

# **Annual Financial Report**

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**County of Stanislaus, California**



**Fiscal Year Ended June 30, 2014**

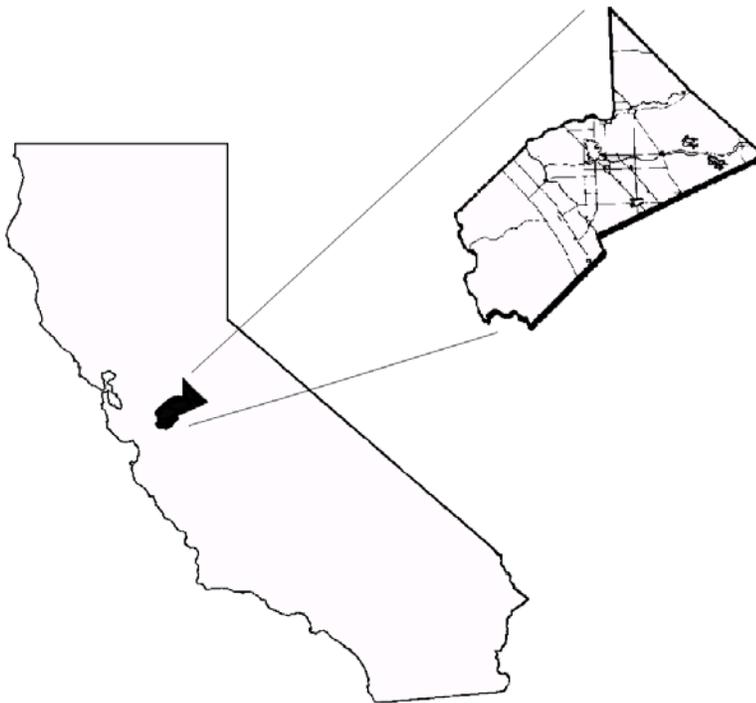


# Annual Financial Report

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**County of Stanislaus, California**  
**Fiscal Year Ended**  
**June 30, 2014**



**Prepared By**  
**Stanislaus County Auditor-Controller's Office**  
**Lauren Klein, CPA, Auditor-Controller**

**County of Stanislaus  
Annual Financial Report  
For the Fiscal Year Ended June 30, 2014**

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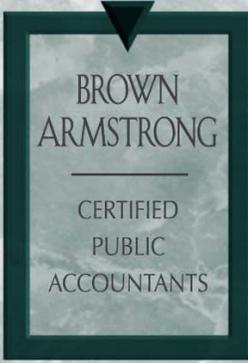
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# Financial Section





# BROWN ARMSTRONG

*Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Grand Jury and Board of Supervisors  
of the County of Stanislaus, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Stanislaus, California, (the County) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinions

In our opinion, 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 June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Behavioral Health and Recovery Fund, and Community Services Agency Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### MAIN OFFICE

#### 4200 TRUXTON AVENUE

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

#### 7673 N. INGRAM AVENUE

SUITE 101  
FRESNO, CALIFORNIA 93711  
TEL 559.476.3592  
FAX 559.476.3593

#### 221 E. WALNUT STREET

SUITE 260  
PASADENA, CALIFORNIA 91101  
TEL 626.204.6542  
FAX 626.204.6547

#### 5250 CLAREMONT AVENUE

SUITE 237  
STOCKTON, CA 95207  
TEL 209.451.4833

## Emphasis of Matter

As discussed in Note 1 to the financial statements, during the year ended June 30, 2014, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which modified the current financial reporting of those elements. Our opinion is not modified with respect to the matter.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Funding Progress – Pension Benefit Plan, and Schedule of Funding Progress – OPEB 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 the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements, Long-Term Debt Statements of the Successor Agency to the Stanislaus County Redevelopment Agency, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2014, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
December 19, 2014

Management's  
Discussion and  
Analysis



## County of Stanislaus Management's Discussion and Analysis

As management of the County of Stanislaus (County), we offer this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2014. Please read it in conjunction with the County's basic financial statements following this section.

### FINANCIAL HIGHLIGHTS

- The assets of the County exceeded liabilities at the close of the 2013-2014 fiscal year by \$742 million (*net position*). Of this amount, \$409 million is net investment in capital assets and \$331 million is restricted for specific purpose (*restricted net position*), with a \$2 million balance in unrestricted net position.
- The government's total net position increased by \$18 million.
- As of June 30, 2014, the County governmental funds reported combined fund balances of \$443 million, an increase of \$8 million from the prior year. Approximately 4% of the combined fund balances, or \$16 million is unassigned.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$17 million, or 7% of total General Fund expenditures and transfers.
- The County's total long-term liabilities decreased by a net \$25 million in fiscal year 2013-2014. The majority of the decrease is related to the refunding of 2004 Certificates of Participation and Pension Obligation Bond payments.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. There are three components to the County's basic financial statements 1) **Government-wide** financial statements; 2) **Fund** financial statements and 3) **Notes** to the basic financial statements. This report also contains other supplementary information.

