized</u>
American Avenue	60.35%	30	\$ 83,724	\$ 50,526	\$ 33,198
Coalinga	49.30%	-	3,389	3,389	-
Southeast Regional	100.00%	-	2,575	2,575	-
Total			<u>\$ 89,688</u>	<u>\$ 56,490</u>	<u>\$ 33,198</u>

The increase from fiscal year 2021-2022 in the closure and post-closure care liability for American Avenue was reported as an operating expense in 2022-2023. 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 life 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.

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**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, 2023, does not expect to incur a liability.

**NOTE 12 - Pensions**

*Plan Description* - The County of Fresno provides pension benefits to eligible employees through a cost sharing multiple-employer defined benefit pension plan (pension 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 CERL 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 CERL 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 ACFR 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.

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**Summary of Pension Plans and Eligible Participants**

General Members

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

Safety Members

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

**Benefits Provided**

All pension tiers provide benefits in accordance with CERL or PEPRA 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

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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 ACFR 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 8.56% and 15.97% of their annual covered salary. Employee contribution rates are established and may be amended pursuant to Articles 6 and 6.8 of CERL. Employer contribution rates are determined pursuant to Section 31453 of CERL and are designed to provide funding for the remaining regular retirement and cost-of-living benefits, as well as all regular disability and survivor's benefits.

Employer and employee contributions and active members are as follows:

<u>Retirement Plan</u>	<u>Employer Contribution Rates</u>	<u>Employee Contribution Rates</u>	<u>Active Members</u>
General Tier I	50.81%	10.26%	2,035
General Tier II	48.34%	7.17%	88
General Tier III	48.42%	8.31%	465
General Tier IV	39.90%	7.89%	216
General Tier V	37.86%	8.01%	3,717
Safety Tier I	69.28%	12.90%	320
Safety Tier II	69.61%	11.61%	39
Safety Tier IV	56.86%	11.06%	54
Safety Tier V	52.74%	13.19%	532
All Categories	46.49%	9.51%	7,466

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

At June 30, 2023, the County reported a pension liability of \$1,147,991 for its proportionate share of the net pension liability (NPL). The NPL was measured as of June 30, 2022, 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, 2023, the County recognized a credit to pension expense of \$44,527. 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, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 8,574	\$ 81,172
Experience changes in assumptions	99,538	21,472
Net difference between projected and actual earnings on retirement plan investments	343,990	-
Changes in proportion and differences between County contributions and proportionate share of contributions	1,618	2,805
Contributions by County subsequent to the actuarial measurement date	226,203	-
	<b>\$ 679,923</b>	<b>\$ 105,448</b>

Deferred outflows of resources of \$679,923 and deferred inflows of resources of \$105,448 above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

\$226,203 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<b>Fiscal Year Ending June 30</b>	<b>Amount</b>
2024	\$ 89,942
2025	79,576
2026	(2,610)
2027	181,362
Thereafter	-
	<b>\$ 348,270</b>

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**Actuarial Assumptions**

The total pension liability as of June 30, 2023, 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, 2022 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	2.50% per year.
Employee Contribution Crediting Rate	2.50% compounded semi-annually.
Administrative Expenses	1.30% 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: 4.10% to 12.00%; and Safety Members: 4.50% to 11.50%, 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: <i>Healthy</i>	<p>For General Members and all Beneficiaries: Pub-2010 General Healthy Retiree Amount-Weighted Above Median Mortality Table with rates increased by 5% for males and increased by 10% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021.</p> <p>For Safety Members: Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for male and females) with rates increased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2021.</p>
<i>Disabled</i>	<p>For General Members: Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table with rates increased by 5% for males and decreased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021.</p> <p>For Safety Members: Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table with rates increased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021.</p>

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<i>Contribution Rates</i>	<p>For General Members and all Beneficiaries: Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table with rates increased by 5% for males and increased by 10% for females, projected 30 years with the two-dimensional mortality improvement scale MP-2021, weighted 35% male and 65% female.</p> <p>For Safety Members: Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table with rates increased by 5% for males, projected 30 years with the two-dimensional mortality improvement scale MP-2021, weighted 80% male and 20% female</p>
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 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	<p>Average expected service lives of all employees is determined by:</p> <ul style="list-style-type: none"><li>- Calculating each active employee's expected remaining service life as the present value of \$1 per year of future services at zero percent interest.</li><li>- Setting remaining service life to zero for each nonactive or retired member.</li><li>- Dividing the sum of the above amounts by the total number of active employees, nonactive and retired members.</li></ul>

The information and analysis used in selecting each assumption that has a significant effect on the actuarial valuation is shown in the Review of Economic Actuarial Assumptions report dated June 8, 2021 and the July 1, 2018 through June 30, 2021 Analysis of Demographic Actuarial Experience dated April 12, 2022. 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 (6.50%) 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:

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. Equity	22.50%	5.39%
Small Cap U.S. Equity	5.50%	6.58%
Developed International Large Cap Equity	12.50%	6.39%
Developed International Small Cap Equity	3.00%	5.64%
Emerging Markets Equity	5.50%	8.60%
Core Bonds	15.00%	0.83%
High Yield Bonds	2.00%	3.06%
Bank Loan	2.00%	2.73%
Global Sovereign	4.00%	-0.73%
Local Emerging Market Debt	3.00%	2.72%
Core Real Estate	4.00%	5.01%
Private Credit	8.00%	5.02%
Private Equity	6.00%	10.00%
Value Add Real Estate	1.50%	7.10%
Opportunistic Real Estate	1.50%	9.80%
Infrastructure	4.00%	7.60%
Total	<u>100.00%</u>	

**Discount Rate**

The discount rate used to measure the total pension liability (TPL) was 6.50%. 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 both June 30, 2022 and 2021.

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

The following table presents the County's proportionate share of the NPL of FCERA, as of June 30, 2023, which is allocated to all employers and is calculated using the discount rate of 6.50%. 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 (5.50%) or 1-percentage point higher (7.50%) than the current rate.

	<u>5.50%</u>	<u>6.50%</u>	<u>7.50%</u>
County's proportionate share of the NPL	\$ 2,013,184	\$ 1,147,991	\$ 438,256



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(\$ amounts expressed in thousands)

**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 is 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.

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

Pollution liability coverage is self-insured for \$250 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.

Medical malpractice claims are self-insured up to a maximum of \$1,000 per claim. Excess coverage up to a maximum of \$21,500 is provided through a risk pool agreement with PRISM.

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 \$250 per claim. Coverage above \$250, 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, up to \$750.

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2023**  
(\$ amounts expressed in thousands)

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 \$94,845. 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 \$100,487 reported in the Risk Management Fund at June 30, 2023 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, 2023 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:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Beginning of fiscal year liability	\$ 90,976	\$ 88,270
Current year claims provision and changes in estimates	29,461	23,480
Claim payments	(19,950)	(20,774)
Balance at fiscal year-end	\$ 100,487	\$ 90,976

**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, 2023, fund balance for governmental funds is 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.

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2023**  
(\$ amounts expressed in thousands)

- 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.

The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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.

Fund balances for all the major and nonmajor governmental funds as of June 30, 2023, were distributed as follows:

	<u>General Fund</u>	<u>Debt Service</u>	<u>Local Health and Welfare</u>	<u>2011 Realignment</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>Nonspendable:</b>						
Postage/imprest cash	\$ 557	\$ -	\$ -	\$ -	\$ 21	\$ 578
Prepaid items	17,026	-	-	-	93	17,119
CSA loans	<u>263</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>263</u>
Subtotal	<u>17,846</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>114</u>	<u>17,960</u>
<b>Restricted for:</b>						
General government	82,434	-	-	-	140	82,574
Public protection	37,958	-	-	135,949	11,793	185,700
Public ways and facilities	21,166	-	-	-	17,302	38,468
Health, sanitation & public assistance	161,282	-	104,896	-	21	266,199
Education	-	-	-	-	75,905	75,905
Capital projects	-	-	-	-	80,728	80,728
Debt service	<u>-</u>	<u>67,683</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,683</u>
Subtotal	<u>302,840</u>	<u>67,683</u>	<u>104,896</u>	<u>135,949</u>	<u>185,889</u>	<u>797,257</u>
<b>Committed to:</b>						
General government:						
Reserve	70,000	-	-	-	-	70,000
SJVIA	3,000	-	-	-	-	3,000
Public protection:						
Sheriff vehicle replacement	600	-	-	-	-	600
Rowell lease payoff	18,000	-	-	-	-	18,000
Eagle 2 replacement	200	-	-	-	-	200
CSA revolving fund	<u>368</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>368</u>
Subtotal	<u>92,168</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,168</u>
<b>Unassigned</b>						
	<u>56,183</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,183</u>
Total	<u>\$ 469,037</u>	<u>\$ 67,683</u>	<u>\$ 104,896</u>	<u>\$ 135,949</u>	<u>\$ 186,003</u>	<u>\$ 963,568</u>

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2023**  
(\$ amounts expressed in thousands)

**NOTE 15 – Net Position**

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

- Net Investment in Capital Assets groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.
- Restricted Net Position reflects net position that is subject to constraints either (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the County to assess, levy, charge, or otherwise mandate payment of resources and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. A legally enforceable enabling legislation restriction is one that a party external to a government – such as citizens, public interest groups, or the judiciary – can compel a government to honor.
- Unrestricted Net Position represents net position of the County that is not restricted for any project or purpose.

**NOTE 16 - Contingent Liabilities and Commitments**

The County of Fresno is subject to various lawsuits and claims involving public liability and other actions incidental to the ordinary course of County operations. Together, these claims can seek monetary damages in significant amounts. Under GAAP, contingent liabilities must be reported in the financial statements if it is possible to estimate their value and if the liability has more than a 50% chance of being realized. The outcome of litigations has not been determined and the probability of it being unfavorable for the County cannot be expressed. The County intends to vigorously defend itself against these lawsuits. 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.

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

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2023**  
(\$ amounts expressed in thousands)

**NOTE 17 – Deficit Fund Equity**

The County has internal service funds with a deficit net position caused by presenting their 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	\$3,464

**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, decreasing net position by \$39,058, was made in the governmental activities, to account for tenant improvements expensed on previous years for which a liability should have been recognized. In addition, a prior period adjustment, increasing net position by \$5,437, was made in the Debt Service Fund, to record tobacco proceeds and payment for the previous fiscal year. A prior period adjustment, decreasing net position, was also made for \$165 to account for leases, in the governmental activities.

The net prior period adjustment resulted in a decrease of \$33,786 to net position in the governmental activities.

**County of Fresno**  
**Notes to the Basic Financial Statements**  
**June 30, 2023**  
(\$ amounts expressed in thousands)

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

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Totals</u>
Net position, stated at June 30, 2022	\$ 714,689	\$ 107,343	\$ 822,032
Debt service fund - tobacco proceeds and payment	5,437	-	5,437
General fund - tenant improvements	(39,058)	-	(39,058)
General fund - leased assets	(165)	-	(165)
Net position, restated at June 30, 2022	680,903	107,343	788,246
Change in net position	172,531	6,586	179,117
Net position at June 30, 2023	<u>\$ 853,434</u>	<u>\$ 113,929</u>	<u>\$ 967,363</u>

**NOTE 20 – 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.

**NOTE 21 - Subsequent Events**

In accordance with accounting standards generally accepted in the United States, subsequent events have been evaluated through December 29, 2023, the date in which the financial statements have been issued.

During the week of September 11, 2023, the County’s recommended budget for the fiscal year 2023-2024 was submitted to the Board and was approved.

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

**County of Fresno**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2023**  
(\$ amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Resources (inflows):</b>				
Taxes	\$ 318,629	\$ 318,629	\$ 345,206	\$ 26,577
Licenses and permits	13,012	13,012	14,100	1,088
Fines, forfeitures and penalties	5,635	5,635	6,423	788
Use of money and property	5,053	5,053	8,552	3,499
Aid from other governmental agencies:				
State	430,041	437,086	431,642	(5,444)
Federal	533,338	533,298	534,035	737
Other	7,982	8,027	2,810	(5,217)
Charges for services	72,844	73,438	69,338	(4,100)
Other revenues	29,963	30,145	46,030	15,885
Total resources	<u>1,416,497</u>	<u>1,424,323</u>	<u>1,458,136</u>	<u>33,813</u>
<b>Charges to appropriations (outflows):</b>				
General government -				
Salaries and benefits	46,187	45,987	39,369	6,618
Services and supplies	31,659	31,859	14,929	16,930
Other charges	4,934	4,934	4,124	810
Capital assets	560	360	56	304
Approp for contingencies	28,000	28,000	-	28,000
Public protection -				
Salaries and benefits	391,025	394,594	360,537	34,057
Services and supplies	164,210	170,556	158,916	11,640
Other charges	15,780	15,745	15,333	412
Capital assets	3,969	5,988	-	5,988
Public ways and facilities -				
Salaries and benefits	4,527	4,527	3,675	852
Services and supplies	694	694	547	147
Capital assets	7	7	-	7
Health, sanitation and public assistance -				
Salaries and benefits	436,853	437,140	361,440	75,700
Services and supplies	448,614	452,109	389,356	62,753
Other charges	554,358	556,538	508,014	48,524
Capital assets	16,436	20,538	-	20,538
Education -				
Salaries and benefits	302	302	287	15
Culture and recreation -				
Salaries and benefits	2,438	2,338	2,241	97
Services and supplies	1,787	1,887	1,855	32
Other charges	2	2	2	-
Capital outlay	-	-	14,665	(14,665)
Debt service:				
Principal	-	-	22,489	(22,489)
Interest and fiscal charges	-	-	10,650	(10,650)
Total charges to appropriations	<u>2,152,342</u>	<u>2,174,105</u>	<u>1,908,485</u>	<u>265,620</u>
Excess (deficiency) of resources over (under) charges to appropriations	<u>(735,845)</u>	<u>(749,782)</u>	<u>(450,349)</u>	<u>299,433</u>
<b>Other financing sources (uses)</b>				
Proceeds from sale of capital assets	200	200	156	(44)
Insurance recoveries	-	-	(15)	(15)
Transfers in	1,362,435	1,385,615	535,522	(850,093)
Transfers (out)	(814,201)	(847,671)	(86,574)	761,097
Lease liabilities issued	-	-	228	228
Total other financing sources (uses)	<u>548,434</u>	<u>538,144</u>	<u>449,317</u>	<u>(88,827)</u>
Net change in fund balance	(187,411)	(211,638)	(1,032)	210,606
<b>Fund balance - beginning</b>	<u>470,069</u>	<u>470,069</u>	<u>470,069</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 282,658</u>	<u>\$ 258,431</u>	<u>\$ 469,037</u>	<u>\$ 210,606</u>

See accompanying notes to budgetary comparison schedules.



**County of Fresno**  
**Budgetary Comparison Schedule**  
**Disaster Claiming Fund**  
**For the Fiscal Year Ended June 30, 2023**  
(\$ amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Use of money and property	\$ -	\$ -	\$ (246)	\$ (246)
Intergovernmental revenues	<u>-</u>	<u>-</u>	<u>34,030</u>	<u>34,030</u>
Total revenues	<u>-</u>	<u>-</u>	<u>33,784</u>	<u>33,784</u>
<b>Expenditures</b>				
Health, sanitation and public assistance -				
Other charges	<u>45,000</u>	<u>45,000</u>	<u>11,573</u>	<u>33,427</u>
Total expenditures	<u>45,000</u>	<u>45,000</u>	<u>11,573</u>	<u>33,427</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(45,000)</u>	<u>(45,000)</u>	<u>22,211</u>	<u>67,211</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	1,138	1,138
Transfers (out)	<u>(92,000)</u>	<u>(94,480)</u>	<u>(23,349)</u>	<u>71,131</u>
Total other financing sources (uses)	<u>(92,000)</u>	<u>(94,480)</u>	<u>(22,211)</u>	<u>72,269</u>
Net change in fund balance	(137,000)	(139,480)	-	139,480
<b>Fund balance - beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ (137,000)</u>	<u>\$ (139,480)</u>	<u>\$ -</u>	<u>\$ 139,480</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, 2023**  
(\$ amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Use of money and property	\$ 451	\$ 451	\$ (371)	\$ (822)
Intergovernmental revenues	<u>281,930</u>	<u>281,930</u>	<u>316,215</u>	<u>34,285</u>
Total revenues	<u>282,381</u>	<u>282,381</u>	<u>315,844</u>	<u>33,463</u>
Excess (deficiency) of revenues over (under) expenditures	<u>282,381</u>	<u>282,381</u>	<u>315,844</u>	<u>33,463</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	11,360	11,360	11,360	-
Transfers (out)	<u>(337,237)</u>	<u>(317,370)</u>	<u>(300,314)</u>	<u>17,056</u>
Total other financing sources (uses)	<u>(325,877)</u>	<u>(306,010)</u>	<u>(288,954)</u>	<u>17,056</u>
Net change in fund balance	(43,496)	(23,629)	26,890	50,519
<b>Fund balance - beginning</b>	<u>78,006</u>	<u>78,006</u>	<u>78,006</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 34,510</u>	<u>\$ 54,377</u>	<u>\$ 104,896</u>	<u>\$ 50,519</u>

See accompanying notes to budgetary comparison schedules.

**County of Fresno**  
**Budgetary Comparison Schedule**  
**2011 Realignment Fund**  
**For the Fiscal Year Ended June 30, 2023**  
(\$ amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Use of money and property	\$ 15	\$ 15	\$ 1,543	\$ 1,528
Intergovernmental revenues	<u>225,766</u>	<u>225,766</u>	<u>247,882</u>	<u>22,116</u>
Total revenues	<u>225,781</u>	<u>225,781</u>	<u>249,425</u>	<u>23,644</u>
Excess (deficiency) of revenues over (under) expenditures	<u>225,781</u>	<u>225,781</u>	<u>249,425</u>	<u>23,644</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	848	848
Transfers (out)	<u>(238,990)</u>	<u>(239,765)</u>	<u>(220,664)</u>	<u>19,101</u>
Total other financing sources (uses)	<u>(238,990)</u>	<u>(239,765)</u>	<u>(219,816)</u>	<u>19,949</u>
Net change in fund balance	(13,209)	(13,984)	29,609	43,593
<b>Fund balance - beginning</b>	<u>106,340</u>	<u>106,340</u>	<u>106,340</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 93,131</u>	<u>\$ 92,356</u>	<u>\$ 135,949</u>	<u>\$ 43,593</u>

See accompanying notes to budgetary comparison schedules.

**County of Fresno**  
**Notes to the Budgetary Comparison Schedules**  
**For the Fiscal Year Ended June 30, 2023**  
(\$ 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.

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

**County of Fresno**  
**Notes to the Budgetary Comparison Schedules**  
**For the Fiscal Year Ended June 30, 2023**  
(\$ amounts expressed in thousands)

between budgetary and GAAP reporting basis; and securities lending activities and transactions from sub-funds reclassified from County Custodial funds are reported in GAAP reporting basis.