**Government-wide Financial Statements** are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business.

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

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

**County of Stanislaus**  
**Management's Discussion and Analysis (Continued)**

**OVERVIEW OF THE FINANCIAL STATEMENTS (Cont.)**

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*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 and sanitation, public assistance, education and recreation and cultural services. The business-type activities of the County include the Fink and Geer Road Sanitary Landfills, Health Clinics and Ancillary Services and Inmate Welfare/Commissary and Transit.

The government-wide financial statements include not only the County (known as the primary government), but also legally separate entities (component units) for which the County is financially accountable. There are five component units included in these financial statements. Stanislaus County Capital Improvements Financing Authority, Stanislaus County Tobacco Funding Corporation, Stanislaus County Children and Families Commission, In-Home Supportive Services Public Authority and the Lighting Districts, although legally separate, function for all practical purposes as departments of the County and therefore, are included as an integral part of the primary government.

**The government-wide financial statements can be found on pages 15-17 of this report.**

**Fund Financial Statements** are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

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

For the governmental funds, information is presented separately for the General Fund, Tobacco Settlement, Behavioral Health and Recovery Services, Community Services Agency, and Public Facility Fees, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the

**County of Stanislaus**  
**Management's Discussion and Analysis (Continued)**

**OVERVIEW OF THE FINANCIAL STATEMENTS (Cont.)**

non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for its General Fund and most of its Special Revenue Funds. Budgetary comparison statements have been provided in this report for the General Fund and the major Special Revenue Funds.

**The governmental funds financial statements can be found on pages 18-31 of this report.**

*Proprietary funds* are divided into two types. *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 Fink and Geer Road Landfills, Health Clinics and Ancillary Services, Inmate Welfare/Commissary and Transit activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its self-insurance activities, Central Services, Fleet Services, Technology and Communication, Facilities Maintenance and Morgan Shop Garage. All of these activities, except the Professional Liability Self-insurance Fund, predominantly benefit governmental functions and have been included within *governmental activities* in the government-wide financial statements. The Professional Liability Insurance Fund predominantly benefits business type functions and is included within the *business-type* activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Fink Road Sanitary Landfill, and the Health Clinics and Ancillary Services Fund are considered to be major funds of the County. The County's internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

**The proprietary funds financial statements can be found on pages 32-35 of this report.**

*Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's programs. The accounting used for fiduciary funds is much like that used for proprietary funds except for agency funds.

**The fiduciary fund financial statements can be found on pages 36-37 of this report.**

**Notes to the Financial Statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 38-90 of this report.

The combining and individual fund statements referred to earlier provide information for non-major governmental funds, enterprise and internal service funds and are presented following the notes to the financial statements. Combining and individual fund statements can be found on pages 93-107 of this report.

**County of Stanislaus**  
**Management's Discussion and Analysis (Continued)**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$742 million at the close of the 2013-2014 fiscal year.

By far the largest portion of the County's net position of \$409 million (55%) reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment), less any outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

County of Stanislaus Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 583,099,422	\$ 575,008,247	\$ 56,588,881	\$ 53,933,334	\$ 639,688,303	\$ 628,941,581
Capital assets	422,053,317	441,385,172	28,812,078	26,864,463	450,865,395	468,249,635
Total assets	1,005,152,739	1,016,393,419	85,400,959	80,797,797	1,090,553,698	1,097,191,216
Long-term liabilities outstanding	230,707,554	253,757,924	11,684,818	12,662,609	242,392,372	266,420,533
Other liabilities	85,634,672	84,111,798	21,023,601	23,077,037	106,658,273	107,188,835
Total liabilities	316,342,226	337,869,722	32,708,419	35,739,646	349,050,645	373,609,368
Net position:						
Net investment in capital assets	380,595,362	383,152,489	28,812,078	26,864,465	409,407,440	410,016,954
Restricted	310,193,664	306,281,464	20,102,454	19,457,319	330,296,118	325,738,783
Unrestricted	(1,978,513)	(10,910,256)	3,778,008	(1,263,633)	1,799,495	(12,173,889)
Total net position	\$ 688,810,513	\$ 678,523,697	\$ 52,692,540	\$ 45,058,151	\$ 741,503,053	\$ 723,581,848

Another significant portion of the County's net position, \$331 million represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$2 million is the amount by which the County's obligations exceed the unrestricted dollars.