**County of Fresno**  
**Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2023**  
(\$ 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 2023</u>	<u>FY 2022</u>	<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>
County's portion of the net pension liability (asset)	92.896%	93.451%	93.200%	93.330%	93.145%	92.747%	92.992%	93.078%	92.930%	92.708%
County's proportionate share of the net pension liability (asset)	\$ 1,147,991	\$ 436,078	\$ 1,296,105	\$ 1,054,510	\$ 1,100,961	\$ 1,211,572	\$ 1,425,569	\$ 1,010,008	\$ 815,975	\$ 1,252,321
County's covered payroll	\$ 430,396	\$ 423,529	\$ 419,772	\$ 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	266.73%	102.96%	308.76%	267.64%	294.38%	338.87%	415.09%	310.41%	251.760%	391.47%
Plan fiduciary net position as a percentage of the total pension liability	82.01%	93.08%	78.01%	81.35%	79.87%	77.11%	72.31%	78.77%	82.14%	72.11%

\*Amounts presented above were determined as of 6/30.

**Fresno County Employee's Retirement System – Schedule of County Contributions**

Last 10 Fiscal Years\*

	<u>FY 2023</u>	<u>FY 2022</u>	<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	\$ 233,850	\$ 256,031	\$ 230,646	\$ 210,452	\$ 196,103	\$ 184,077	\$ 178,107	\$ 171,462	\$ 153,622	\$ 147,009
Contributions in relation to actuarially determined contribution	<u>234,533</u>	<u>256,035</u>	<u>231,058</u>	<u>210,712</u>	<u>196,073</u>	<u>184,317</u>	<u>178,220</u>	<u>171,577</u>	<u>153,542</u>	<u>147,091</u>
Contribution deficiency (excess)	<u>\$ (683)</u>	<u>\$ (4)</u>	<u>\$ (412)</u>	<u>\$ (260)</u>	<u>\$ 30</u>	<u>\$ (240)</u>	<u>\$ (113)</u>	<u>\$ (115)</u>	<u>\$ 80</u>	<u>\$ (82)</u>
County's covered payroll	\$ 430,396	\$ 423,529	\$ 419,772	\$ 393,997	\$ 373,992	\$ 357,538	\$ 343,435	\$ 325,382	\$ 324,102	\$ 319,905
Contributions as a percentage of covered payroll	54.49%	60.45%	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.

**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 37 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, 2023**  
(\$ amounts expressed in thousands)

	Capital Projects Fund	Special Revenue Funds	Total
<b>ASSETS &amp; DEFERRED OUTFLOWS OF RESOURCES</b>			
<b>Assets</b>			
Cash and investments	\$ 74,368	\$ 108,902	\$ 183,270
Restricted cash and investments	218	-	218
Receivables, net:			
Accounts	-	219	219
Interest	-	718	718
Due from other funds	3,615	38	3,653
Due from other governmental units	4,615	14,262	18,877
Prepaid items	-	93	93
Total assets	<u>82,816</u>	<u>124,232</u>	<u>207,048</u>
<b>Deferred outflows of resources</b>			
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	<u>\$ 82,816</u>	<u>\$ 124,232</u>	<u>\$ 207,048</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, &amp; FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 1,429	\$ 14,167	\$ 15,596
Salaries and benefits payable	-	2,708	2,708
Due to other funds	659	1,720	2,379
Deposits and other liabilities	-	316	316
Unearned revenue	-	46	46
Total liabilities	<u>2,088</u>	<u>18,957</u>	<u>21,045</u>
<b>Deferred inflows of resources</b>			
Total deferred inflows of resources	-	-	-
<b>Fund balances</b>			
Nonspendable	-	114	114
Restricted	80,728	105,161	185,889
Total fund balances	<u>80,728</u>	<u>105,275</u>	<u>186,003</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 82,816</u>	<u>\$ 124,232</u>	<u>\$ 207,048</u>

**County of Fresno**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2023**  
(\$ amounts expressed in thousands)

	Capital Projects Fund	Special Revenue Funds	Total
<b>REVENUES</b>			
Taxes	\$ -	\$ 49,567	\$ 49,567
Licenses and permits	-	737	737
Fines, forfeitures and penalties	-	372	372
Use of money and property	(1,556)	1,188	(368)
Aid from other governmental agencies:			
State	-	47,436	47,436
Federal	-	19,178	19,178
Charges for services	7	21,650	21,657
Other revenues	6	396	402
Total revenues	<u>(1,543)</u>	<u>140,524</u>	<u>138,981</u>
<b>Expenditures</b>			
General government	199	97	296
Public ways and facilities	-	101,084	101,084
Health, sanitation, and public assistance	-	410	410
Education	-	31,954	31,954
Capital outlay	7,172	313	7,485
Debt service:			
Principal	-	929	929
Interest and fiscal charges	-	54	54
Total expenditures	<u>7,371</u>	<u>134,841</u>	<u>142,212</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,914)</u>	<u>5,683</u>	<u>(3,231)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	36,959	601	37,560
Transfers (out)	-	(3,323)	(3,323)
Total other financing sources (uses)	<u>36,959</u>	<u>(2,722)</u>	<u>34,237</u>
Net change in fund balances	28,045	2,961	31,006
Fund balances - beginning	<u>52,683</u>	<u>102,314</u>	<u>154,997</u>
Fund balances - ending	<u>\$ 80,728</u>	<u>\$ 105,275</u>	<u>\$ 186,003</u>

**County of Fresno**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**For June 30, 2023**  
(\$ 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
<b>ASSETS &amp; DEFERRED OUTFLOWS OF RESOURCES</b>								
<b>Assets</b>								
Cash and investments	\$ 23,801	\$ 139	\$ 72,579	\$ 6	\$ 105	\$ 332	\$ 11,940	\$ 108,902
Receivables, net:								
Accounts	6	-	213	-	-	-	-	219
Interest	140	1	488	-	1	2	86	718
Due from other funds	32	-	3	-	-	-	3	38
Due from other governmental units	9,713	-	4,544	-	5	-	-	14,262
Prepaid items	-	-	93	-	-	-	-	93
Total assets	<u>33,692</u>	<u>140</u>	<u>77,920</u>	<u>6</u>	<u>111</u>	<u>334</u>	<u>12,029</u>	<u>124,232</u>
<b>Deferred outflows of resources</b>								
Total deferred outflows of resources	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 33,692</u>	<u>\$ 140</u>	<u>\$ 77,920</u>	<u>\$ 6</u>	<u>\$ 111</u>	<u>\$ 334</u>	<u>\$ 12,029</u>	<u>\$ 124,232</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, &amp; FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable	\$ 13,520	\$ -	\$ 340	\$ 3	\$ -	\$ 136	\$ 168	\$ 14,167
Salaries and benefits payable	1,537	-	1,171	-	-	-	-	2,708
Due to other funds	1,276	-	371	-	-	58	15	1,720
Deposits and other liabilities	144	-	-	-	-	119	53	316
Unearned revenue	27	-	19	-	-	-	-	46
Total liabilities	<u>16,504</u>	<u>-</u>	<u>1,901</u>	<u>3</u>	<u>-</u>	<u>313</u>	<u>236</u>	<u>18,957</u>
<b>Deferred inflows of resources</b>								
Total deferred inflows of resources	-	-	-	-	-	-	-	-
<b>Fund balances</b>								
Nonspendable	-	-	114	-	-	-	-	114
Restricted	17,188	140	75,905	3	111	21	11,793	105,161
Total fund balances	<u>17,188</u>	<u>140</u>	<u>76,019</u>	<u>3</u>	<u>111</u>	<u>21</u>	<u>11,793</u>	<u>105,275</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 33,692</u>	<u>\$ 140</u>	<u>\$ 77,920</u>	<u>\$ 6</u>	<u>\$ 111</u>	<u>\$ 334</u>	<u>\$ 12,029</u>	<u>\$ 124,232</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, 2023**  
(\$ 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
<b>Revenues</b>								
Taxes	\$ 7,450	\$ -	\$ 42,039	\$ -	\$ -	\$ -	\$ 78	\$ 49,567
Licenses and permits	737	-	-	-	-	-	-	737
Fines, forfeitures and penalties	-	-	-	1	-	371	-	372
Use of money and property	437	2	572	1	4	6	166	1,188
Aid from other governmental agencies:								
State	47,127	-	301	-	8	-	-	47,436
Federal	19,178	-	-	-	-	-	-	19,178
Charges for services	18,231	-	1,702	-	-	-	1,717	21,650
Other revenues	157	-	146	-	-	-	93	396
Total revenues	<u>93,317</u>	<u>2</u>	<u>44,760</u>	<u>2</u>	<u>12</u>	<u>377</u>	<u>2,054</u>	<u>140,524</u>
<b>Expenditures</b>								
General government	50	-	44	3	-	-	-	97
Public ways and facilities	99,326	-	-	-	-	-	1,758	101,084
Health, sanitation, and public assistance	-	-	11	-	-	399	-	410
Education	-	-	31,954	-	-	-	-	31,954
Capital outlay	66	-	200	-	47	-	-	313
Debt service:								
Principal	63	-	866	-	-	-	-	929
Interest and fiscal charges	1	-	53	-	-	-	-	54
Total expenditures	<u>99,506</u>	<u>-</u>	<u>33,128</u>	<u>3</u>	<u>47</u>	<u>399</u>	<u>1,758</u>	<u>134,841</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,189)</u>	<u>2</u>	<u>11,632</u>	<u>(1)</u>	<u>(35)</u>	<u>(22)</u>	<u>296</u>	<u>5,683</u>
<b>Other Financing Sources (Uses)</b>								
Transfers in	471	-	130	-	-	-	-	601
Transfers (out)	(2,266)	-	(999)	-	-	(58)	-	(3,323)
Total other financing sources (uses)	<u>(1,795)</u>	<u>-</u>	<u>(869)</u>	<u>-</u>	<u>-</u>	<u>(58)</u>	<u>-</u>	<u>(2,722)</u>
Net change in fund balances	(7,984)	2	10,763	(1)	(35)	(80)	296	2,961
Fund balances - beginning	25,172	138	65,256	4	146	101	11,497	102,314
Fund balances - beginning restated	25,172	138	65,256	4	146	101	11,497	102,314
Fund balances - ending	<u>\$ 17,188</u>	<u>\$ 140</u>	<u>\$ 76,019</u>	<u>\$ 3</u>	<u>\$ 111</u>	<u>\$ 21</u>	<u>\$ 11,793</u>	<u>\$ 105,275</u>

**County of Fresno**  
**Budgetary Comparison Schedule**  
**Road Fund**  
**For the Fiscal Year Ended June 30, 2023**  
(\$ amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Taxes	\$ 13,679	\$ 13,679	\$ 7,450	\$ (6,229)
Licenses and permits	240	240	737	497
Use of money and property	300	300	437	137
Intergovernmental revenues	102,924	102,924	66,305	(36,619)
Charges for services	12,932	12,932	18,231	5,299
Other revenues	-	-	157	157
Total revenues	130,075	130,075	93,317	(36,758)
<b>Expenditures</b>				
General government -				
Salaries and benefits	-	-	50	(50)
Public ways and facilities -				
Salaries and benefits	33,862	33,862	25,277	8,585
Services and supplies	111,249	111,249	73,655	37,594
Capital assets	1,280	1,280	394	886
Capital outlay	800	800	66	734
Debt Service:				
Principal	-	-	63	(63)
Interest and fiscal charges	-	-	1	(1)
Total expenditures	147,191	147,191	99,506	47,685
Excess (deficiency) of revenues over (under) expenditures	(17,116)	(17,116)	(6,189)	10,927
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,056	1,056	471	(585)
Transfers (out)	(1,590)	(1,590)	(2,266)	(676)
Total other financing sources (uses)	(534)	(534)	(1,795)	(1,261)
Net change in fund balance	(17,650)	(17,650)	(7,984)	9,666
<b>Fund balance - beginning</b>	25,172	25,172	25,172	-
<b>Fund balance - ending</b>	\$ 7,522	\$ 7,522	\$ 17,188	\$ 9,666

**County of Fresno**  
**Budgetary Comparison Schedule**  
**CAO Indian Gaming Fund**  
**For the Fiscal Year Ended June 30, 2023**  
(\$ amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Use of money and property	\$ -	\$ -	\$ 2	\$ 2
Total revenues	-	-	2	2
Excess (deficiency) of revenues over (under) expenditures	-	-	2	2
Net change in fund balance	-	-	2	2
<b>Fund balance - beginning</b>	138	138	138	-
<b>Fund balance - ending</b>	\$ 138	\$ 138	\$ 140	\$ 2

**County of Fresno**  
**Budgetary Comparison Schedule**  
**County Free Library Fund**  
**For the Fiscal Year Ended June 30, 2023**  
(\$ amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Taxes	\$ 37,014	\$ 37,014	\$ 42,039	\$ 5,025
Use of money and property	212	212	572	360
Intergovernmental revenues	166	166	301	135
Charges for services	1,833	1,833	1,702	(131)
Other revenues	322	322	146	(176)
Total revenues	<u>39,547</u>	<u>39,547</u>	<u>44,760</u>	<u>5,213</u>
<b>Expenditures</b>				
General government -				
Salaries and benefits	46	46	41	5
Services and supplies	516	516	513	3
Health, sanitation, and public assistance -				
Services and supplies	11	11	11	-
Education -				
Salaries and benefits	22,340	22,340	19,312	3,028
Services and supplies	17,822	17,817	11,790	6,027
Other charges	230	230	230	-
Capital assets	100	112	112	-
Capital outlay	450	444	200	244
Debt Service:				
Principal	-	-	866	(866)
Interest and fiscal charges	-	-	53	(53)
Total expenditures	<u>41,515</u>	<u>41,516</u>	<u>33,128</u>	<u>8,388</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,968)</u>	<u>(1,969)</u>	<u>11,632</u>	<u>13,601</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	148	148	130	(18)
Transfers (out)	(27,325)	(27,325)	(999)	26,326
Total other financing sources (uses)	<u>(27,177)</u>	<u>(27,177)</u>	<u>(869)</u>	<u>26,308</u>
Net change in fund balance	(29,145)	(29,146)	10,763	39,909
<b>Fund balance - beginning</b>	<u>65,256</u>	<u>65,256</u>	<u>65,256</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 36,111</u>	<u>\$ 36,110</u>	<u>\$ 76,019</u>	<u>\$ 39,909</u>



**County of Fresno**  
**Budgetary Comparison Schedule**  
**Fish & Game Fund**  
**For the Fiscal Year Ended June 30, 2023**  
(\$ amounts expressed in thousands)

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

**County of Fresno**  
**Budgetary Comparison Schedule**  
**Off-Highway License Fund**  
**For the Fiscal Year Ended June 30, 2023**  
(\$ amounts expressed in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Use of money and property	\$ 1	\$ 1	\$ 4	\$ 3
Intergovernmental revenues	<u>5</u>	<u>5</u>	<u>8</u>	<u>3</u>
Total revenues	<u>6</u>	<u>6</u>	<u>12</u>	<u>6</u>
<b>Expenditures</b>				
Capital outlay	<u>-</u>	<u>-</u>	<u>47</u>	<u>(47)</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>47</u>	<u>(47)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6</u>	<u>6</u>	<u>(35)</u>	<u>(41)</u>
Net change in fund balance	6	6	(35)	(41)
<b>Fund balance - beginning</b>	<u>146</u>	<u>146</u>	<u>146</u>	<u>-</u>
<b>Fund balance - ending</b>	<u><u>\$ 152</u></u>	<u><u>\$ 152</u></u>	<u><u>\$ 111</u></u>	<u><u>\$ (41)</u></u>

**County of Fresno**  
**Budgetary Comparison Schedule**  
**Emergency Medical Services Fund**  
**For the Fiscal Year Ended June 30, 2023**  
(\$ amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Fines, forfeitures and penalties	\$ 553	\$ 553	\$ 371	\$ (182)
Use of money and property	21	21	6	(15)
Total revenues	<u>574</u>	<u>574</u>	<u>377</u>	<u>(197)</u>
<b>Expenditures</b>				
Health, sanitation, and public assistance -				
Services and supplies	697	697	399	298
Total expenditures	<u>697</u>	<u>697</u>	<u>399</u>	<u>298</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(123)</u>	<u>(123)</u>	<u>(22)</u>	<u>101</u>
<b>Other Financing Sources (Uses)</b>				
Transfers (out)	(134)	(134)	(58)	76
Total other financing sources (uses)	<u>(134)</u>	<u>(134)</u>	<u>(58)</u>	<u>76</u>
Net change in fund balance	(257)	(257)	(80)	177
<b>Fund balance - beginning</b>	<u>101</u>	<u>101</u>	<u>101</u>	<u>-</u>
<b>Fund balance - ending</b>	<u><u>\$ (156)</u></u>	<u><u>\$ (156)</u></u>	<u><u>\$ 21</u></u>	<u><u>\$ 177</u></u>

**County of Fresno**  
**Budgetary Comparison Schedule**  
**County Service Areas, Other**  
**For the Fiscal Year Ended June 30, 2023**  
(\$ amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Taxes	\$ -	\$ 55	\$ 78	\$ 23
Use of money and property	-	101	166	65
Charges for services	-	1,712	1,717	5
Other revenues	-	97	93	(4)
Total revenues	<u>-</u>	<u>1,965</u>	<u>2,054</u>	<u>89</u>
<b>Expenditures</b>				
Public ways and facilities -				
Services and supplies	-	3,997	1,758	2,239
Total expenditures	<u>-</u>	<u>3,997</u>	<u>1,758</u>	<u>2,239</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(2,032)</u>	<u>296</u>	<u>2,328</u>
Net change in fund balance	-	(2,032)	296	2,328
<b>Fund balance - beginning</b>	<u>11,497</u>	<u>11,497</u>	<u>11,497</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 11,497</u>	<u>\$ 9,465</u>	<u>\$ 11,793</u>	<u>\$ 2,328</u>

**County of Fresno**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2023**  
(\$ amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>Resources (inflows):</b>				
Use of money and property	\$ -	\$ -	\$ 1,536	\$ 1,536
Intergovernmental revenues	2,084	2,084	2,084	-
Other revenues	-	-	14,444	14,444
Total resources	<u>2,084</u>	<u>2,084</u>	<u>18,064</u>	<u>15,980</u>
<b>Charges to appropriations (outflows):</b>				
General government -				
Services and supplies	4	4	1	3
Debt service:				
Principal	15,534	15,534	47,860	(32,326)
Interest and fiscal charges	<u>28,187</u>	<u>32,251</u>	<u>7,613</u>	<u>24,638</u>
Total charges to appropriations	<u>43,725</u>	<u>47,789</u>	<u>55,474</u>	<u>(7,685)</u>
Excess (deficiency) of resources over (under) charges to appropriations	<u>(41,641)</u>	<u>(45,705)</u>	<u>(37,410)</u>	<u>8,295</u>
<b>Other financing sources (uses)</b>				
Transfers in	40,693	40,693	38,673	(2,020)
Transfers (out)	-	(3,000)	(2,840)	160
Total other financing sources (uses)	<u>40,693</u>	<u>37,693</u>	<u>35,833</u>	<u>(1,860)</u>
Net change in fund balance	(948)	(8,012)	(1,577)	6,435
<b>Fund balance - beginning</b>	63,823	63,823	63,823	-
Prior period adjustment	<u>5,437</u>	<u>5,437</u>	<u>5,437</u>	<u>-</u>
<b>Fund balance - beginning restated</b>	<u>69,260</u>	<u>69,260</u>	<u>69,260</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ 68,312</u>	<u>\$ 61,248</u>	<u>\$ 67,683</u>	<u>\$ 6,435</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, 2023**  
(\$ amounts expressed in thousands)