County's net position increased by \$18 million.

For business-type activities, the County reported a balance of \$4 million in unrestricted net position compared to a negative balance of \$1 million in the prior year. The favorable variance of \$5 million from the prior year's unrestricted net position is due to program revenues exceeding program expenses.

**County of Stanislaus**  
**Management's Discussion and Analysis (Continued)**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont.)**

**Governmental activities** Governmental activities increased the County's net position by \$10 million, due to general revenues.

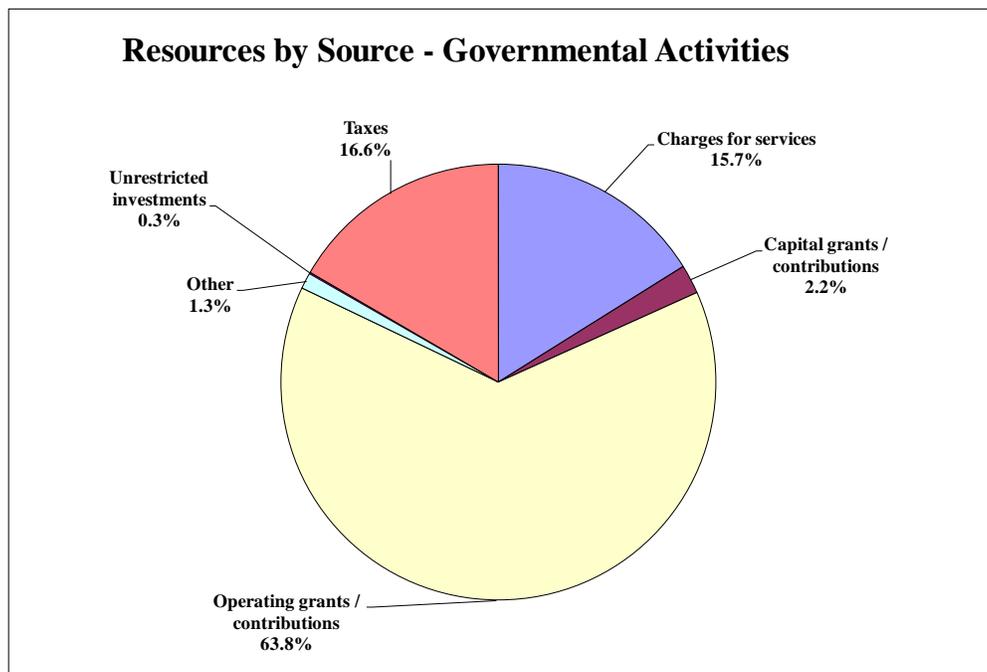
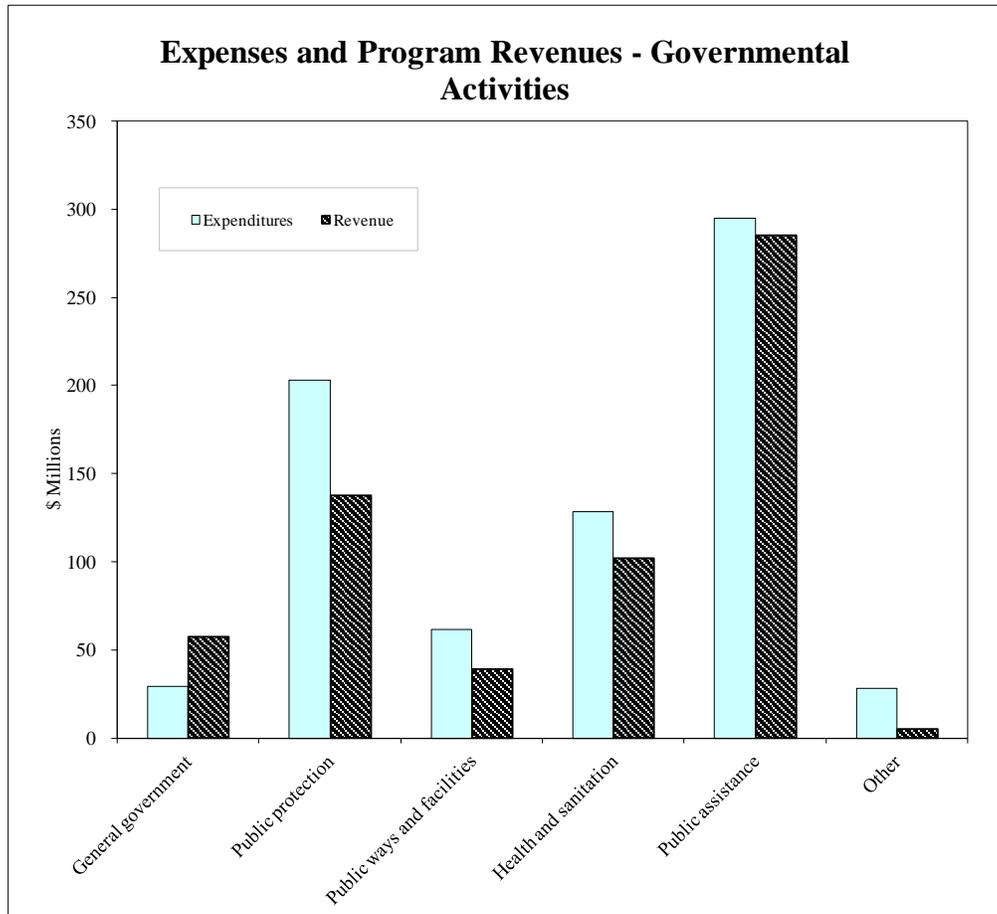
The following table indicates the changes in net position for governmental and business-type activities:

	County of Stanislaus Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 122,755,875	\$ 114,988,021	\$ 40,221,842	\$ 42,401,043	\$ 162,977,717	\$ 157,389,064
Operating grants and contributions	485,384,295	456,187,128	4,312,029	1,307,816	489,696,324	457,494,944
Capital grants and contributions	16,423,263	22,426,787			16,423,263	22,426,787
<b>General revenues:</b>						
Property taxes	90,233,301	94,552,082			90,233,301	94,552,082
Sales taxes	32,606,659	30,024,222	6,537,281	5,863,652	39,143,940	35,887,874
Other taxes	2,607,534	2,298,871			2,607,534	2,298,871
Unrestricted investment earnings	818,300	1,975,516	687,854	374,703	1,506,154	2,350,219
Grants/contributions not restricted	1,111,071	1,008,261			1,111,071	1,008,261
Other general revenue	8,952,442	9,950,570			8,952,442	9,950,570
<b>Total revenues</b>	<b>760,892,740</b>	<b>733,411,458</b>	<b>51,759,006</b>	<b>49,947,214</b>	<b>812,651,746</b>	<b>783,358,672</b>
<b>Expenses:</b>						
General government	29,418,322	34,640,462			29,418,322	34,640,462
Public protection	203,134,867	180,757,835			203,134,867	180,757,835
Public ways and facilities	61,684,798	52,929,458			61,684,798	52,929,458
Health and sanitation	128,083,298	131,314,972			128,083,298	131,314,972
Public assistance	294,889,889	282,044,591			294,889,889	282,044,591
Education	9,457,254	9,738,176			9,457,254	9,738,176
Recreation	6,466,131	7,123,274			6,466,131	7,123,274
Interest on long-term debt	12,441,241	11,492,957			12,441,241	11,492,957
Landfills			4,570,478	3,486,212	4,570,478	3,486,212
Health clinics and ancillary			37,029,440	34,752,858	37,029,440	34,752,858
Inmate welfare and commissary			1,389,576	1,404,060	1,389,576	1,404,060
Transit			6,165,247	4,655,628	6,165,247	4,655,628
<b>Total expenses</b>	<b>745,575,800</b>	<b>710,041,725</b>	<b>49,154,741</b>	<b>44,298,758</b>	<b>794,730,541</b>	<b>754,340,483</b>
<b>Net position increase (decrease) before transfers</b>	<b>15,316,940</b>	<b>23,369,733</b>	<b>2,604,265</b>	<b>5,648,456</b>	<b>17,921,205</b>	<b>29,018,189</b>
Transfers	(5,030,124)	512,777	5,030,124	(512,777)		
<b>Change in net position</b>	<b>10,286,816</b>	<b>23,882,510</b>	<b>7,634,389</b>	<b>5,135,679</b>	<b>17,921,205</b>	<b>29,018,189</b>
<b>Change in Net Position, incl Extraordinary Item</b>	<b>10,286,816</b>	<b>23,882,510</b>	<b>7,634,389</b>	<b>5,135,679</b>	<b>17,921,205</b>	<b>29,018,189</b>
Net position, July 1	678,523,697	654,641,187	45,058,151	35,867,448	723,581,848	690,508,635
Prior period adjustment	-	-	-	4,055,024	-	4,055,024
<b>Net position – July 1, restated</b>	<b>678,523,697</b>	<b>654,641,187</b>	<b>45,058,151</b>	<b>39,922,472</b>	<b>723,581,848</b>	<b>694,563,659</b>
<b>Net position – June 30</b>	<b>\$ 688,810,513</b>	<b>\$ 678,523,697</b>	<b>\$ 52,692,540</b>	<b>\$ 45,058,151</b>	<b>\$ 741,503,053</b>	<b>\$ 723,581,848</b>