	Fleet Services	Information Technology Services	Facility Services	Security Services	Risk Management	PeopleSoft Operations	Total
<b>ASSETS</b>							
Current assets:							
Cash and cash equivalents	\$ 20,959	\$ 6,044	\$ -	\$ 274	\$ 112,308	\$ 1,301	\$ 140,886
Restricted cash and cash equivalents	-	-	-	-	4,102	-	4,102
Accounts receivable (net of allowance)	336	38	-	5	86	1	466
Interest receivable	145	44	-	-	804	10	1,003
Due from other funds	1,979	5,385	10,105	773	94	260	18,596
Due from other governmental units	5	-	-	1	8,316	-	8,322
<b>Total current assets</b>	<b>23,424</b>	<b>11,511</b>	<b>10,105</b>	<b>1,053</b>	<b>125,710</b>	<b>1,572</b>	<b>173,375</b>
Noncurrent assets:							
Accounts receivable	-	-	-	-	246	-	246
Non-depreciable:							
Construction in progress	-	-	3,620	-	-	-	3,620
Depreciable:							
Buildings and improvements, net	-	2,283	25,055	-	-	-	27,338
Equipment, net	17,632	9,295	3,400	8	-	-	30,335
Right to use leased assets, net	1,035	40	-	1,998	-	-	3,073
Right to use subscription assets, net	45	6,862	359	75	50	-	7,391
<b>Total noncurrent assets</b>	<b>18,712</b>	<b>18,480</b>	<b>32,434</b>	<b>2,081</b>	<b>296</b>	<b>-</b>	<b>72,003</b>
<b>Total assets</b>	<b>42,136</b>	<b>29,991</b>	<b>42,539</b>	<b>3,134</b>	<b>126,006</b>	<b>1,572</b>	<b>245,378</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred pensions	2,624	15,744	7,959	4,251	3,155	-	33,733
<b>Total deferred outflows of resources</b>	<b>2,624</b>	<b>15,744</b>	<b>7,959</b>	<b>4,251</b>	<b>3,155</b>	<b>-</b>	<b>33,733</b>
<b>LIABILITIES</b>							
Current liabilities:							
Cash overdraft	-	-	5,355	-	-	-	5,355
Accounts payable	1,175	3,551	3,231	59	4,496	-	12,512
Salaries and benefits payable	106	385	389	318	90	25	1,313
Due to other funds	81	144	164	121	6,043	220	6,773
Due to other governmental units	-	-	-	61	4,246	-	4,307
Liability for self-insurance	-	-	-	-	20,439	-	20,439
Deposits and other liabilities	1	11	5	-	897	-	914
Unearned revenue	-	-	20	-	37	-	57
Compensated leave and absences	116	865	393	190	179	-	1,743
Lease obligations	327	5,716	223	493	13	-	6,772
<b>Total current liabilities</b>	<b>1,806</b>	<b>10,672</b>	<b>9,780</b>	<b>1,242</b>	<b>36,440</b>	<b>245</b>	<b>60,185</b>
Noncurrent liabilities:							
Liability for self-insurance	-	-	-	-	80,048	-	80,048
Compensated leave and absences	161	1,089	291	197	191	-	1,929
Lease obligations	778	1,605	152	1,574	42	-	4,151
Net pension liability	4,430	26,582	13,439	7,177	5,326	-	56,954
<b>Total noncurrent liabilities</b>	<b>5,369</b>	<b>29,276</b>	<b>13,882</b>	<b>8,948</b>	<b>85,607</b>	<b>-</b>	<b>143,082</b>
<b>Total liabilities</b>	<b>7,175</b>	<b>39,948</b>	<b>23,662</b>	<b>10,190</b>	<b>122,047</b>	<b>245</b>	<b>203,267</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred pensions	407	2,442	1,234	659	489	-	5,231
<b>Total deferred inflows of resources</b>	<b>407</b>	<b>2,442</b>	<b>1,234</b>	<b>659</b>	<b>489</b>	<b>-</b>	<b>5,231</b>
<b>NET POSITION</b>							
Net investment in capital assets	17,607	11,159	32,059	14	(5)	-	60,834
Unrestricted	19,571	(7,814)	(6,457)	(3,478)	6,630	1,327	9,779
<b>Total net position</b>	<b>\$ 37,178</b>	<b>\$ 3,345</b>	<b>\$ 25,602</b>	<b>\$ (3,464)</b>	<b>\$ 6,625</b>	<b>\$ 1,327</b>	<b>\$ 70,613</b>



**County of Fresno**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2023**  
(\$ amounts expressed in thousands)

	Information						Total
	Fleet Services	Technology Services	Facility Services	Security Services	Risk Management	PeopleSoft Operations	
<b>Operating revenues</b>							
Charges for services	\$ 20,137	\$ 58,040	\$ 48,028	\$ 10,271	\$ 137,189	\$ 3,030	\$ 276,695
Other revenues	256	108	4,761	61	29	-	5,215
Total operating revenues	<u>20,393</u>	<u>58,148</u>	<u>52,789</u>	<u>10,332</u>	<u>137,218</u>	<u>3,030</u>	<u>281,910</u>
<b>Operating expenses</b>							
Salaries and benefits	3,277	18,533	10,855	6,079	3,955	-	42,699
Insurance	20	437	1,015	175	136,822	-	138,469
Professional services	326	2,102	8,049	476	5,477	1,572	18,002
General and administrative	2,342	20,318	5,411	682	617	1,929	31,299
Repairs and maintenance	2,273	1,658	4,061	770	246	-	9,008
Rents and leases	362	11,938	265	-	4	-	12,569
Parts and supplies	6,999	1,006	124	28	-	-	8,157
Utilities	121	481	18,346	25	48	-	19,021
Depreciation	6,400	469	1,647	4	-	-	8,520
Amortization	327	7,377	230	965	25	-	8,924
Total operating expenses	<u>22,447</u>	<u>64,319</u>	<u>50,003</u>	<u>9,204</u>	<u>147,194</u>	<u>3,501</u>	<u>296,668</u>
<b>Operating income (loss)</b>	<u>(2,054)</u>	<u>(6,171)</u>	<u>2,786</u>	<u>1,128</u>	<u>(9,976)</u>	<u>(471)</u>	<u>(14,758)</u>
<b>Non-operating revenues (expenses)</b>							
Gain (loss) on sale of capital assets	366	-	-	-	-	-	366
Insurance recoveries	-	-	-	-	5,003	-	5,003
Use of money and property	285	(189)	266	(14)	1,411	27	1,786
Interest expense	(17)	(42)	(7)	(19)	-	-	(85)
Total non-operating revenues (expenses)	<u>634</u>	<u>(231)</u>	<u>259</u>	<u>(33)</u>	<u>6,414</u>	<u>27</u>	<u>7,070</u>
Net income (loss) before transfers	<u>(1,420)</u>	<u>(6,402)</u>	<u>3,045</u>	<u>1,095</u>	<u>(3,562)</u>	<u>(444)</u>	<u>(7,688)</u>
<b>Transfers in (out)</b>							
Transfers in	1,954	11,017	504	232	49	312	14,068
Transfers (out)	(161)	(879)	(540)	(278)	(193)	-	(2,051)
Total transfers in (out)	<u>1,793</u>	<u>10,138</u>	<u>(36)</u>	<u>(46)</u>	<u>(144)</u>	<u>312</u>	<u>12,017</u>
<b>Change in net position</b>	373	3,736	3,009	1,049	(3,706)	(132)	4,329
Net position - beginning	<u>36,805</u>	<u>(391)</u>	<u>22,593</u>	<u>(4,513)</u>	<u>10,331</u>	<u>1,459</u>	<u>66,284</u>
Net position - ending	<u>\$ 37,178</u>	<u>\$ 3,345</u>	<u>\$ 25,602</u>	<u>\$ (3,464)</u>	<u>\$ 6,625</u>	<u>\$ 1,327</u>	<u>\$ 70,613</u>

**County of Fresno**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2023**  
(\$ amounts expressed in thousands)

	Information						Total Internal Service Funds
	Fleet Services	Technology Services	Facility Services	Security Services	Risk Management	PeopleSoft Operations	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Cash received from users	\$ 19,673	\$ 59,023	\$ 49,254	\$ 10,368	\$ 138,743	\$ 3,031	\$ 280,092
Cash paid to suppliers	(12,292)	(36,507)	(39,943)	(2,247)	(112,018)	(3,459)	(206,466)
Cash paid to employees	(3,414)	(21,009)	(6,964)	(7,067)	(4,234)	-	(42,688)
Cash paid for claims	-	-	-	-	(19,820)	-	(19,820)
Net cash provided by (used in) operating activities	<u>3,967</u>	<u>1,507</u>	<u>2,347</u>	<u>1,054</u>	<u>2,671</u>	<u>(428)</u>	<u>11,118</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Transfers from other funds	1,954	11,017	504	232	49	312	14,068
Transfers to other funds	(161)	(879)	(540)	(278)	(193)	-	(2,051)
Net cash provided by (used in) noncapital financing activities	<u>1,793</u>	<u>10,138</u>	<u>(36)</u>	<u>(46)</u>	<u>(144)</u>	<u>312</u>	<u>12,017</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Sales of capital assets	-	-	-	-	187	-	187
Purchases of capital assets	(5,155)	(6,748)	(2,570)	(701)	-	-	(15,174)
Insurance recoveries	-	-	-	-	5,003	-	5,003
Interest paid on capital debt	(17)	(42)	(7)	(19)	-	-	(85)
Net cash provided by (used in) capital and related financing activities	<u>(5,172)</u>	<u>(6,790)</u>	<u>(2,577)</u>	<u>(720)</u>	<u>5,190</u>	<u>-</u>	<u>(10,069)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Use of money and property received	<u>203</u>	<u>(225)</u>	<u>266</u>	<u>(14)</u>	<u>986</u>	<u>23</u>	<u>1,239</u>
Net cash provided by (used in) investing activities	<u>203</u>	<u>(225)</u>	<u>266</u>	<u>(14)</u>	<u>986</u>	<u>23</u>	<u>1,239</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>791</b>	<b>4,630</b>	<b>-</b>	<b>274</b>	<b>8,703</b>	<b>(93)</b>	<b>14,305</b>
<b>Cash and cash equivalents - beginning</b>	<u>20,168</u>	<u>1,414</u>	<u>-</u>	<u>-</u>	<u>107,707</u>	<u>1,394</u>	<u>130,683</u>
<b>Cash and cash equivalents - ending</b>	<u>\$ 20,959</u>	<u>\$ 6,044</u>	<u>\$ -</u>	<u>\$ 274</u>	<u>\$ 116,410</u>	<u>\$ 1,301</u>	<u>\$ 144,988</u>
<b>Reconciliation of cash and cash equivalents to the statement of net position:</b>							
Cash and cash equivalents	\$ 20,959	\$ 6,044	\$ -	\$ 274	\$ 112,308	\$ 1,301	\$ 140,886
Restricted cash and investments	-	-	-	-	4,102	-	4,102
<b>Total</b>	<u>\$ 20,959</u>	<u>\$ 6,044</u>	<u>\$ -</u>	<u>\$ 274</u>	<u>\$ 116,410</u>	<u>\$ 1,301</u>	<u>\$ 144,988</u>

**County of Fresno**  
**Combining Statement of Cash Flows (Continued)**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2023**  
(\$ amounts expressed in thousands)

	Fleet Services	Information Technology Services	Facility Services	Security Services	Risk Management	PeopleSoft Operations	Total Internal Service Funds
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>							
<b>Operating income (loss)</b>	\$ (2,054)	\$ (6,171)	\$ 2,786	\$ 1,128	\$ (9,976)	\$ (471)	\$ (14,758)
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:</b>							
Pension expense	(172)	(1,031)	(521)	(278)	(207)	-	(2,209)
Depreciation/amortization expense	6,727	7,846	1,877	969	25	-	17,444
Decrease (increase) in accounts receivable	(336)	5	24	4	213	-	(90)
Decrease (increase) in due from other funds	(379)	870	(3,559)	33	1,943	1	(1,091)
Decrease (increase) in due from other governmental units	(5)	-	-	(1)	(653)	-	(659)
Decrease (increase) in inventory of supplies	-	-	(410)	-	-	-	(410)
(Decrease) increase in accounts payable	164	1,393	181	(112)	(1,365)	-	261
(Decrease) increase in salaries and benefits payable	44	74	76	24	39	-	257
(Decrease) increase in unearned revenue	-	-	-	-	14	-	14
(Decrease) increase in deposits held for others	-	-	-	-	8	-	8
(Decrease) increase in due to other funds	(13)	40	(2,443)	22	2,787	42	435
(Decrease) increase in due to other governmental units	-	-	4,934	(370)	445	-	5,009
(Decrease) increase in deferred outflows pensions	(1,222)	(6,406)	(3,345)	(1,758)	(1,407)	-	(14,138)
(Decrease) increase in deferred inflows pensions	(1,649)	(11,253)	(5,533)	(2,997)	(2,075)	-	(23,507)
(Decrease) increase in net pension liability	2,862	16,140	8,280	4,390	3,371	-	35,043
(Decrease) increase in liabilities for self-insurance	-	-	-	-	9,509	-	9,509
Total adjustments	6,021	7,678	(439)	(74)	12,647	43	25,876
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 3,967</u>	<u>\$ 1,507</u>	<u>\$ 2,347</u>	<u>\$ 1,054</u>	<u>\$ 2,671</u>	<u>\$ (428)</u>	<u>\$ 11,118</u>
Sales (Purchase) of capital assets	<u>\$ (5,155)</u>	<u>\$ (6,748)</u>	<u>\$ (2,570)</u>	<u>\$ (701)</u>	<u>\$ 187</u>	<u>\$ -</u>	<u>\$ (14,987)</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 of Fiduciary Net Position**  
**Other Custodial Funds**  
**June 30, 2023**  
(\$ amounts expressed in thousands)

	Property Tax Collection	Public Administrator - Guardian	San Joaquin Valley Insurance Authority	Other Custodial	Total Other Custodial Funds
<b>ASSETS &amp; DEFERRED OUTFLOWS OF RESOURCES</b>					
<b>Assets</b>					
Cash and investments	\$ 84,335	\$ 16,893	\$ 36,108	\$ 68,091	\$ 205,427
Receivables, net:					
Accounts	-	-	6,506	14	6,520
Taxes	1	-	-	-	1
Interest	1,360	-	209	277	1,846
Due from other governmental units	2,224	-	-	22	2,246
Property held by public administrator	-	4,286	-	-	4,286
Total assets	<u>87,920</u>	<u>21,179</u>	<u>42,823</u>	<u>68,404</u>	<u>220,326</u>
<b>Deferred outflows of resources</b>					
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 87,920</u>	<u>\$ 21,179</u>	<u>\$ 42,823</u>	<u>\$ 68,404</u>	<u>\$ 220,326</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, &amp; NET POSITION</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ 819	\$ -	\$ 819
Due to other governmental units	-	-	8,514	-	8,514
Total liabilities	<u>-</u>	<u>-</u>	<u>9,333</u>	<u>-</u>	<u>9,333</u>
<b>Deferred inflows of resources</b>					
Total deferred inflows of resources	-	-	-	-	-
<b>Net Position</b>					
Restricted for:					
Individuals & other governments	<u>87,920</u>	<u>21,179</u>	<u>33,490</u>	<u>68,404</u>	<u>210,993</u>
Total net position	<u>87,920</u>	<u>21,179</u>	<u>33,490</u>	<u>68,404</u>	<u>210,993</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 87,920</u>	<u>\$ 21,179</u>	<u>\$ 42,823</u>	<u>\$ 68,404</u>	<u>\$ 220,326</u>

**County of Fresno**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Other Custodial Funds**  
**For the Fiscal Year Ended June 30, 2023**  
(\$ amounts expressed in thousands)

	Property Tax Collection	Public Administrator - Guardian	San Joaquin Valley Insurance Authority	Other Custodial	Total Other Custodial Funds
<b>ADDITIONS</b>					
Investment income:					
Net increase in fair value of investments	\$ 6,540	\$ -	\$ 291	\$ 283	\$ 7,114
Net investment income	6,540	-	291	283	7,114
Property tax collections	1,421,605	-	-	-	1,421,605
Other tax collections	27	-	-	-	27
Custodial fund collections	-	19,690	129,656	2,895,873	3,045,219
Total additions	<u>1,428,172</u>	<u>19,690</u>	<u>129,947</u>	<u>2,896,156</u>	<u>4,473,965</u>
<b>DEDUCTIONS</b>					
Property & other tax distributions	1,411,864	-	-	-	1,411,864
Custodial fund distributions	-	17,891	123,348	2,886,497	3,027,736
Total deductions	<u>1,411,864</u>	<u>17,891</u>	<u>123,348</u>	<u>2,886,497</u>	<u>4,439,600</u>
Change in fiduciary net position	16,308	1,799	6,599	9,659	34,365
Fiduciary net position - beginning	<u>71,612</u>	<u>19,380</u>	<u>26,891</u>	<u>58,745</u>	<u>176,628</u>
Fiduciary net position - ending	<u>\$ 87,920</u>	<u>\$ 21,179</u>	<u>\$ 33,490</u>	<u>\$ 68,404</u>	<u>\$ 210,993</u>



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:***

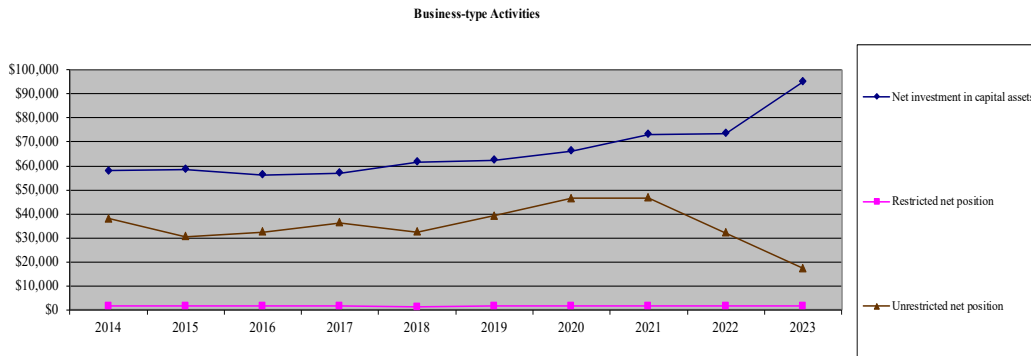
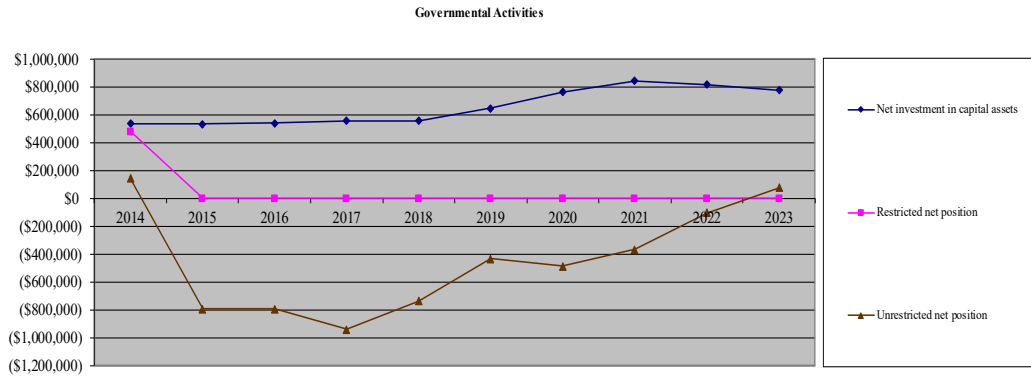
Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.