**County of Stanislaus  
Management's Discussion and Analysis (Continued)**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont.)**

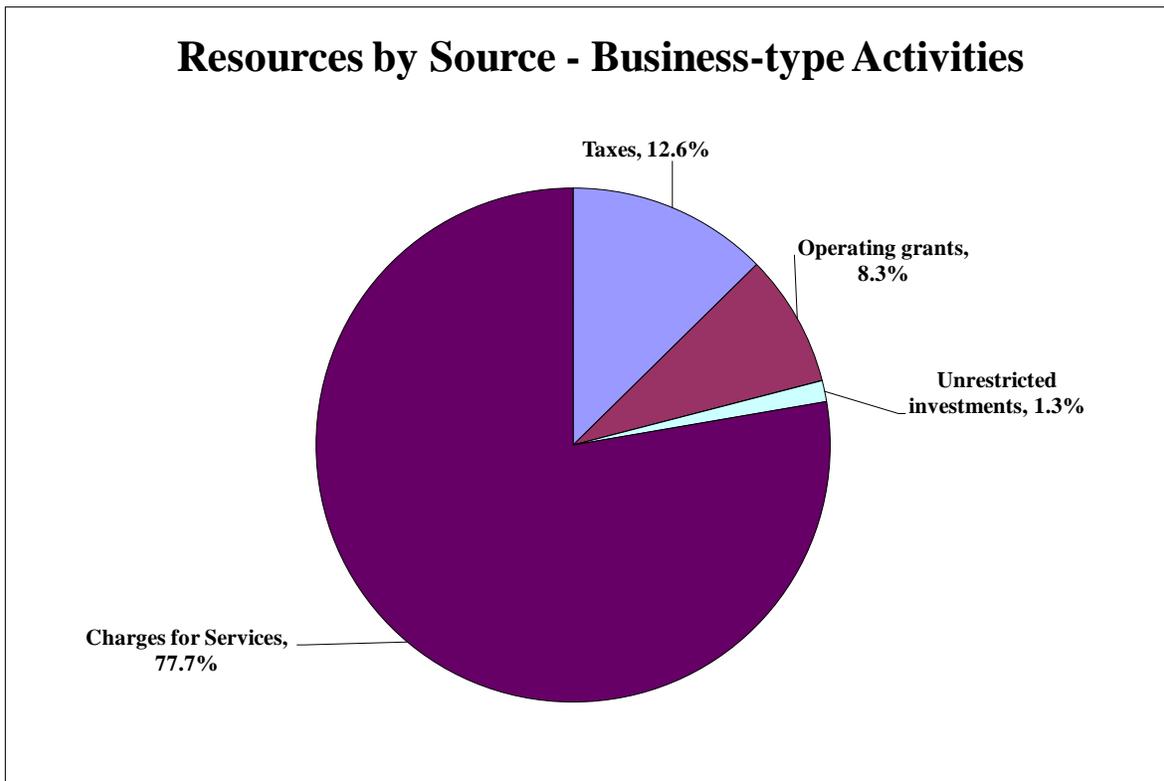
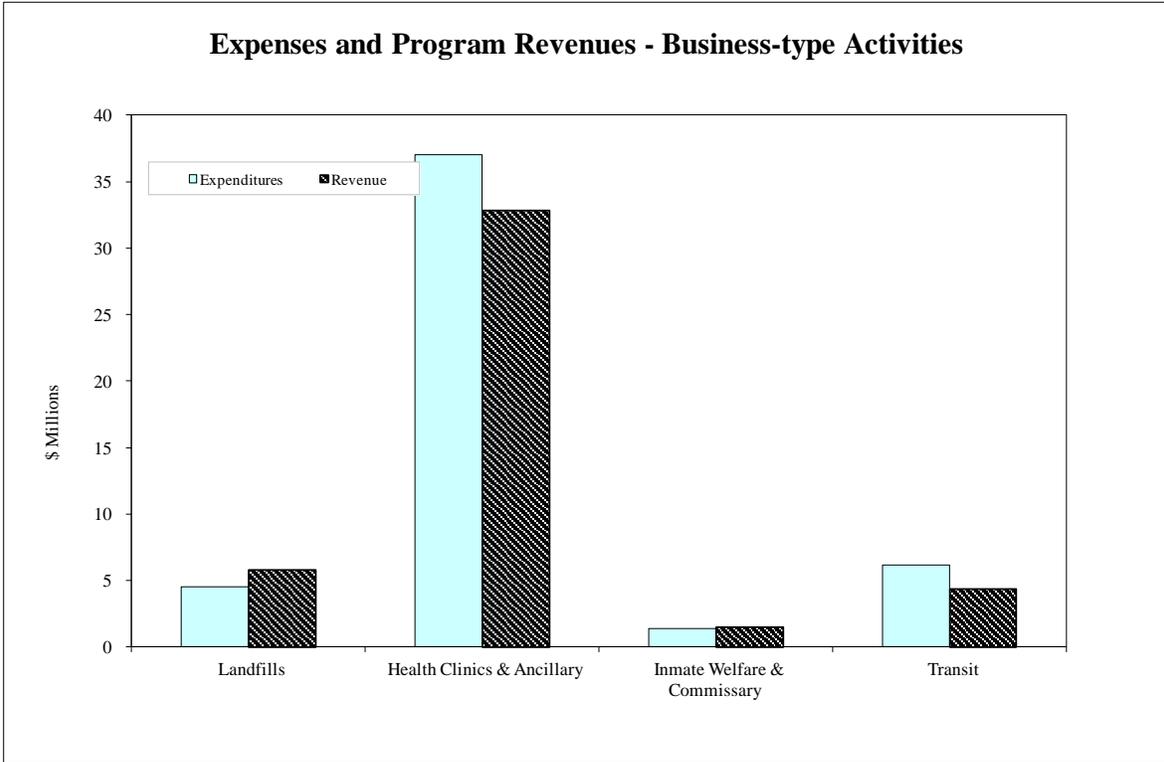
**Governmental activities (Cont.)**



**County of Stanislaus  
Management's Discussion and Analysis (Continued)**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont.)**

**Business-type activities**



**County of Stanislaus**  
**Management's Discussion and Analysis (Continued)**

**FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

As noted earlier, the County uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The general government functions are contained in the general, special revenue, debt service, and capital projects funds. Included in these funds are the special districts governed by the County Board of Supervisors. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unassigned 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, 2014, the County's governmental funds reported combined fund balances of \$443 million compared to \$435 million in the prior year. The increase of \$8 million is partially due to 2013 lease refunding debt proceeds.

The unassigned fund balance of the Governmental Funds is \$16 million. The remainder of fund balance is categorized as follows:

1) Non-spendable	\$ 16 million
2) Restricted	\$ 281 million
3) Committed	\$ 8 million
4) Assigned	\$ 122 million

The General Fund is the chief operating fund of the County. At June 30, 2014, unassigned fund balance of the General Fund was \$17 million while total fund balance was \$138 million. 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, including transfers out. Unassigned fund balance represents 7% of total fund expenditures and transfers out and the total fund balance is 57% of total fund expenditures and transfers out.

The unassigned fund balance of the General Fund is \$17 million compared to \$9.6 million at June 30, 2013.

The County assigns (earmarks) fund balance to a particular function, project, activity, or for purposes beyond the current year. Of the \$138 million total General Fund balance, \$97 million or 71% of the fund balance is assigned.

The total fund balance of the County's General Fund is \$138 million compared to \$133 million in the prior year.

The debt service funds have a total fund balance of \$9 million. Most of the debt service fund balance is reserved for debt service payment.

**County of Stanislaus**  
**Management's Discussion and Analysis (Continued)**

**FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS (Cont.)**

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

The following table shows actual revenues, expenses and results of operations for the current fiscal year:

	County of Stanislaus Proprietary Funds			Total
	Major Funds		Non-major	
			Other	
	Fink Road Landfill	Health Clinics & Ancillary	Enterprise Funds	
Operating revenues	\$5,257,999	\$ 31,825,731	\$2,035,136	\$ 39,118,866
Operating expenses	3,513,496	36,346,499	8,611,804	48,471,799
Operating income (loss)	1,744,503	(4,520,768)	(6,576,668)	(9,352,933)
Non-operating revenues (expenses), net	635,002	127,676	10,909,984	11,672,662
Net income (loss) before contributions and transfers	2,379,505	(4,393,092)	4,333,316	2,319,729
Contributions and transfers	(1,153,261)	5,021,990	1,161,395	5,030,124
Net income	\$1,226,244	\$ 628,898	\$5,494,711	\$ 7,349,853

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The County appropriated \$4.4 million in a contingency budget for emergencies and other unanticipated expenses as part of administrative policy. As of June 30, 2014 General Fund actual revenues based on budgetary basis, were more than budgetary estimates by \$1.4 million and expenditures based on budgetary basis, excluding other financing uses, were \$37 million less than budgetary estimates.