**County of Fresno**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
(\$ amounts expressed in thousands)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental activities</b>										
Net investment in capital assets	\$ 537,359	\$ 533,674	\$ 539,314	\$ 556,268	\$ 558,579	\$ 647,516	\$ 763,973	\$ 842,665	\$ 818,555	\$ 776,988
Restricted net position	482,088	-	-	-	-	-	-	-	-	-
Unrestricted net position	142,637	(793,620)	(795,311)	(939,690)	(735,368)	(434,745)	(488,332)	(367,826)	(103,866)	76,446
<b>Total governmental activities net position</b>	<b>1,162,084</b>	<b>(259,946)</b>	<b>(255,997)</b>	<b>(383,422)</b>	<b>(176,789)</b>	<b>212,771</b>	<b>275,641</b>	<b>474,839</b>	<b>714,689</b>	<b>853,434</b>
<b>Business-type activities</b>										
Net investment in capital assets	58,001	58,661	56,353	56,970	61,569	62,473	66,208	73,133	73,571	94,980
Restricted net position	1,646	1,588	1,588	1,589	1,178	1,596	1,590	1,582	1,582	1,582
Unrestricted net position	38,104	30,583	32,533	36,358	32,543	39,216	46,567	46,684	32,190	17,367
<b>Total business-type activities net position</b>	<b>97,751</b>	<b>90,832</b>	<b>90,474</b>	<b>94,917</b>	<b>95,290</b>	<b>103,285</b>	<b>114,365</b>	<b>121,399</b>	<b>107,343</b>	<b>113,929</b>
<b>Primary government</b>										
Net investment in capital assets	595,360	592,335	595,667	613,238	620,148	709,989	830,181	915,798	892,126	871,968
Restricted net position	483,734	1,588	1,588	1,589	1,178	1,596	1,590	1,582	1,582	1,582
Unrestricted net position	180,741	(763,037)	(762,778)	(903,332)	(702,825)	(395,529)	(441,765)	(321,142)	(71,676)	93,813
<b>Total primary government net position</b>	<b>\$ 1,259,835</b>	<b>\$ (169,114)</b>	<b>\$ (165,523)</b>	<b>\$ (288,505)</b>	<b>\$ (81,499)</b>	<b>\$ 316,056</b>	<b>\$ 390,006</b>	<b>\$ 596,238</b>	<b>\$ 822,032</b>	<b>\$ 967,363</b>

Note 1: Accrual basis of accounting



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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Program Revenues</b>										
Governmental activities:										
Charges for services										
General government	\$ 15,712	\$ 22,475	\$ 31,721	\$ 33,698	\$ 36,083	\$ 35,067	\$ 38,620	\$ 41,504	\$ 51,939	\$ 53,907
Public protection	31,486	26,476	23,462	19,745	27,462	27,279	26,556	32,134	33,851	34,037
Public ways and facilities	8,121	2,227	6,903	15,345	9,569	6,074	7,334	10,299	6,287	21,990
Health, sanitation and public assistance	22,045	20,771	16,329	18,669	29,412	16,716	24,994	82,951	28,708	39,235
Education	2,574	1,808	1,879	1,761	6,606	3,034	1,962	1,466	1,748	1,848
Culture and recreation	899	1,023	771	957	1,014	855	867	1,089	1,677	854
Operating grants and contributions	770,108	812,333	622,116	652,321	910,527	919,835	960,735	1,214,344	1,237,692	1,338,174
Subtotal governmental activities										
program revenues	<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>	<u>1,361,902</u>	<u>1,490,045</u>
Business-type activities:										
Charges for services										
Water and sewer	3,478	4,001	3,980	5,897	5,032	6,761	5,885	8,233	9,362	9,012
Landfill	13,814	16,379	15,337	13,615	14,037	18,278	15,997	20,303	18,727	23,267
Operating grants and contributions	625	494	304	-	452	367	485	542	258	514
Capital grants and contributions	-	-	509	336	-	-	-	-	39	-
Subtotal business-type activities										
program revenues	<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>	<u>28,386</u>	<u>32,793</u>
<b>Total primary government program revenues</b>	<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>	<u>1,390,288</u>	<u>1,522,838</u>
<b>General Revenues</b>										
Governmental activities:										
Taxes										
Property taxes	216,038	232,374	233,408	254,804	260,350	262,330	271,007	293,027	300,504	323,734
Sales taxes	161,119	186,747	216,434	195,316	51,043	58,264	62,561	67,670	78,617	71,039
Franchise taxes	14,070	22,736	17,946	17,558	10,756	16,192	17,110	15,231	15,820	14,837
Motor vehicle in-lieu taxes	37,713	58,964	230,264	223,883	215,224	258,594	265,955	255,054	290,144	317,081
Tobacco settlement proceeds	6,657	-	-	-	-	-	-	-	-	-
Other	18,110	13,970	23,531	7,066	(11,695)	2,934	8,474	10,169	7,215	6,780
Unrestricted investment earnings (loss)	14,776	9,344	14,407	2,804	561	32,538	33,511	3,473	(33,841)	10,646
Subtotal governmental activities										
general revenues	<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>	<u>658,459</u>	<u>744,117</u>
Business-type activities:										
Property taxes	671	711	744	773	765	796	819	855	896	907
Other	1,446	1,870	1,891	1,918	3,803	3,202	9,745	5,163	8,676	12,025
Gain/(loss) on sale of capital assets	-	-	-	145	(402)	(2,529)	-	-	-	-
Unrestricted investment earnings (loss)	1,732	638	1,837	316	172	4,007	4,614	431	(3,985)	2,423
Subtotal business-type activities general revenues	<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>	<u>5,587</u>	<u>15,355</u>
<b>Total primary government general revenues</b>	<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>	<u>664,046</u>	<u>759,472</u>
<b>Total primary government revenues</b>	<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>	<u>\$ 2,054,334</u>	<u>\$ 2,282,310</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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental activities:										
General government	\$ 45,280	\$ 34,673	\$ 72,302	\$ 72,551	\$ 247,100	\$ 235,530	\$ 266,452	\$ 352,695	\$ 283,771	\$ 317,527
Public protection	319,197	291,148	343,711	362,779	253,532	266,178	403,010	426,547	373,108	467,639
Public ways and facilities	43,145	45,635	78,926	127,525	51,304	36,765	69,231	73,319	84,820	101,909
Health, sanitation, and public assistance	787,234	760,840	869,387	940,554	710,821	659,419	853,749	911,730	983,096	1,116,654
Education	25,073	23,918	26,510	27,342	27,565	18,288	26,118	26,029	26,916	29,731
Culture and recreation	2,933	2,380	2,868	3,370	3,450	2,122	2,818	2,858	2,860	3,520
Interest on long-term debt	40,030	40,219	41,782	36,571	36,402	35,302	35,820	35,695	16,787	24,706
Subtotal governmental activities expenses	<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>	<u>1,771,358</u>	<u>2,061,686</u>
Business-type activities:										
Solid waste enterprise	6,162	5,652	6,572	7,453	9,350	8,265	12,274	12,451	18,767	14,799
County service areas, other	17,783	21,451	17,402	16,722	17,219	14,726	18,260	15,009	24,162	26,709
Subtotal business-type activities expenses	<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>	<u>42,929</u>	<u>41,508</u>
Total primary government expenses	<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>	<u>1,814,287</u>	<u>2,103,194</u>
Excess (deficiency) before transfers										
- governmental activities	58,714	240,358	3,685	(126,765)	216,738	386,108	62,488	199,538	249,002	172,477
Transfers	302	(2,724)	297	(645)	240	252	15	11	(174)	54
Excess (deficiency) before transfers										
- business-type activities	(2,969)	(2,501)	628	(1,175)	(2,710)	7,891	7,011	8,067	(8,956)	6,640
Transfers	(302)	2,724	(297)	645	(240)	(252)	(15)	(11)	174	(54)
<b>Change in net position</b>										
Governmental activities	59,016	237,634	3,982	(127,410)	216,978	386,360	62,503	199,549	248,828	172,531
Business-type activities	(3,271)	223	331	(530)	(2,950)	7,639	6,996	8,056	(8,782)	6,586
Total primary government	<u>\$ 55,745</u>	<u>\$ 237,857</u>	<u>\$ 4,313</u>	<u>\$ (127,940)</u>	<u>\$ 214,028</u>	<u>\$ 393,999</u>	<u>\$ 69,499</u>	<u>\$ 207,605</u>	<u>\$ 240,046</u>	<u>\$ 179,117</u>

*Note 1: Accrual basis of accounting*

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

	Fiscal Year				
	2014	2015	2016	2017	2018
<b>General Fund</b>					
Nonspendable	\$ 4,110	\$ 43,092	\$ 47,208	\$ 49,736	\$ 8,971
Restricted	49,932	4,985	9,398	4,255	-
Committed	-	18,724	21,024	63,602	68,410
Assigned	23,035	77,493	83,021	8,654	-
Unassigned	72,338	46,239	39,520	85,193	128,236
Total General Fund	<u>\$ 149,415</u>	<u>\$ 190,533</u>	<u>\$ 200,171</u>	<u>\$ 211,440</u>	<u>\$ 205,617</u>
<b>Other Governmental Funds</b>					
Nonspendable	\$ 775	\$ 736	\$ 816	\$ 702	\$ 816
Restricted	391,338	443,609	529,190	586,978	570,404
Committed	-	-	-	-	-
Assigned	37,391	37,009	36,560	-	-
Unassigned	-	-	-	-	-
Total other governmental funds	<u>\$ 429,504</u>	<u>\$ 481,354</u>	<u>\$ 566,566</u>	<u>\$ 587,680</u>	<u>\$ 571,220</u>
<b>General Fund</b>					
Fiscal Year					
	2019	2020	2021	2022	2023
<b>General Fund</b>					
Nonspendable	\$ 5,840	\$ 5,803	\$ 5,780	\$ 14,506	\$ 17,846
Restricted	6,205	7,590	310,747	289,170	302,840
Committed	91,380	91,417	91,440	68,168	92,168
Assigned	-	-	-	-	-
Unassigned	100,693	92,976	63,366	98,225	56,183
Total General Fund	<u>\$ 204,118</u>	<u>\$ 197,786</u>	<u>\$ 471,333</u>	<u>\$ 470,069</u>	<u>\$ 469,037</u>
<b>All Other Governmental Funds</b>					
Nonspendable	\$ 36	\$ 36	\$ 36	\$ 36	\$ 114
Restricted	597,722	558,996	355,271	403,130	494,417
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total other governmental funds	<u>\$ 597,758</u>	<u>\$ 559,032</u>	<u>\$ 355,307</u>	<u>\$ 403,166</u>	<u>\$ 494,531</u>

*Note 1: Modified accrual basis of accounting*

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

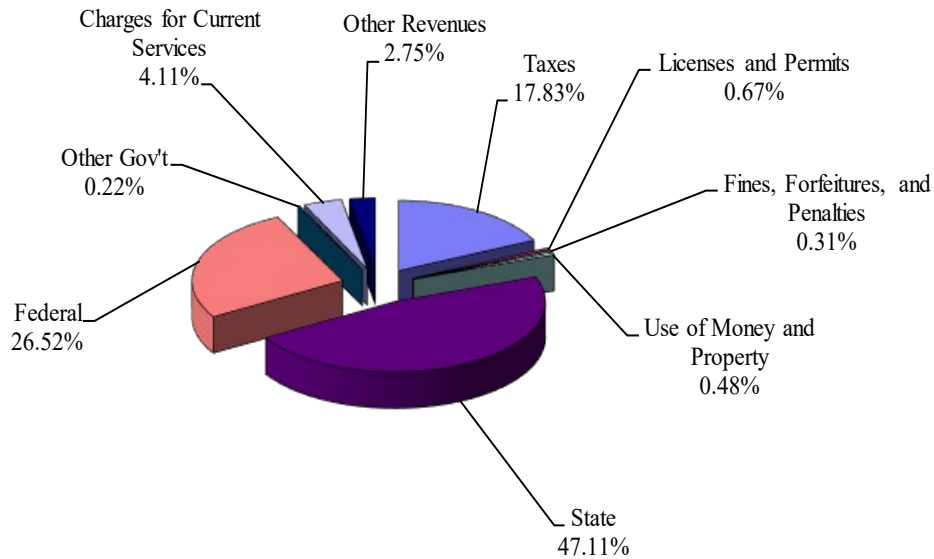
	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Taxes	\$ 394,370	\$ 422,029	\$ 449,842	\$ 450,120	\$ 311,405	\$ 320,594	\$ 331,781	\$ 360,697	\$ 379,121	\$ 394,773
Licenses and permits	14,070	17,272	17,946	17,558	10,756	16,192	18,896	15,231	15,820	14,837
Fines, forfeitures and penalties	14,657	13,866	13,015	11,944	10,061	10,408	8,473	9,368	7,201	6,795
Use of money and property	12,562	8,022	12,087	2,804	3,615	32,538	33,511	3,473	(33,841)	10,646
Aid from other governmental agencies	811,917	850,931	846,114	885,091	1,092,732	1,180,254	1,288,132	1,473,973	1,526,574	1,635,312
Charges for current services	68,274	55,541	56,305	63,611	64,043	62,995	68,887	70,596	76,041	90,995
Other revenues	29,554	26,690	25,386	26,932	46,324	26,030	31,447	98,847	48,168	60,876
Total revenues	<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>	<u>2,019,084</u>	<u>2,214,234</u>
<b>Expenditures</b>										
General government	38,715	37,014	40,860	59,083	45,764	46,135	54,559	96,329	59,295	58,774
Public protection	312,604	324,104	340,802	359,422	383,305	431,489	467,157	502,148	514,358	534,786
Public ways and facilities	31,106	36,880	33,901	34,876	46,448	40,017	67,730	71,633	87,403	105,307
Health, sanitation, and public assistance	779,890	798,019	832,667	854,187	931,587	903,032	969,670	1,077,440	1,203,349	1,270,793
Education	23,708	25,152	25,350	26,205	25,881	27,818	28,870	28,932	30,024	32,241
Culture and recreation	2,900	2,596	2,688	2,898	4,453	2,998	3,250	3,371	3,712	4,098
Capital outlay	18,378	21,714	30,097	31,362	35,849	106,715	124,462	108,079	97,984	22,150
Debt service:										
Principal	30,295	32,655	36,585	40,035	44,505	47,690	29,314	38,635	48,204	71,278
Interest	22,677	20,960	19,221	15,318	13,584	11,132	9,307	8,615	8,294	18,317
Total expenditures	<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>	<u>2,052,623</u>	<u>2,117,744</u>
Excess (deficiency) of revenues over (under) expenditures	<u>85,131</u>	<u>95,257</u>	<u>58,524</u>	<u>34,674</u>	<u>7,560</u>	<u>31,985</u>	<u>26,808</u>	<u>97,003</u>	<u>(33,539)</u>	<u>96,490</u>
Other financing sources (uses):										
Bond proceeds	-	-	64,525	-	-	-	-	-	-	-
Bond premiums	-	-	6,360	-	-	-	-	-	-	-
Payment to escrow agent	-	-	(43,630)	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	16	248	227	121	199	10	253	156
Insurance recoveries	-	-	-	-	-	-	-	801	14	(15)
Transfers in	848,216	917,133	852,206	888,482	1,008,110	1,012,413	1,142,770	557,584	573,510	625,101
Transfers (out)	(849,296)	(920,117)	(855,814)	(891,006)	(1,010,824)	(1,013,551)	(1,149,882)	(585,576)	(586,278)	(637,064)
Refunded bond principal	-	-	(26,765)	-	-	-	-	-	-	-
Lease liabilities issued	-	-	-	-	-	-	-	-	76,474	228
Total other financing sources (uses)	<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>	<u>63,973</u>	<u>(11,594)</u>
Net change in fund balances before extraordinary items	84,051	92,273	55,422	32,398	5,073	30,968	19,895	69,822	30,434	84,896
Extraordinary items										
Net change in fund balances	<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>	<u>\$ 30,434</u>	<u>\$ 84,896</u>
Debt service as a percentage of non-capital expenditures	4.27%	4.20%	4.19%	3.98%	3.88%	3.89%	2.37%	2.59%	2.89%	4.28%