During the year, appropriations increased by \$1.8 million resulting in a difference between the original budget and the final amended budget. The increase in appropriations was due to approved park projects, increased costs in Sheriff's contract cities, increased appropriations in County facilities and costs associated with the North McHenry Revenue Sharing Agreement. These increases were offset by a reduction in the budget due to Appropriations for Contingencies and Sheriffs operations.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets**

The County's investment (net of accumulated depreciation) in capital assets for its governmental and business-type activities as of June 30, 2014, amounted to \$451 million compared to \$468 million in the prior year. This investment in capital assets includes land and easements, roads, highways, bridges, park facilities, structures and improvements, and equipment. The County's total investment in capital assets for the current period decreased from the prior year due to depreciation.

**County of Stanislaus**  
**Management's Discussion and Analysis** (*Continued*)

**CAPITAL ASSETS AND DEBT ADMINISTRATION (Cont.)**

Major capital asset events during the 2013-2014 fiscal year included the following:

- Completed construction of the 192 Honor Farm Jail Bed Replacement Facility at the Public Safety Center. The total project budget was \$11.9 million funded from insurance proceeds from the loss of barracks 1 and 2 at the Honor Farm.
- Approved the construction contract awards for the design-build construction at the Public Safety Center site for the AB 900 Phase II Public Safety Center Jail Expansion Projects for Project One (Maximum-Security Units/Mental Health Units), Project Two (Day Reporting Center), and Project Three (Intake, Release, Transportation).
- Accepted the conditional award of \$40 million from the State of California Board of State and Community Corrections under Senate Bill (SB) 1022 Adult Local Criminal Justice Facilities Construction Financing Program for the design build construction of the Stanislaus County Re-Entry and Enhanced Alternatives to Custody Training (REACT) Center Project.

The SB 1022 REACT Center project will use State Lease Revenue Bond financing, County General Funds from Assigned Fund Balance and Public Facilities Fees to design and construct jail housing, programming and administrative space on county-owned land at the Public Safety Center, in accordance with the 2013 Updated Adult Detention Needs Assessment. The project will contain approximately 288 jail beds in adult detention transitional housing units with all associated support and program space, a security administration (control) center, and circulation and common space. In addition, the REACT Center will provide services to the offender population under the Sheriff's jurisdiction, including post-release and out-of-custody/monitored release programs. The REACT Center will also include public lobby/reception areas, administration space, classrooms, counseling rooms and a multipurpose room

- Approved the re-use of the former Postal Encoding Center at County Center III for the Sheriff's Coroner Facility. Initiated the final design for the re-use at the new location with a total estimated project budget revised to \$5.9 million.
- Completed the construction of the Psychiatric Health Facility at 1904 Richland Avenue, Ceres. The approved project budget was \$2.4 million from Behavioral Health and Recovery Services Committed Fund Balance for Capital Facilities for renovation of the facility.
- Awarded a contract for construction of the Juvenile Justice Center Roofing and Heating, Ventilation and Air Conditioning Replacement Project at 2215 Blue Gum Avenue, Modesto. The approved project budget is \$4.1 million which is funded from the Chief Executive Office County Facilities legal budget and includes new roofing and mechanical systems for the existing Juvenile Justice Facility.
- Declared the Honor Farm site as surplus, and authorized staff to set a minimum sale price of \$723,000.

**County of Stanislaus**  
**Management's Discussion and Analysis (Continued)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION (Cont.)**

- Declared the former Medical Arts Building in downtown Modesto as surplus, and authorized staff to set a minimum sale price of \$1,363, 603. Staff rejected all bids received as none met the minimum sale price.

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

	County of Stanislaus Capital Assets (net of depreciation)					
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land and Right of Ways	\$ 43,647,477	\$ 42,945,236	\$ 15,462,882	\$ 15,462,882	\$ 59,110,359	\$ 58,408,118
Infrastructure	175,044,739	199,635,971	-	-	175,044,739	199,635,971
Structures and improvements	138,433,909	144,666,186	5,768,495	6,276,318	144,202,404	150,942,504
Equipment	38,468,034	38,924,044	7,505,219	4,780,032	45,973,253	43,704,076
Intangible Assets	2,738,797	2,920,425	-	-	2,738,797	2,920,425
Construction in progress - Intangible Assets	-	-	-	-	-	-
Construction in progress	23,720,361	12,293,310	75,482	345,231	23,795,843	12,638,541
<b>Total</b>	<b>\$422,053,317</b>	<b>\$ 441,385,172</b>	<b>\$ 28,812,078</b>	<b>\$ 26,864,463</b>	<b>\$ 450,865,395</b>	<b>\$468,249,635</b>

**Long-term debt**

At June 30, 2014, the County had total long-term debt outstanding of \$159 million compared to \$184 million as of June 30, 2013, a net decrease of \$25 million is detailed in the following chart.