*Note 1: Modified accrual basis of accounting*

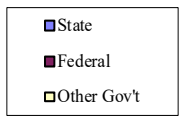
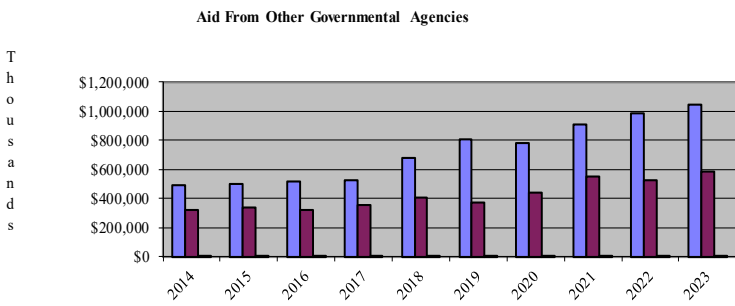
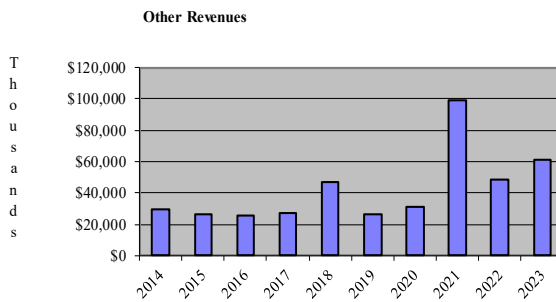
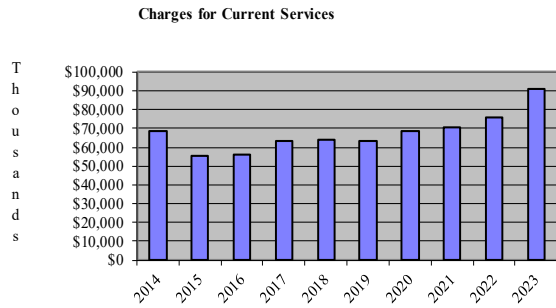
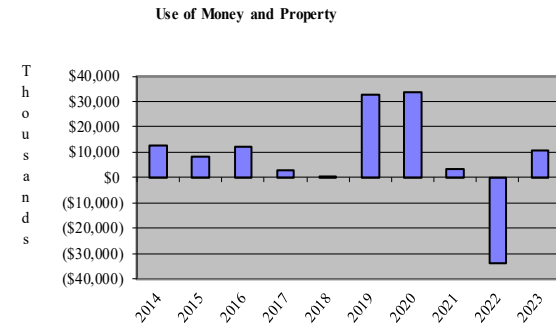
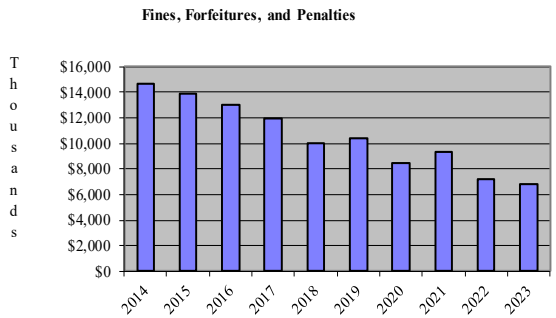
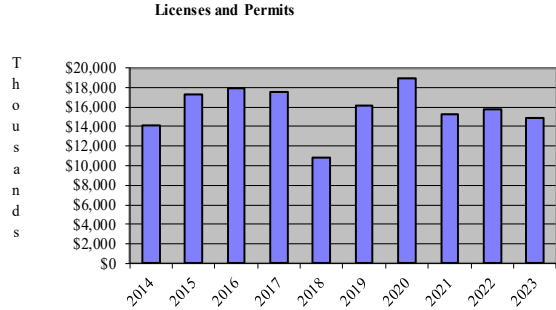
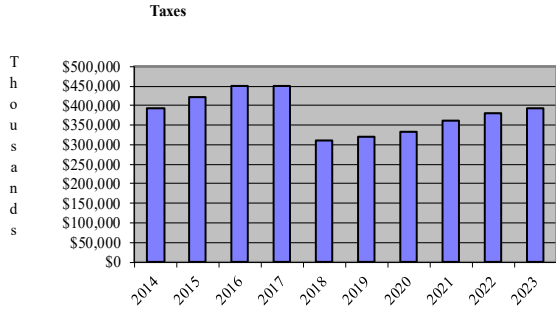
**County of Fresno**  
**Governmental Funds Revenue by Source (Continued)**  
**Last Ten Fiscal Years**  
(\$ amounts expressed in thousands)

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		
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
2022	2,019,084	379,121	15,820	7,201	(33,841)	987,930	530,467	8,177	76,041	48,168
2023	2,214,234	394,773	14,837	6,795	10,646	1,043,175	587,243	4,894	90,995	60,876

**For Fiscal Year 2023**



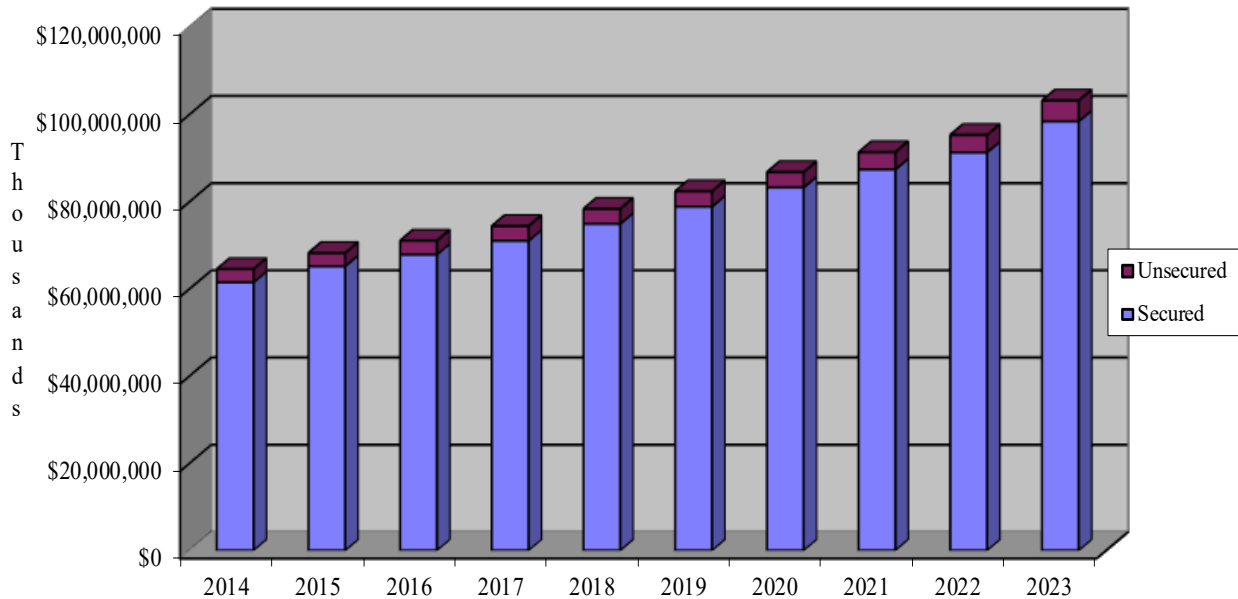
# County of Fresno Governmental Funds Revenue by Source (Continued) Last Ten Fiscal Years (\$ amounts expressed in thousands)



**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</u> <u>Estimated</u> <u>Actual</u>	<u>Unsecured</u> <u>Estimated</u> <u>Actual</u>	<u>Total</u> <u>Estimated</u> <u>Actual</u>	<u>Ratio of</u> <u>Assessed to</u> <u>Estimated</u> <u>Actual</u>	<u>Total Direct Tax</u> <u>Rate</u>
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%
2022	91,304,647	4,027,211	95,331,858	100%	1.00%
2023	98,443,563	4,764,376	103,207,939	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**  
(\$ amounts expressed in thousands)

<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>		
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
2021 - 2022	1.00000	0.032438	0.231952		1.264390
2022 - 2023	1.00000	0.032438	0.242334		1.274772

**Notes:**

(1) The above tax rates are for Tax Rate Area 005-001, which applies to most property within the City of Fresno.

(2) California voters, on June 6, 1978, approved a constitutional amendment to Article XIII A of the California Constitution, commonly known as Proposition 13, which limits the taxing power of California public agencies. Legislation enacted by the California Legislature to implement Article XIII A (Statutes of 1978, Chapter 292, as amended) provides that, notwithstanding any other law, local agencies may not levy any property tax except to pay debt service on indebtedness approved by voters prior to July 1, 1978, and that each County will levy the maximum tax permitted by Article XIII A of \$1 per \$100 of full cash value. Assessed value is equal to full cash value, pursuant to Senate Bill 1656, Statutes of 1978. □

□

**Source:**

*Auditor-Controller/Treasurer-Tax Collector, County of Fresno*

**County of Fresno  
Principal Taxpayers  
June 30, 2023  
And June 30, 2014  
(\$ amounts expressed in thousands)**

<u>Taxpayer</u>	<u>2023</u>			<u>2014</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.	\$ 3,111,277	1	3.01%	\$ 1,908,995	1	2.96%
Southern California Edison Co.	709,393	2	0.69%	515,165	3	0.80%
Chevron USA, Inc.	266,390	3	0.26%	704,178	2	1.09%
Pacific Bell Telephone Company	155,877	4	0.15%	189,596	6	0.29%
Lennar Homes of California Inc	130,952	5	0.13%	-		0.00%
Gap, Inc.	167,691	6	0.16%	111,779	9	0.17%
Panoche Energy Center, LLC	182,000	7	0.18%	287,200	4	0.44%
Meganova LP	151,116	8	0.15%	-		0.00%
Macerich Fresno Limited Partnership	146,959	9	0.14%	134,824	8	0.21%
Gallo E & J Winery	146,022	10	0.14%	162,353	7	0.25%
AERA Energy, LLC	-		N/A	259,348	5	0.40%
Del Rey Juice Company LLC	-		N/A	111,036	10	0.17%
<b>Total</b>	<u>\$ 5,167,677</u>		<u>5.01%</u>	<u>\$ 4,384,474</u>		<u>6.79%</u>

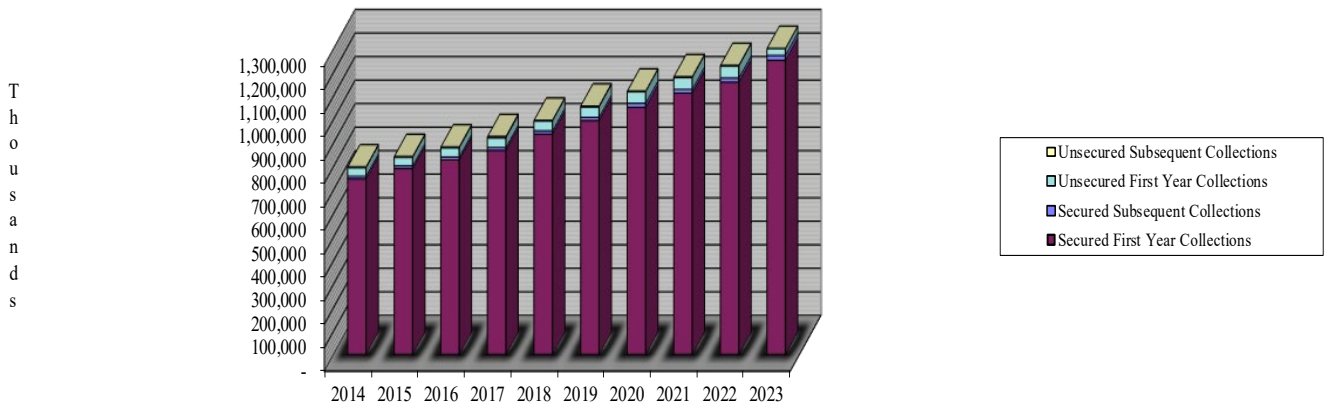
**Source:** Auditor-Controller/Treasurer-Tax Collector, County of Fresno

**Note:** Percentages based on estimated property values of \$103,207,938 in 2023 and \$64,551,867 in 2014.

# 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		
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%	41,729	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%	2,288	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%		
2022	1,175,348	1,157,623	98.49%	17,725	1.51%	17,370	1,174,993	98.00%	53,046	50,376	94.97%	2,670	5.03%	2,617	52,993	98.00%		
2023	1,271,377	1,250,271	98.34%	21,106	1.66%	20,683	1,270,954	98.00%	59,664	55,970	93.81%	3,695	6.19%	3,621	59,591	98.00%		

**Property Tax Levies**



**Note:** The above represents total collections made by the County of Fresno for all appropriate taxing units.

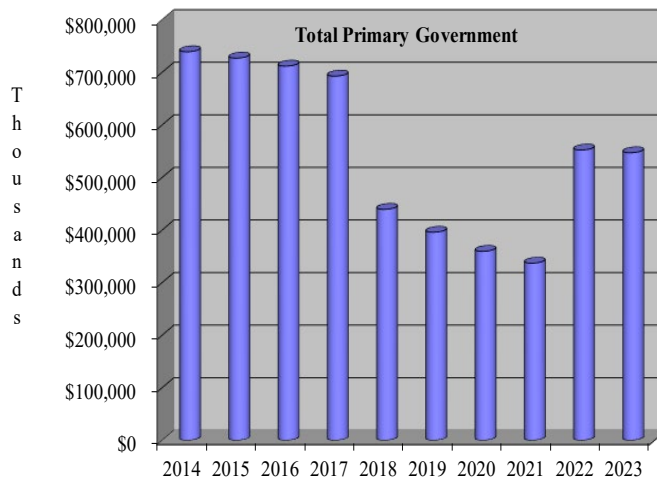
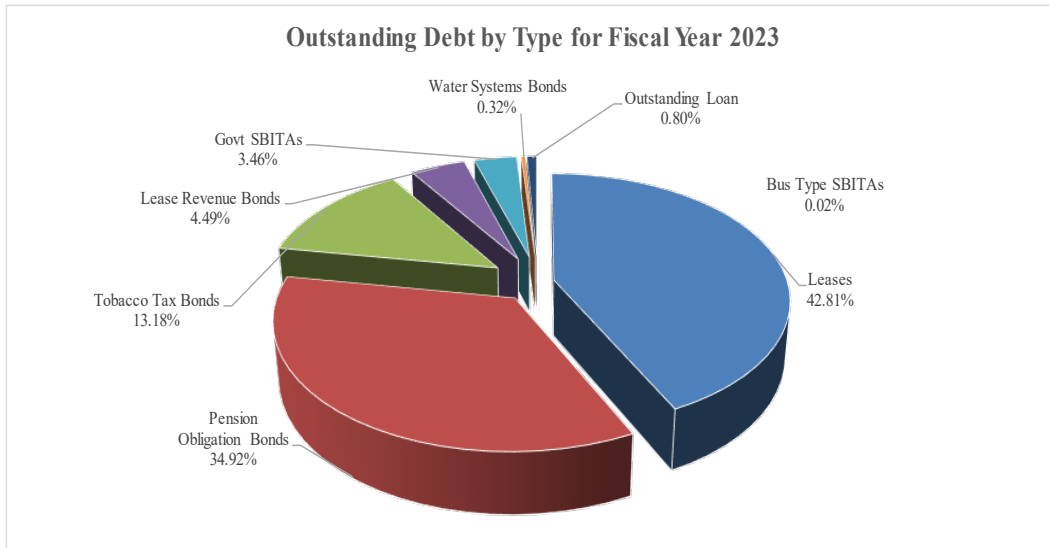
**Source:** County of Fresno Tax Rate Book

**County of Fresno**  
**Ratio of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
(\$ amounts expressed in thousands)

Fiscal Year	Governmental Activities					Business-Type Activities				Percentage of	
	Leases	Pension Obligation Bonds	Tobacco Tax Bonds	Lease Revenue Bonds	Govt SBITAs	Water Systems Bonds	Outstanding Loan	Bus Type SBITAs	Total Primary Government	Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
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
2022	236,352	203,168	77,648	28,434	-	2,025	4,663	-	552,290	1.14%	552
2023	234,176	191,038	72,093	24,555	18,942	1,740	4,391	119	547,054	1.05%	540

Note 1: Accrual basis of accounting

<sup>a</sup> See Demographic and Economic Statistics schedule for personal income and population data. These ratios are calculated using personal income for the prior year.



**County of Fresno**  
**Estimated Direct and Overlapping Bonded Debt**  
**June 30, 2023**  
(\$ amounts expressed in thousands)

2022-23 Assessed Valuation: \$ 103,207,939 (includes unitary utility valuation)

<b>Overlapping Tax and Assessment Debt:</b>	<b>Total Debt 6/30/23</b>	<b>% Applicable <sup>1</sup></b>	<b>County's Share of Debt 6/30/23</b>
Merced Community College District School Facilities Improvement District No. 2	\$ 3,830	2.75%	\$ 105
State Center Community College District	394,910	83.006	327,799
West Hills Community College District and School Facilities Improvement Districts	57,818	27.595 - 99.550	32,070
Central Unified School District	286,089	100	286,089
Clovis Unified School District	418,772	100	418,772
Fresno Unified School District	823,887	100	823,887
Kings Canyon Joint Unified School District	73,386	90.148	66,156
Sanger Unified School District	222,849	100	222,849
Other Unified School Districts	402,226	Various	356,486
High School and School Districts	54,231	Various	45,741
City of Selma	3,575	100	3,575
Hospital Districts	20,050	100	20,050
Coalinga-Huron Recreation and Park District	14,400	100	14,400
California Statewide Community Development Authority Community Facilities District No. 2012-01	4,005	100	4,005
California Statewide Community Development Authority Community Facilities District No. 2022-08, I.A. No. 1	3,940	100	3,940
City Community Facilities Districts 1915 Act Bonds (Estimated)	2,215 2,735	100 100	2,215 2,735
<b>Total Overlapping Tax and Assessment Debt</b>			<b>\$ 2,630,873</b>
 <b><u>Direct and Overlapping General Fund Debt:</u></b>			
Fresno County Lease Revenue Bonds	\$ 24,555	100%	\$ 24,555
Fresno County Pension Obligation Bonds	191,038	100	191,038
Tobacco Bonds	72,093	100	72,093
Lease Obligations	234,176	100	234,176
Subscription Obligations	18,942	100	18,942
Community College District General Fund Obligations	11,650	64.318	7,493
Central Unified School District Certificates of Participation	50,033	100	50,033
Clovis Unified School District General Fund Obligations	114,566	100	114,566
Fresno Unified School District General Fund Obligations	5,395	100	5,395
Sanger Unified School District Certificates of Participation	136,770	100	136,770
Other School District General Fund Obligations	38,943	Various	23,050
City of Clovis General Fund Obligations	17,703	100	17,703
City of Fresno General Fund Obligations	129,458	100	129,458
City of Fresno Pension Obligation Bonds	78,255	100	78,255
Other City General Fund Obligations	33,869	100	33,869
Clovis Memorial Water District General Fund Obligations	3,470	100	3,470
<b>Total Gross Overlapping General Fund Obligation Debt</b>			<b>\$ 1,140,866</b>
<b>Total Direct and Overlapping General Fund Debt</b>			<b>\$ 3,771,739</b>
 <b><u>Overlapping Tax Increment Debt:</u></b>			
Successor Agencies	\$ 37,930	100%	\$ 37,930
 <b><u>Total Direct Debt</u></b>			<b>\$ 540,804</b>
<b><u>Total Overlapping Debt</u></b>			<b>3,268,865</b>
 <b><u>Combined Total Debt<sup>2</sup></u></b>			<b>\$ 3,809,669</b>

**Ratios to 2022-23 Assessed Valuation:**

Total Overlapping Tax and Assessment Debt	2.55%
Total Direct Debt (\$540,804)	0.52%
Combined Total Debt	3.69%

**Ratios to Redevelopment Incremental Valuation (\$7,540,727):**

Total Overlapping Tax Increment Debt	0.50%
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<sup>1</sup> 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.

<sup>2</sup> 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.

*Source: California Municipal Statistics, Inc.*

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

<u>Fiscal Year</u>	<u>Assessed Value</u>	<u>Debt Limit Percentage</u>	<u>Debt Limit</u>	<u>Bonds Payable</u>	<u>Amount of Debt Applicable to Limit</u>		<u>Legal Debt Margin</u>
					<u>Less Resources Restricted to Paving Principal</u>	<u>Total Net Debt Applicable to Limit</u>	
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	310,249	831,798
2022	95,331,858	1.25%	1,191,648	309,251	22,331	286,920	904,729
2023	103,207,939	1.25%	1,290,099	287,686	21,152	266,533	1,023,566

*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>
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%	0.78%
2021	323.30	0.36%	1.41%
2022	305.80	0.32%	1.35%
2023	284.42	0.28%	1.22%

*\*Updated amounts based on the revised population estimates for 2023 from Department of Finance as released on July 1, 2023.*

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

**CSA 47 Water/Sewer Revenue Bonds**

<u>Fiscal Year</u>	<u>Charges</u>	Less: Operating	<u>Expenses</u>	Net Available	<u>Debt Service</u>		<u>Coverage</u>
					<u>Revenue</u>	<u>Principal</u>	
<b>2014</b>	\$ 1,285,578	\$	866,263	\$ 419,315	\$ 160,000	\$ 256,610	101%
<b>2015</b>	1,326,035		823,055	502,980	170,000	245,555	121%
<b>2016</b>	1,321,276		821,220	500,056	180,000	233,830	121%
<b>2017</b>	1,379,703		834,824	544,879	195,000	221,268	131%
<b>2018</b>	1,315,000		899,000	416,000	205,000	207,868	101%
<b>2019</b>	1,697,000		882,000	815,000	220,000	193,630	197%
<b>2020</b>	1,697,142		1,034,570	662,572	235,000	178,388	160%
<b>2021</b>	1,841,042		1,012,727	828,315	250,000	162,140	201%
<b>2022</b>	1,244,053		1,211,260	32,793	270,000	144,720	8%
<b>2023</b>	1,606,328		1,668,372	(62,044)	285,000	126,128	-15%

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

<b><u>Year</u></b>	<b><u>Population</u></b>	<b><u>Personal Income*</u></b>	<b><u>Per Capita Personal Income</u></b>	<b><u>Median Family Income</u></b>	<b><u>Unemployment Rate</u></b>
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%
2022	1,011,273	48,539	48,495	80,300	5.90%
2023	1,011,499	52,120	51,422	83,800	7.00%

***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*



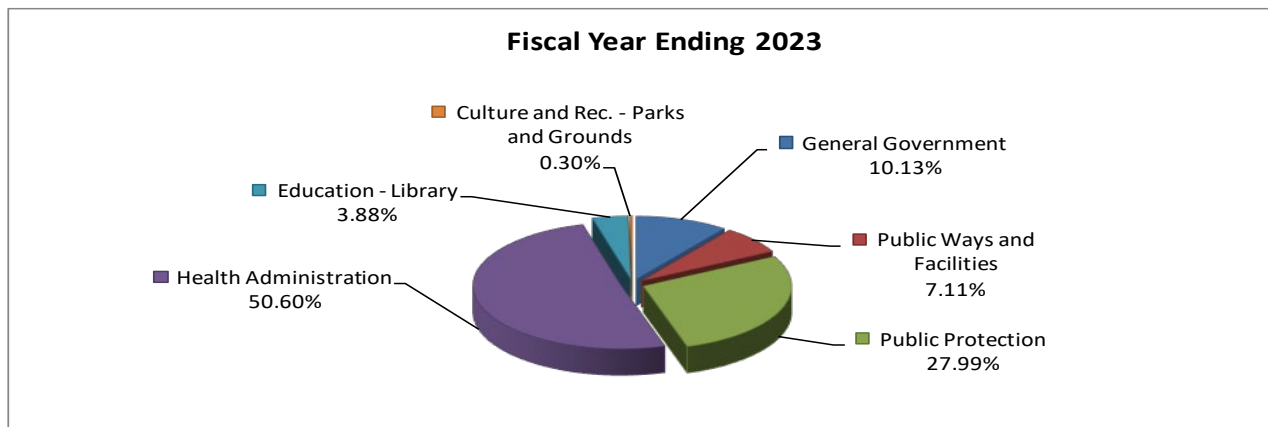
**County of Fresno  
Principal Employers  
Comparison of 2023 and 2014**

<u>Employer</u>	<u>2023</u>			<u>2014</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	14,593	1	3.18%	11,031	1	2.42%
Community Medical Centers	10,300	2	2.25%	7,200	2	1.58%
County of Fresno	8,980	3	1.96%	6,892	3	1.51%
Clovis Unified School District	7,945	4	1.73%	5,000	5	1.10%
California State University Fresno	5,233	5	1.14%	2,191	10	0.48%
City of Fresno	5,015	6	1.09%	3,184	4	0.70%
State Center Community College District	4,469	7	0.97%	2,300	7	0.51%
Children's Hospital of Central CA	4,170	8	0.91%	-	-	-
Saint Agnes Medical	3,075	9	0.67%	2,618	6	0.57%
Kaiser Permanente Medical	2,950	10	0.64%	2,300	8	0.51%
Pelco by Schneider Electric	-		-	2,200	9	0.48%
Total	<u>66,730</u>		<u>14.56%</u>	<u>44,916</u>		<u>9.86%</u>

*Source: The 2023 employee counts are obtained from various entity websites. The 2014 employee count was obtained from the 2014 County of Fresno Annual Comprehensive Financial Report.*

## County of Fresno Employees by Function/Program For the Last Ten Fiscal Years

<u>Function/Program</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>	<u>2022</u>	<u>2023</u>
<b>General Government</b>										
Administration	56	57	62	62	62	61	61	62	69	69
County Counsel	31	32	32	32	33	34	36	34	40	42
Finance	218	225	237	238	233	231	231	243	245	246
Internal Service	340	374	383	383	408	418	447	454	460	461
Other	<u>25</u>	<u>27</u>	<u>28</u>	<u>30</u>	<u>32</u>	<u>32</u>	<u>32</u>	<u>33</u>	<u>33</u>	<u>33</u>
Total	<u>670</u>	<u>715</u>	<u>742</u>	<u>745</u>	<u>768</u>	<u>776</u>	<u>807</u>	<u>826</u>	<u>847</u>	<u>851</u>
<b>Public Ways and Facilities</b>										
Planning	110	120	137	144	159	161	166	166	192	195
Roads	196	196	203	206	223	246	247	247	265	276
Community Development	13	11	11	10	10	10	9	9	9	8
Solid Waste	21	21	15	15	16	16	17	20	22	23
Other	<u>83</u>	<u>88</u>	<u>93</u>	<u>93</u>	<u>93</u>	<u>95</u>	<u>95</u>	<u>95</u>	<u>95</u>	<u>95</u>
Total	<u>423</u>	<u>436</u>	<u>459</u>	<u>468</u>	<u>501</u>	<u>528</u>	<u>534</u>	<u>537</u>	<u>583</u>	<u>597</u>
<b>Public Protection</b>										
Sheriff - Coroner	1,067	1,071	1,139	1,182	1,231	1,254	1,247	1,247	1,257	1,274
Probation	572	585	639	641	650	659	660	642	654	655
District Attorney	256	254	260	255	247	252	249	252	250	251
Public Defender	<u>88</u>	<u>105</u>	<u>111</u>	<u>112</u>	<u>120</u>	<u>144</u>	<u>162</u>	<u>162</u>	<u>170</u>	<u>171</u>
Total	<u>1,983</u>	<u>2,015</u>	<u>2,149</u>	<u>2,190</u>	<u>2,248</u>	<u>2,309</u>	<u>2,318</u>	<u>2,303</u>	<u>2,331</u>	<u>2,351</u>
<b>Health Administration</b>										
Child and Family Services	239	239	239	239	224	224	278	278	307	308
Adult Services	542	542	584	584	616	641	742	747	746	753
Social Services	2,452	2,457	2,559	2,600	2,643	2,639	2,642	2,654	2,671	2,721
Community Health	368	368	394	394	404	405	409	446	450	449
In-Home Supportive Services	7	7	12	12	12	12	12	12	12	12
Veterans Services	<u>5</u>	<u>6</u>	<u>6</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>
Total	<u>3,613</u>	<u>3,619</u>	<u>3,794</u>	<u>3,836</u>	<u>3,906</u>	<u>3,928</u>	<u>4,090</u>	<u>4,144</u>	<u>4,193</u>	<u>4,250</u>
Education - Library	<u>314</u>	<u>316</u>	<u>326</u>	<u>329</u>	<u>326</u>	<u>326</u>	<u>326</u>	<u>326</u>	<u>326</u>	<u>326</u>
Culture and Rec. - Parks and Grounds	<u>17</u>	<u>19</u>	<u>24</u>	<u>24</u>	<u>24</u>	<u>24</u>	<u>25</u>	<u>22</u>	<u>25</u>	<u>25</u>
<b>Grand Total</b>	<u>7,020</u>	<u>7,120</u>	<u>7,494</u>	<u>7,592</u>	<u>7,773</u>	<u>7,891</u>	<u>8,100</u>	<u>8,158</u>	<u>8,305</u>	<u>8,400</u>



Source: 2023-2024 Recommended Budget

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

<u>Function/Program</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>	<u>2022</u>	<u>2023</u>
<b>Public protection</b>										
<i>Child Support Services</i>										
Number of child support cases opened	56,755	57,388	58,556	59,934	60,152	59,943	58,992	56,925	56,970	56,647
Child support collected (in thousands)	\$ 82,525	\$ 85,345	\$ 86,430	\$ 88,016	\$ 90,658	\$ 92,071	\$ 108,960	\$ 107,875	\$ 100,613	\$ 96,706
<hr/>										
<i>Sheriff</i>										
Zone offices	4	4	4	4	4	4	4	4	4	4
Dispatched calls	188,672	115,649	109,997	101,022	96,365	92,945	107,276	141,328	130,418	129,788
Physical arrests	7,171	4,658	4,985	6,338	4,978	4,888	3,979	4,347	3,601	3,530
Traffic citations	917	959	995	834	760	700	521	447	431	325
Stolen vehicles	770	644	809	711	695	779	799	1,025	1,202	1,142
Jail bookings	44,321	34,245	29,693	29,350	30,358	30,256	25,422	22,713	22,992	24,552
Avg. daily jail population	2,978	2,725	2,748	2,849	3,030	3,046	2,837	2,494	2,646	2,716
<hr/>										
<b>Public ways and facilities</b>										
Street miles maintained	3,516	3,508	3,507	3,505	3,496	3,488	3,485	3,481	3,479	3,480
<hr/>										
<b>Health, sanitation, and public assistance</b>										
<i>Emergency Medical Services (EMS)</i>										
Number of 9-1-1 medical calls	101,982	111,501	122,868	130,451	135,237	136,445	144,040	164,588	190,421	200,771
<i>Department of Social Services</i>										
Number of client months served	7,336,435	8,147,153	8,688,471	8,571,695	8,305,266	8,695,715	8,903,966	8,977,837	9,507,903	10,185,402
<hr/>										
<b>Education</b>										
<i>Library</i>										
Number of volumes	2,188,608	2,357,614	982,245	982,245	750,420	734,929	671,985	670,108	660,414	669,714
Volumes borrowed	4,216,039	4,175,236	3,882,699	3,508,508	3,295,783	2,547,469	1,893,902	1,208,513	1,648,225	1,773,486
<hr/>										
<b>Culture and recreation</b>										
<i>Parks and Grounds</i>										
Acreage	2,000	1,089	1,089	1,409	1,290	1,578	1,578	1,578	1,578	1,578
Park passes issued	106	18	20	20	91	265	232	446	346	250

*Sources: Various county departments*

**County of Fresno**  
**Capital Asset Statistics by Function/Program**  
**For the Last Ten Fiscal Years**

<u>Function/Program</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>	<u>2022</u>	<u>2023</u>
General government										
Other buildings	4	4	4	4	4	4	4	4	4	4
Public protection										
<i>Sheriff</i>										
Patrol units	242	237	281	280	263	294	304	307	302	323
Aircrafts	3	3	3	3	3	4	4	4	4	4
Jail and detention facilities	3	3	3	3	3	3	3	3	3	3
Administration buildings	1	1	1	1	1	1	1	1	1	1
Public ways and facilities										
<i>Roads</i>										
Streetlights <sup>1</sup>	-	-	-	-	-	-	-	-	-	125
Heavy equipment	290	294	322	301	325	329	336	331	335	357
Bridges <sup>1</sup>	-	-	-	-	-	-	-	-	-	716
Health, sanitation, and public assistance										
Administration buildings	11	11	9	9	9	10	13	14	14	14
<i>Solid Waste</i>										
Landfill sites	4	4	4	4	4	4	4	4	4	4
Transfer stations	1	1	1	1	1	1	1	1	1	1
Education										
<i>Library</i>										
Number of branches	35	39	39	39	39	37	37	37	37	37
Culture and recreation										
Number of parks	12	12	12	12	12	12	12	12	12	12

*Sources: Various county departments*

<sup>1</sup> Information was only available for FY 2023, no available data for the prior years.

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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 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 assets by the government that is applicable to a future reporting period.

**DEFERRED OUTFLOWS OF RESOURCES.** A consumption of net assets by the government that is applicable to a future reporting period.

**DEFICIT.** (1) The excess of the liabilities of a fund over its assets. (2) The excess of expenditures over revenues during an accounting period or, in the case of proprietary funds, the excess of expenses over revenues during an accounting period.

**DEFINED BENEFIT OPEB PLAN.** Plan having terms that specify the amount of benefits to be provided at or after separation from employment. The benefits may be specified in dollars (for example, a flat dollar payment or an amount based on one or more factors such as age,

## County of Fresno Glossary for the Annual Comprehensive Financial Report

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.

## **County of Fresno**

### **Glossary for the Annual Comprehensive Financial Report**

**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.

## County of Fresno Glossary for the Annual Comprehensive Financial Report

**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.

## **County of Fresno**

### **Glossary for the Annual Comprehensive Financial Report**

**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/amortization, 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.

**County of Fresno**  
**Glossary for the Annual Comprehensive Financial Report**

**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.



## **County of Fresno**

### **Glossary for the Annual Comprehensive Financial Report**

**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 Uniform Guidance (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.

**SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA).** A contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, along or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

**SUBSTANTIVE PLAN.** Terms of another 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.

**County of Fresno**  
**Glossary for the Annual Comprehensive Financial Report**

**TERMINATION BENEFITS.** Inducements offered by employers to active employees to hasten the termination of services, or payments made in consequence of the early termination of services. Termination benefits include early-retirement incentives, severance benefits, and other termination-related benefits.

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

**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.

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

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
JUNE 30, 2023**



**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
 FINANCIAL STATEMENTS  
 JUNE 30, 2023**

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INDEPENDENT AUDITOR'S REPORT

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

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Children and Families Commission of Fresno County (the Commission), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Commission, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Change in Accounting Principle***

As described in Note 2 to the financial statements, in 2023, the Commission adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-10 and 36-38 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying Supplemental Schedule of First 5 California (F5CA) Funding is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Schedule of First 5 California (F5CA) Funding is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2023, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Commission's internal control over financial reporting and compliance.

*Price Pange & Company*

Clovis, California  
October 16, 2023

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**INTRODUCTION**

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

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

This report contains a discussion of key program, management, financial, and performance information for fiscal year 2022-2023 and financial statements that discuss the Commission's financial condition, and the auditor's opinion, which is independent and objective and provides reasonable assurance about whether the financial statements are free from material misstatements. Finally, this comprehensive report contains other statutorily required information that demonstrates management accountability and financial and programmatic performance. As management of the Commission, we offer readers our financial statements and this narrative overview and analysis for the fiscal year ending June 30, 2023.

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

**MISSION AND STRATEGIC GOALS**

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

Central to the Commission's mission are the strategic investment areas, outlined in the Commission's Strategic Plan, which aim to convert the Commission's commitment into action symbolically categorized into three tiers starting with the core: Families; surrounded by Communities, encircled by Systems.

**FINANCIAL HIGHLIGHTS**

- During fiscal year 2022-2023, the Commission allocated and received Proposition 10 revenues of \$6.3 million from the State of California as revenues collected under the Children and Families Act and \$2.1 million in backfill dollars from Proposition 56 and received \$114k for the newly implemented (July 2022) California Electronic Cigarette Excise Tax (CECET).
- The Commission disbursed approximately \$7 million to funded agencies in the reported period ending June 30, 2023.
- Over \$10.5 million was committed by the Commission towards the agency's Strategic Plan, which will be disbursed in the subsequent fiscal years to fund its programmatic investments.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**OVERVIEW OF FINANCIAL STATEMENTS**

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

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

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

**Government-Wide Statements**

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

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

The *statement of activities* presents information showing how the Commission's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal years (e.g., earned but unused vacation leave).

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

**Fund Financial Statements**

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

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

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

The Commission's total assets were approximately \$49 million at the end of the fiscal year. The majority of the Commission's assets are in cash and investments of \$32.7 million along with the Lighthouse for Children building valued at \$12.7 million.

Cash and investments are maintained in the Commission's checking and savings accounts, the Fresno County investment pool where interest earned on the Commission's balance is apportioned to the Commission, and in an investment account. Types of investments and credit ratings can be found in this report starting on page 25. Another asset is the Commission's approximately \$1.2 million receivable due from the State Commission for Proposition 10 and other tax-associated revenue (page 13). These receivables represent taxes remitted by the State but not received by the Commission as of June 30, 2023. The Commission also reports accounts payable of approximately \$2.8 million representing payments due on invoices.

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

	June 30, 2023	June 30, 2022	Change
<b>ASSETS</b>			
Cash and investments	\$ 32,665,443	\$ 30,263,328	\$ 2,402,115
Due from the state	1,168,785	634,896	533,889
Other receivables	1,286,309	1,073,299	213,010
Lease receivable	366,193	457,877	(91,684)
Prepaid assets	10,969	41,393	(30,424)
Capital assets, not being depreciated	676,530	676,530	-
Capital assets, net of accumulated depreciation	12,804,128	13,118,344	(314,216)
Total assets	48,978,357	46,265,667	2,712,690
<b>LIABILITIES</b>			
Current liabilities	2,816,883	2,197,070	619,813
Noncurrent liabilities	28,729	38,016	(9,287)
Total liabilities	2,845,612	2,235,086	610,526
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Lease related	416,967	457,877	(40,910)
Total liabilities	416,967	457,877	(40,910)
<b>NET POSITION</b>			
Net investment in capital assets	13,442,993	13,794,874	(351,881)
Restricted	1,446,677	1,176,443	270,234
Unrestricted	30,826,108	28,601,387	2,224,721
Total net position	\$ 45,715,778	\$ 43,572,704	\$ 2,143,074

In fiscal year 2022-2023, the Commission's net position increased by \$2.1 million, as seen above. The increase was due to an increase in cash and investments compared to prior year.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

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

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change</u>
<b>REVENUES</b>			
Grants and contributions	\$ 10,173,084	\$ 11,247,371	\$ (1,074,287)
General revenues (expenses)	<u>570,941</u>	<u>(160,076)</u>	<u>731,017</u>
Total revenue	<u>10,744,025</u>	<u>11,087,295</u>	<u>(343,270)</u>
<b>EXPENSES</b>			
Child development services	<u>8,600,951</u>	<u>7,621,778</u>	<u>979,173</u>
Total expenditures	<u>8,600,951</u>	<u>7,621,778</u>	<u>979,173</u>
Change in net position	<u>\$ 2,143,074</u>	<u>\$ 3,465,517</u>	<u>\$ (1,322,443)</u>

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

For the fiscal year, the Commission reported an ending fund balance of \$32,307,192, an increase of approximately \$2.5 million (see page 16).

**Revenue and Expenditure Analysis – Governmental Funds**

Total revenue consists of Proposition 10 funds, Proposition 56 funds, external grant revenues, investment earnings, and other revenues. As shown in the Governmental Fund Activities Comparison on the next page, there was a slight decrease in total revenues from \$11.1 million, in the prior year, to approximately \$10.8 million for the fiscal year 2022-2023. Program Revenues decreased, compared to the year ended June 30, 2022, by \$1.2 million, including Proposition 10 Revenue decreasing by \$992K. Grant revenue from external sources such as First 5 California for IMPACT (Improve and Maximize Programs so All Children Thrive) efforts increased by \$78K. Through this fiscal year's activity, the Commission's goal to support and enhance the early childhood service system and their commitment to serving the young children and families in Fresno County remained consistent with the prior year.

One example of program investments during the 2022-2023 fiscal year: Seventeen years ago, the Commission launched the Child-Friendly Business Awards (CFBA) Campaign as part of the Commission's efforts to advocate for systems and policy change to improve the lives of families with young children. For almost two decades, the CFBA Campaign has been a tool to develop, nurture, and strengthen relationships between First 5 Fresno County and local businesses in order to highlight and promote outstanding efforts made by employers to promote a work-family balance/integration for their employees. To date, over 80 local businesses have been honored as Child-Friendly Business Award Winners ranging from a small tire company to the local state university. The Campaign, a \$60K annual investment, includes an official plaque to display and a promotional video showcasing the winning businesses and words from the employees who nominated them. This investment, although not large, has become a desired recognition for employers as new strategies to show care and acknowledge their employees beyond regularly used incentives.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

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

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change</u>
<b>REVENUES</b>			
Program revenues	\$ 8,544,306	\$ 9,697,068	\$ (1,152,762)
Grant revenues	1,628,778	1,550,303	78,475
Other revenue	202,979	183,568	19,411
Investment earnings	<u>367,962</u>	<u>-</u>	<u>367,962</u>
Total revenues	<u>10,744,025</u>	<u>11,430,939</u>	<u>(686,914)</u>
<b>EXPENDITURES</b>			
Program services	7,043,013	6,399,050	643,963
Evaluation services	417,842	430,178	(12,336)
Administrative costs	504,194	386,111	118,083
Interest and investment loss	-	343,644	(343,644)
Debt service	292,525	-	292,525
Capital outlay	<u>325,064</u>	<u>-</u>	<u>325,064</u>
Total expenditures	<u>8,582,638</u>	<u>7,558,983</u>	<u>1,023,655</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds related to software subscription arrangements	<u>324,423</u>	<u>-</u>	<u>324,423</u>
Total other financing sources (uses)	<u>324,423</u>	<u>-</u>	<u>324,423</u>
Change in fund balance	<u>\$ 2,485,810</u>	<u>\$ 3,871,956</u>	<u>\$ (1,386,146)</u>

**Fund Budgetary Highlights**

This section contains an explanation of the significant differences between the Commission's final budget amounts and actual amounts, and original and final budget amounts recorded for revenues and expenditures for fiscal year 2022-2023 as detailed in the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual (shown on pages 36-38). In fiscal year 2022-2023, the Commission received actual revenues of \$10.7 million compared to the budgeted amount of \$11.3 million. In preparing the budget, the Commission considered variables such as declining tobacco consumption, the effects of changes in legislation on revenue, and lower returns on investments. Actual total revenues were \$533K less than budgeted, which was mainly due to the Refugee Family Support Grant having a late start date in the fiscal year, causing fewer dollars to be spent, and in turn, fewer dollars reimbursed/received.

In fiscal year 2022-2023, actual expenditures were \$13.7 million less than budgeted. This is due to the Commission committing roughly \$10.5 million of that amount to be spent out in subsequent fiscal years on programmatic investments.

A schedule of the Commission's original and final budget amounts compared with actual revenues and expenses is provided on pages 36-37 in the audited financial report.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**CAPITAL ASSETS AND LONG-TERM DEBT**

Capital assets of \$13.5 million (net of accumulated depreciation) are for the Lighthouse for Children facility and equipment, the Huron land and child care facility, and associated equipment purchased. Details of net capital assets are as follows:

	Governmental Activities		Change
	June 30, 2023	June 30, 2022	
Capital assets not being depreciated	\$ 676,530	\$ 676,530	\$ -
Capital assets being depreciated	16,487,257	16,250,953	(236,304)
Accumulated depreciation and amortization	<u>(3,683,129)</u>	<u>(3,132,609)</u>	<u>550,520</u>
 Total capital assets, net	 <u>\$ 13,480,658</u>	 <u>\$ 13,794,874</u>	 <u>\$ 314,216</u>

At the end of the current fiscal year, the Commission did not have any outstanding long-term debt, however, the Commission does have one long-term obligation for compensated absences. See Note 9 for details.

	Balance 06/30/2022	Additions	Deletions	Balance 06/30/2023
Governmental activities:				
Subscription liability	\$ -	\$ 324,423	\$ (286,758)	\$ 37,665
Compensated absences	<u>43,552</u>	<u>64,218</u>	<u>(73,363)</u>	<u>34,407</u>
 Total	 <u>\$ 43,552</u>	 <u>\$ 388,641</u>	 <u>\$ (360,121)</u>	 <u>\$ 72,072</u>

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

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

In development of its 2020-2025 Strategic Plan, the Commission collaborated with community entities to establish a joint early childhood community agenda for Fresno County from preconception to age 5 called the *Preconception to Age 5 Blueprint for Funding and Advocacy (Blueprint)*. The process included community engagement with parents, caregivers and service providers. The feedback received, complemented by the momentum of existing community efforts, formed the basis of the new 2020-2025 Strategic Plan which outlines the Commission's investments to address challenges our families are facing in responsive, collaborative, and innovative ways. Both the Blueprint and the Commission's 2020-2025 Strategic Plan can be found on the Commission's website at [www.first5fresno.org](http://www.first5fresno.org).

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

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

- Help Me Grow Fresno County – \$350k
- Thriving Families Service Programs – \$815k
- Community Learning Center – \$361k
- Patient-Centered Prenatal Care – \$182k
- African American Infant Mortality Prevention – \$1 million
- Quality Rating Improvement System – \$2 million
- Innovation & Learning – \$471k

**CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT**

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



## BASIC FINANCIAL STATEMENTS

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

**ASSETS**

Cash and investments	\$ 32,665,443
Due from the State	1,168,785
Other receivables	1,286,309
Lease receivable	366,193
Prepaid assets	10,969
Capital assets not being depreciated:	
Land	676,530
Capital assets, net of accumulated depreciation:	
Buildings	12,709,719
Equipment	1,160
Right-to-use software arrangements	<u>93,249</u>
 Total assets	 <u>48,978,357</u>

**LIABILITIES**

Current liabilities:	
Accounts payable	2,754,094
Accrued payroll and related taxes	9,445
Deposit payable	10,001
Noncurrent liabilities:	
Due in one year:	
Compensated absences	5,678
Software subscription liabilities	37,665
Due in more than one year:	
Compensated absences	<u>28,729</u>
 Total liabilities	 <u>2,845,612</u>

**DEFERRED INFLOWS OF RESOURCES**

Lease related	<u>416,967</u>
 Total deferred inflows of resources	 <u>416,967</u>

**NET POSITION**

Net investment in capital assets	13,442,993
Restricted	1,446,677
Unrestricted	<u>30,826,108</u>
 Total net position	 <u>\$ 45,715,778</u>

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

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u> Operating Grants and Contributions	<u>Changes in Net Position</u>
Child development services	\$ 8,600,951	\$ 10,173,084	\$ 1,572,133
Total	<u>\$ 8,600,951</u>	<u>\$ 10,173,084</u>	<u>1,572,133</u>

General revenues:	
Interest and investment earnings	367,962
Miscellaneous income	<u>202,979</u>
Total general revenues	<u>570,941</u>
Change in net position	2,143,074
Net position - beginning	<u>43,572,704</u>
Net position - ending	<u>\$ 45,715,778</u>

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

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
BALANCE SHEET – GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	General Fund	Lighthouse Special Revenue Fund	Total
<b>ASSETS</b>			
Cash and investments	\$ 32,607,936	\$ 57,507	\$ 32,665,443
Due from the State	1,168,785	-	1,168,785
Other receivables	1,286,309	-	1,286,309
Lease receivable	366,193	-	366,193
Prepaid expenses	<u>10,969</u>	<u>-</u>	<u>10,969</u>
 Total assets	 <u>\$ 35,440,192</u>	 <u>\$ 57,507</u>	 <u>\$ 35,497,699</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 2,754,094	\$ -	\$ 2,754,094
Accrued payroll and related taxes	9,445	-	9,445
Deposit payable	<u>10,001</u>	<u>-</u>	<u>10,001</u>
 Total liabilities	 <u>2,773,540</u>	 <u>-</u>	 <u>2,773,540</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Lease related	<u>416,967</u>	<u>-</u>	<u>416,967</u>
 Total deferred inflows of resources	 <u>416,967</u>	 <u>-</u>	 <u>416,967</u>
<b>FUND BALANCES</b>			
Nonspendable	10,969	-	10,969
Restricted	1,446,677	-	1,446,677
Committed	10,757,415	-	10,757,415
Assigned	<u>20,034,624</u>	<u>57,507</u>	<u>20,092,131</u>
 Total fund balances	 <u>32,249,685</u>	 <u>57,507</u>	 <u>32,307,192</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 35,440,192</u>	 <u>\$ 57,507</u>	 <u>\$ 35,497,699</u>

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

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCES  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2023**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances - governmental funds	\$ 32,307,192
Capital assets of \$17,163,787, net of accumulated depreciation of \$3,683,129, used in governmental activities are not current financial resources; therefore, they are not reported in the governmental funds.	13,480,658
Compensated absences liability is not due in the current period and, therefore, is not included in the governmental funds.	(34,407)
Software subscription liabilities are not due in the current period and, therefore, are not included in the governmental funds.	<u>(37,665)</u>
Total net position - governmental activities	<u>\$ 45,715,778</u>

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

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund	Lighthouse Special Revenue Fund	Total
<b>REVENUES</b>			
Proposition 10 taxes	\$ 6,266,495	\$ -	\$ 6,266,495
Proposition 56 taxes	2,132,426	-	2,132,426
Other tax revenue	145,385	-	145,385
Grant revenue	1,628,778	-	1,628,778
Other revenue	182,970	20,009	202,979
Investment earnings	367,962	-	367,962
Total revenues	10,724,016	20,009	10,744,025
<b>EXPENDITURES</b>			
Current:			
Program services	7,043,013	-	7,043,013
Evaluation services	417,842	-	417,842
Administrative costs	497,774	6,420	504,194
Debt service:			
Principal	286,758	-	286,758
Interest	5,767	-	5,767
Capital outlay	325,064	-	325,064
Total expenditures	8,576,218	6,420	8,582,638
Excess (deficiency) of revenues over (under) expenditures	2,147,798	13,589	2,161,387
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds related to software subscription arrangements	324,423	-	324,423
Total other financing sources (uses)	324,423	-	324,423
Net change in fund balances	2,472,221	13,589	2,485,810
Fund balances - beginning	29,777,464	43,918	29,821,382
Fund balances - ending	\$ 32,249,685	\$ 57,507	\$ 32,307,192

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

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

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

Net change in fund balances - governmental funds	\$	2,485,810
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.		(407,465)
Compensated absences expense reported in the Statement of Activities does not require the use of current financial resources; therefore, it is not reported as an expenditure in the governmental funds.		9,145
Software subscription liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position.		<u>55,584</u>
Change in net position - governmental activities	\$	<u><u>2,143,074</u></u>

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

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 – ORGANIZATION**

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

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

**A. Reporting Entity**

The governmental reporting entity consists of the Commission and its component unit, Lighthouse for Children, Inc. Component units are legally separate organizations for which the Commission is financially accountable or organizations whose nature and significant relationship are such that exclusion would cause the Commission’s financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit’s board, and (i) either the Commission’s ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the Commission. The component unit, although a legally separate entity, is reported in the financial statements using the blended presentation method because it provides services exclusively or almost exclusively to the Commission and a financial benefit relationship exists between the Commission and the component unit.

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

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



**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

The basic financial statements of the Commission are prepared on the basis of Governmental Accounting Standards Board (GASB) statement No. 34, *Basic Financial Statements – Management Discussion and Analysis – for State and Local Governments*, and related standards. GASB Statement No. 34 established standards for external financial reporting for all state and local government entities which includes a management’s discussions and analysis section, a statement of net position, a statement of activities, and if applicable, a statement of cash flows.

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

**Government-Wide Financial Statements**

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

**Fund Financial Statements**

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

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental fund and governmental activities.

The Commission reports the following major governmental funds:

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

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

Both the Commission and the Lighthouse for Children, Inc. adopt annual appropriated budgets. Budgetary comparison schedules have been provided for the funds to demonstrate compliance with the budgets.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation** (Continued)

**Budgetary Procedures**

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

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

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

**Expenses/Expenditures**

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

**Cash and Investments**

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

State statutes and the Commission's Investment Policy authorize the Commission to invest in U.S. Government Treasury and Agency Securities, bankers' acceptances, commercial paper, corporate bonds and notes, repurchases agreements, and the State Treasurer's Local Agency Investment Fund (LAIF). Investments held by the County Treasurer are stated at fair value in accordance with GASB requirements. The fair value of pooled investments is determined quarterly and is based on current market prices received from the securities custodian. The balance available for withdrawal is based on the accounting records maintained by the County Treasurer.

**Accounts Receivable**

The Commission utilizes the allowance method of accounting for and reporting uncollectible or doubtful accounts. At June 30, 2023, management considered all accounts to be fully collectible and, therefore, no allowance was recorded in the accompanying financial statements.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation** (Continued)

**Leases**

The Commission is a lessor for various leases of spaces within the Lighthouse for Children facility. The Commission recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements as required by Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. At the commencement of a lease, the Commission initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. Key estimates and judgments include how the Commission determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Commission uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The Commission monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable. Refer to the Statement of Net Position (page 12) for lease-related receivables and deferred inflows. More information on the leases held can be found on pages 30-31 in Note 7.

**Capital Assets**

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

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

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

Buildings .....	15-90 years
Building Improvements .....	10-80 years
Leasehold Improvements .....	5-20 years
Equipment.....	3-20 years
Right-to-use Software Arrangements .....	2-5 years

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation** (Continued)

**Software Subscription Arrangements**

The Commission has subscriptions for various information technology applications. The Commission recognizes subscription-based information technology arrangement (SBITA) liabilities and intangible right-to-use software arrangement assets in the government-wide financial statements as required by Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. At the commencement of a subscription arrangement, the Commission initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of the payments made. The Intangible Right-to-Use Software Arrangement asset is initially measured as the initial amount of the SBITA liability, adjusted for payments made at or before the commencement of the subscription term. Subsequently, the intangible right-to-use software arrangement asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to SBITAs include how the Commission determines (1) the rate it uses to discount the expected SBITA payments to present value, (2) the SBITA term, and (3) the SBITA payments.

- The Commission uses the interest rate charged by the SBITA vendors as the discount rate. When the interest rate charged by the SBITA vendors is not provided, the Commission generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the non-cancellable period of the arrangement. SBITA payments included in the measurement of the SBITA liability are composed of fixed payments made during the subscription term.

The Commission monitors changes in circumstances that would require a remeasurement of its SBITA liability and related asset and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability.

SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the Statement of Net Position (page 12). Payments made on the SBITA liability are reported as debt service expenditures within the Statement of Revenues, Expenditures and Changes in Fund Balances (page 16).

**Accrued Liabilities and Long-Term Obligations**

All current and long-term obligations are reported in the government-wide financial statements. Compensated absences that will be paid from governmental funds are reported as a liability in the governmental fund financial statements only to the extent that they are due for payment at year end. More information can be found on pages 31-32 in Note 9.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation** (Continued)

**Compensated Absences**

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

In the governmental fund financial statements, a liability for these amounts is reported only if they have matured, for example, as a result of employee resignations or retirements prior to year-end, and payment of the liability is made subsequent to year-end.

**Fund Balance**

Fund Balance Classification

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

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

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

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation** (Continued)

**Fund Balance** (Continued)

Fund Balance Classification (Continued)

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

**Net Position**

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

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

**Use of Estimates**

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

**Pronouncements**

New Accounting Pronouncements Adopted

Governmental Accounting Standards Board Statement No. 96

For the year ended June 30, 2023, the Commission implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. GASB Statement No. 96 establishes uniform accounting and financial reporting requirements for subscription-based information technology arrangements (SBITAs). These changes were incorporated in the Commission's June 30, 2023 financial statements and had no effect on the beginning net position of the General Fund. More information on SBITAs can be found in Note 9 on pages 31-32.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 3 – CASH AND INVESTMENTS**

Cash and investments consisted of the following as of June 30, 2023:

Cash in banks	\$ 2,628,792
Investments	<u>30,036,651</u>
 Total cash and investments	 <u>\$ 32,665,443</u>

**A. Policies and Practices**

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

**B. Investment in County Treasury**

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

**C. General Authorization**

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

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

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 3 – CASH AND INVESTMENTS** (Continued)

**D. Interest Rate Risk**

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

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

Investment Type	Amount	Remaining Maturity (in months)		
		12 months or less	13 to 24 months	25 to 60 months
U.S. Treasuries	\$ 6,022,202	\$ 126,164	\$ 1,684,798	\$ 4,211,240
Federal Agencies (non-callable)	710,215	89,512	194,542	426,161
Federal Agency Mortgage Backed Securities	702,142	69,262	267,787	365,093
Supranationals	254,801	-	254,801	-
Municipal Obligations	481,398	-	149,247	332,151
Corporate Notes	2,088,640	33,755	640,886	1,413,999
Asset-Backed Securities	832,528	-	15,485	817,043
Money Market Mutual Funds	85,580	85,580	-	-
County Pooled Investments Funds	18,859,145	18,859,145	-	-
<b>Total</b>	<b>\$ 30,036,651</b>	<b>\$ 19,263,418</b>	<b>\$ 3,207,546</b>	<b>\$ 7,565,687</b>

**E. Credit Rate Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Commission’s Investment in the County Pool is not required to be rated, nor has it been rated as of June 30, 2023.

Investment Type	Fair Value	Minimum Legal Rating	Rating as of Year-End										Not Rated	
			AAA	AA+	AA	AA-	A+	A	A-	A-1+	BBB+			
U.S. Treasuries	\$ 6,022,202	N/A	\$ -	\$ 6,022,202	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Agencies (non-callable)	710,215	N/A	-	710,215	-	-	-	-	-	-	-	-	-	-
Backed Securities	702,142	N/A	-	702,142	-	-	-	-	-	-	-	-	-	-
Supranationals	254,801	AA-	254,801	-	-	-	-	-	-	-	-	-	-	-
Municipal Obligations	481,398	N/A	116,259	73,371	185,442	-	-	-	-	-	-	-	-	106,326
Corporate Notes	2,088,640	A-	-	69,786	122,283	154,220	150,533	499,013	739,958	-	352,847	-	-	-
Asset-Backed Securities	832,528	AA-	825,685	-	-	-	-	-	-	-	-	-	-	6,843
Money Market Mutual Funds	85,580	AAA	85,580	-	-	-	-	-	-	-	-	-	-	-
County Pooled Investments Funds	18,859,145	N/A	-	-	-	-	-	-	-	-	-	-	-	18,859,145
<b>Total</b>	<b>\$ 30,036,651</b>		<b>\$ 1,282,325</b>	<b>\$ 7,577,716</b>	<b>\$ 307,725</b>	<b>\$ 154,220</b>	<b>\$ 150,533</b>	<b>\$ 499,013</b>	<b>\$ 739,958</b>	<b>\$ -</b>	<b>\$ 352,847</b>	<b>\$ 18,972,314</b>		



**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 3 – CASH AND INVESTMENTS** (Continued)

**F. Concentration of Credit Risk**

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

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>	<u>% of Total Investments</u>
Fresno County Investment Pool	Investment Pool	\$ 18,859,145	62.8%
U.S. Treasury	Treasury Securities	\$ 6,022,202	20.0%

**G. Custodial Credit Risk**

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

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

Bank balances were \$1,630,433, the total amount of which was insured and/or collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the name of the Commission.

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

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 4 – FAIR VALUE MEASUREMENTS**

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

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

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

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

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

The following is a summary of the inputs used as of June 30, 2023, in valuing the Commission's assets carried at fair value:

Investments by Fair Value Level	Total	Level 1	Level 2	Level 3
U.S. Treasuries	\$ 6,022,202	\$ -	\$ 6,022,202	\$ -
Federal Agencies (non-callable)	710,215	-	710,215	-
Federal Agency Mortgage Backed Securities	702,142	-	702,142	-
Supranationals	254,801	-	254,801	-
Municipal Obligations	481,398	-	481,398	-
Corporate Notes	2,088,640	-	2,088,640	-
Asset-Backed Securities	832,528	-	832,528	-
Total investments measured by fair value	11,091,926	\$ -	\$ 11,091,926	\$ -
Investments not subject to fair value hierarchy:				
Money Market Mutual Funds	85,580			
County Pooled Investments Funds	18,859,145			
Total investments	\$ 30,036,651			

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 5 – RECEIVABLES**

Accounts receivable as of June 30, 2023, consisted of intergovernmental grants, entitlements, state apportionments and local sources. All receivables, other than lease receivable, consisted of the following:

State government:	
Proposition 10	\$ 1,023,400
Surplus Money Investment Fund	31,337
Other State taxes	<u>114,048</u>
Total state government	<u>1,168,785</u>
Other receivables:	
Grant receivables	1,159,315
Interest receivables	<u>126,994</u>
Total other receivables	<u>1,286,309</u>
Total receivables	<u>\$ 2,455,094</u>

**NOTE 6 – CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2023 was as follows:

	Balance 6/30/2022	Additions	Deletions	Balance 6/30/2023
Capital assets not being depreciated:				
Land	\$ 676,530	\$ -	\$ -	\$ 676,530
Total capital assets not being depreciated	<u>676,530</u>	<u>-</u>	<u>-</u>	<u>676,530</u>
Capital assets being depreciated:				
Equipment	119,310	-	(88,119)	31,191
Buildings and improvements	16,131,643	-	-	16,131,643
Intangible right-to-use software arrangements	<u>-</u>	<u>324,423</u>	<u>-</u>	<u>324,423</u>
Total capital assets being depreciated	<u>16,250,953</u>	<u>324,423</u>	<u>(88,119)</u>	<u>16,487,257</u>
Less accumulated depreciation and amortization:				
Equipment	(113,976)	(4,174)	88,119	(30,031)
Buildings and improvements	(3,018,633)	(403,291)	-	(3,421,924)
Intangible right-to-use software arrangements	<u>-</u>	<u>(231,174)</u>	<u>-</u>	<u>(231,174)</u>
Total accumulated depreciation and amortization	<u>(3,132,609)</u>	<u>(638,639)</u>	<u>88,119</u>	<u>(3,683,129)</u>
Total capital assets being depreciated, net	<u>13,118,344</u>	<u>(314,216)</u>	<u>-</u>	<u>12,804,128</u>
Total capital assets, net	<u>\$ 13,794,874</u>	<u>\$ (314,216)</u>	<u>\$ -</u>	<u>\$ 13,480,658</u>

Depreciation/amortization expense for the year ended June 30, 2023 was \$638,639.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 – LEASES**

The Commission reported Leases Receivable of \$366,193 as of June 30, 2023. For the year ended June 30, 2023, the Commission reported \$97,593 in lease revenues and \$3,653 in lease interest revenues.

Office Space Lease – FCSS SELPA Department – On July 1, 2017, the Commission entered into a fourteen-year lease agreement with Fresno County Superintendent of Schools (FCSS), for the use of a portion (1,408 sq. ft.) of the third-floor office space at the Lighthouse for Children facility for their Special Education Local Plan Area (SELPA) Program staff. Based on this agreement, the Commission will receive monthly payments through June 2031. Either party may terminate the lease agreement for any reason with a ninety-day (90) written notice prior to the termination date. The tenant may request a lease extension by submitting a written notice ninety-days (90) prior to expiration of the current lease term. Both parties must agree to an extension upon negotiation of terms. The lease receivable was discounted to a net present value using a 0.9% interest rate, which was provided by the California State Controller’s Office.

Office Space Lease – FCSS Early Care & Education Department – On July 1, 2021, the Commission entered into a three-year lease agreement with Fresno County Superintendent of Schools (FCSS), Early Care & Education Department (ECE), for the use of a portion (23,427 sq. ft.) of the first floor and outdoor playground area at the Lighthouse for Children facility, to operate the Child Development Center. Based on this agreement, the Commission will receive monthly payments through June 2024. Either party may terminate the lease agreement for any reason with a written notice one-hundred twenty (120) days prior to the termination date. The tenant may request a lease extension by submitting a written notice ninety-days (90) prior to expiration of the current lease term. Both parties must agree to the upon negotiation of terms. The lease receivable was discounted to a net present value using a 0.2% interest rate, which was provided by the California State Controller’s Office.

Office Space Lease – Simpson Speech & Language – On March 1, 2021, the Commission entered into a two-year lease agreement with Simpson Speech and Language (SSL) for the use of a portion (719.75 sq. ft.) of the second-floor office space at the Lighthouse for Children facility. Based on this agreement, the Commission will receive monthly payments through February 28, 2023. Either party may terminate the lease agreement for any reason with a ninety-day (90) written notice prior to the termination date. The tenant may request a lease extension by submitting a written notice ninety-days (90) prior to expiration of the current lease term. Both parties must agree to the extension upon negotiation of terms. The lease receivable was discounted to a net present value using a 0.2% interest rate, which was provided by the California State Controller’s Office.

The leases are summarized below by lease holder as follows:

<u>Lease Holder</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
FCSS - SELPA	\$ 361,163	\$ 77,271	\$ 3,626
FCSS - CDC	5,030	4,247	14
SSL	-	16,075	13
Total	<u>\$ 366,193</u>	<u>\$ 97,593</u>	<u>\$ 3,653</u>

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 7 – LEASES** (Continued)

Future lease principal and interest payments due to the Commission under non-cancelable agreements are as follows for the years ending June 30, 2023:

Fiscal Year Ended June 30	Principal	Interest
2024	\$ 82,484	\$ 2,936
2025	39,777	2,388
2026	39,746	2,032
2027	40,106	1,672
2028	40,468	1,310
2029-2033	<u>123,612</u>	<u>1,723</u>
Total	<u>\$ 366,193</u>	<u>\$ 12,061</u>

**NOTE 8 – ACCOUNTS PAYABLE**

Accounts payable consisted of the following as of June 30, 2023:

Program grantees and expenses	\$ 2,739,172
Vendors	<u>14,922</u>
Total	<u>\$ 2,754,094</u>

**NOTE 9 – LONG-TERM OBLIGATIONS**

Long term obligations activity for the year ended June 30, 2023 were as follows:

	Balance 06/30/2022	Additions	Deletions	Balance 06/30/2023	Due within One Year
Governmental activities:					
Subscription liability	\$ -	\$ 324,423	\$ (286,758)	\$ 37,665	\$ 37,665
Compensated absences	<u>43,552</u>	<u>64,218</u>	<u>(73,363)</u>	<u>34,407</u>	<u>5,678</u>
Total	<u>\$ 43,552</u>	<u>\$ 388,641</u>	<u>\$ (360,121)</u>	<u>\$ 72,072</u>	<u>\$ 43,343</u>

**A. Compensated Absences – Governmental Activities**

Compensated absences, which combines vacation and sick leave benefits into a single PTO bank account, amounted to \$34,407 at June 30, 2023.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 – LONG-TERM OBLIGATIONS** (Continued)

**B. Subscription Liabilities**

The Commission implemented Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, in fiscal year 2023. The Commission has two software arrangements that require recognition under GASB No. 96. The Commission now recognizes subscription-based information technology arrangement (SBITA) liabilities and intangible right-to-use software arrangement assets for an accounting software and a data system hosting service. The software amortization expense is included within expenditures on the Statement of Activities related to the Commission’s SBITAs, which are included as Intangible Right-to-Use Software Arrangements in the Commission’s capital assets.

The Commission has an accounting software arrangement with a five-year term, initiated in fiscal year 2021 with an annual payment that ranges from \$10,406 to 14,726. The Commission has used a 2.40% discount rate for this arrangement, which was provided by the California State Controller’s Office. There is no option to extend the agreement or purchase the software.

The Commission’s data system hosting service arrangement is a 12-month agreement, initiated in fiscal year 2023, with an annual payment of \$277,800. At the end of the arrangement, Early Quality Systems, Inc agreed to extend the term for an additional three months through September 2023. There are no options to extend or purchase the software beyond this date. The Commission has used a 2.40% discount rate to determine the present value of the Intangible Right-to-Use Asset and SBITA liability, which was provided by the California State Controller’s Office.

A summary of future subscription payments under SBITA agreements are as follows:

Fiscal Year Ended June 30	Principal	Interest
2024	\$ 12,974	\$ 612
2025	13,288	297
2026	<u>11,403</u>	<u>23</u>
Total	<u>\$ 37,665</u>	<u>\$ 932</u>

**NOTE 10 – POSTEMPLOYMENT BENEFITS**

The Commission’s 401(a) Plan (the Plan) is a defined contribution pension plan established by the Commissioners of the Commission and administered through MissionSquare Retirement, a non-profit independent financial services corporation. The provisions and contribution requirements of the Plan are established and may be amended by the Commissioners of the Commission. The Plan covers all full-time employees and provides for immediate 100% vesting for the participants. The Commission makes contributions of 8.74% of compensation to the Plan for employees. For the year ended June 30, 2023, the Commission made contributions to the Plan of \$67,799.

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

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 – FUND BALANCE**

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned as described in Note 2. A detailed schedule of fund balance as of June 30, 2023 is as follows:

Nonspendable:	
Prepaid vendor	\$        10,969
Restricted:	
Outside grant funding	1,446,677
Committed:	
Awarded and unpaid grants	10,757,415
Assigned:	
First 5 initiatives	20,034,624
Lighthouse Special Revenue Fund	<u>57,507</u>
Total fund balance	<u>\$  32,307,192</u>

**NOTE 12 – RISK MANAGEMENT**

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

**NOTE 13 – EVALUATION EXPENDITURES**

The Commission expended \$417,842 on program evaluation during the fiscal year ended June 30, 2023.

**NOTE 14 – ECONOMIC DEPENDENCY**

The Commission received the majority of its funding from one source, taxes imposed by Section 30131.2 of the California Tax and Revenue Code. This code imposes additional taxes on the sale of cigarettes and tobacco products. The total amount of funding the Commission received from the additional taxes for the year ended June 30, 2023 was \$8,544,306, or 77.20%, of the total revenue for the year. The Commission is thus subject to possible risk of reductions in services and/or closure due to potential future changes of Section 30131.2 of the California Tax and Revenue Code.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 15 – COMMITMENTS AND CONTINGENCIES**

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

**A. Grantee Obligations**

As of June 30, 2023, the Commission's remaining obligations to grantees of \$10,757,415 is included as committed fund balance.

**B. Litigation**

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

**NOTE 16 – SUBSEQUENT EVENTS**

Management has evaluated and concluded that there were no subsequent events that have occurred from June 30, 2023, through the date the financial statements were available to be issued at October 16, 2023 that would require disclosure or adjustment.



REQUIRED SUPPLEMENTARY INFORMATION

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – GENERAL FUND  
(BUDGET TO ACTUAL)  
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Proposition 10 taxes	\$ 6,360,636	\$ 6,360,636	\$ 6,266,495	\$ (94,141)
Proposition 56 taxes	2,434,196	2,434,196	2,132,426	(301,770)
Other revenue	-	-	145,385	145,385
Grant revenue	1,538,788	2,214,373	1,628,778	(585,595)
Other revenue	120,750	162,956	182,970	20,014
Investment earnings	100,000	85,000	367,962	282,962
	<u>10,554,370</u>	<u>11,257,161</u>	<u>10,724,016</u>	<u>(533,145)</u>
<b>EXPENDITURES</b>				
Salaries and employee benefits	1,096,741	1,122,463	846,105	276,358
Services and supplies	460,822	686,329	378,699	307,630
Evaluation services	400,000	450,000	394,384	55,616
Grant expenditures	8,528,333	19,910,011	6,339,441	13,570,570
Debt service:				
Principal	47,974	47,974	286,758	(238,784)
Interest	-	-	5,767	(5,767)
Capital outlay	20,500	24,500	325,064	(300,564)
	<u>10,554,370</u>	<u>22,241,277</u>	<u>8,576,218</u>	<u>13,665,059</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(10,984,116)</u>	<u>2,147,798</u>	<u>(14,198,204)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds related to subscription arrangements	-	-	324,423	324,423
	<u>-</u>	<u>-</u>	<u>324,423</u>	<u>324,423</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (10,984,116)</u>	<u>2,472,221</u>	<u>\$ (13,873,781)</u>
Fund balance - beginning			<u>29,777,464</u>	
Fund balance - ending			<u>\$ 32,249,685</u>	

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – LIGHTHOUSE SPECIAL REVENUE FUND  
(BUDGET TO ACTUAL)  
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Other revenue	\$ -	\$ -	\$ 20,009	\$ 20,009
Total revenues	-	-	20,009	20,009
<b>EXPENDITURES</b>				
Insurance and tax expense	575	575	2,202	(1,627)
Professional services expense	6,014	6,014	4,218	1,796
Total expenditures	6,589	6,589	6,420	169
Excess (deficiency) of revenues over (under) expenditures	(6,589)	(6,589)	13,589	20,178
Net change in fund balance	<u>\$ (6,589)</u>	<u>\$ (6,589)</u>	13,589	<u>\$ 20,178</u>
Fund balance - beginning			43,918	
Fund balance - ending			<u>\$ 57,507</u>	

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

**NOTE 1 – BUDGETARY BASIS OF ACCOUNTING**

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

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

The General Fund incurred expenditures in excess of appropriations for the following amounts for the year ended June 30, 2023:

Debt service:		
Principal	\$	238,784
Interest		5,767
Capital outlay		300,564

See the Budget to Actual on page 36. This occurred because of the required implementation of GASB No. 96, new in fiscal year 2022-2023.

The Lighthouse Special Revenue Fund incurred expenditures in excess of appropriations for the following amounts for the year ended June 30, 2023:

Insurance and tax expense	\$	1,627
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Expenditures in excess of appropriations were funded by greater than anticipated revenues in the respective fund.

OTHER SUPPLEMENTARY INFORMATION

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
 SUPPLEMENTAL SCHEDULE OF FIRST 5 CALIFORNIA (F5CA) FUNDING  
 FOR THE YEAR ENDED JUNE 30, 2023**

<u>PROGRAM OR PROJECT TITLE</u>	<u>REVENUE F5CA</u>	<u>EXPENDITURES</u>	<u>CHANGE IN NET POSITION</u>	<u>NET POSITION BEG OF YEAR</u>	<u>NET POSITION END OF YEAR</u>
First 5 IMPACT Program					
IMPACT Hub Program Funds	\$ 630,022	\$ 629,874	\$ 148	\$ 353	\$ 501
County, Local IMPACT Funds	572,625	572,625	-	-	-
Refugee Family Support Funds	<u>150,783</u>	<u>151,004</u>	<u>(221)</u>	<u>-</u>	<u>(221)</u>
<b>TOTAL F5CA FUNDS</b>	<u>\$ 1,353,430</u>	<u>\$ 1,353,503</u>	<u>\$ (73)</u>	<u>\$ 353</u>	<u>\$ 280</u>

OTHER INDEPENDENT AUDITOR'S REPORTS

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

To the Board of Commissioners of  
Children and Families Commission of Fresno County  
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 financial statements of the governmental activities and each major fund of the Children and Families Commission of Fresno County (the Commission), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated October 16, 2023.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. 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 or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

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

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## **Purpose of This Report**

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

*Price Page & Company*

Clovis, California  
October 16, 2023



INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

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

**Report on Compliance**

**Opinion**

We have audited the Children and Families Commission of Fresno County's (the Commission) compliance with the requirements specified in the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller's Office, applicable to the Commission's statutory requirements identified below for the year ended June 30, 2023.

In our opinion, the Children and Families Commission of Fresno County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the California Children and Families Program for the year ended June 30, 2023.

**Basis for Opinion**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller's Office. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the Commission's compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above, and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the California Children and Families Program.

**Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether the material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS,

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*Government Auditing Standards*, and the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission's compliance with the requirements of the California Children and Families Program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Commission's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of the Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the Commission's compliance with the state laws and regulations applicable to the following items:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identify during the audit.

**Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control

over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*. Accordingly, this report is not suitable for any other purpose.

*Price Pange & Company*

Clovis, California  
October 16, 2023

## FINDINGS AND QUESTIONED COSTS

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**FINANCIAL STATEMENTS**

Type of auditor's report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
Material weaknesses identified?	<u>          </u> Yes	<u>  X  </u> No	
Significant deficiencies identified - not considered to be material weaknesses?	<u>          </u> Yes	<u>  X  </u> No	
Noncompliance material to financial statements noted?	<u>          </u> Yes	<u>  X  </u> No	

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None reported.

**CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2023**

**FINANCIAL STATEMENT FINDINGS**

None reported.