	Outstanding Debt Balance Change from Prior Year (in millions)
Annual debt service payment	(\$4)
2004 COP pay off	(32)
Pension Obligation Bond pay off	(11)
Issuance of new debt	20
Tobacco bonds payment	(2)
Tobacco bonds amortization	4
Total change	(\$25)

**County of Stanislaus**  
**Management's Discussion and Analysis (Continued)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION (Cont.)**

As of July 2012, Stanislaus County's credit rating is an "AA-" with a stable outlook from Standard & Poor's Corporation and an "A1 with a stable outlook" from Moody's Investors Service as of August 2012.

**County of Stanislaus**  
**Outstanding Debt (Principal)**

	Governmental Activities	
	2014	2013
Certificates of Participation	\$ 15,930,000	\$ 51,426,641
2012 Lease Refunding	6,065,970	7,507,612
2013 Lease Refunding	19,540,000	
Issue Premium	502,193	
Bonds Payable - POB		11,035,000
Tobacco Securitization Note	89,503,611	91,563,611
Accreted Interest Tobacco Note	27,339,863	23,210,698
 Total	 \$ 158,881,637	 \$ 184,743,562

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

- The unemployment rate in the County for October 2014 was 9.9% compared to 7.0% for the State of California and 5.5% for the nation.
- Median home prices in Stanislaus County increased from October 2013 to October 2014 by 13%. Statewide median home prices increased 7.6% from September 2013 to September 2014.
- Building permits for single family units issued in Stanislaus County increased by 30% in October 2014 compared to the prior year. Statewide issuance of building permits for single family units increased by 5.2% for the same period.
- Assigned fund balance of \$12 million is being used to balance the General Fund budget for fiscal year 2014-2015.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Auditor-Controller's Office, 1010 Tenth Street, Suite 5100, P.O. Box 770, Modesto, CA 95353.

# Basic Financial Statements



**County of Stanislaus**  
**Statement of Net Position**  
**June 30, 2014**

	<b>Governmental Activites</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 342,491,142	\$ 23,549,809	\$ 366,040,951
Investments with fiscal agent	102,243,436	69,950	102,313,386
Taxes receivable	18,546,324		18,546,324
Accounts receivable	75,902,906	21,917,327	97,820,233
Interest and other receivables	1,638,823	126,316	1,765,139
Deposit with others			
Deferred charges			
Inventory	840,765	6,971	847,736
Prepaid items	345,212	316,513	661,725
Loans to other governments	9,547,617		9,547,617
Internal balances	9,458,005	(9,458,005)	
Restricted cash and investments	3,872,119	20,060,000	23,932,119
Investments - joint ventures	18,213,073		18,213,073
Capital assets: (net of accumulated depreciation)			
Land & Right of Ways	43,647,477	15,462,882	59,110,359
Infrastructure	175,044,739		175,044,739
Structures and improvements	138,433,909	5,768,495	144,202,404
Equipment	38,468,034	7,505,219	45,973,253
Intangible Assets	2,738,797		2,738,797
Construction in progress	23,720,361	75,482	23,795,843
Total capital assets	<u>422,053,317</u>	<u>28,812,078</u>	<u>450,865,395</u>
Total assets	<u>1,005,152,739</u>	<u>85,400,959</u>	<u>1,090,553,698</u>
<b>LIABILITIES</b>			
Accounts payable	33,248,158	2,211,622	35,459,780
Salaries and benefits payable	11,313,761	644,711	11,958,472
Interest payable	398,813		398,813
Unearned revenue	40,166,158		40,166,158
Deposits from others	18,950	28,617	47,567
Due to other governments	566,558		566,558
Payables to external parties		18,138,651	18,138,651
Long-term liabilities:			
Portion due or payable within one year:			
Risk management liability - current	12,318,884	279,000	12,597,884
Capital leases - current	222,429		222,429
Compensated absences - current	2,152,613	155,056	2,307,669
Long-term obligations - current	14,721,145		14,721,145
Portion due or payable after one year:			
Risk management liability	19,927,457	369,000	20,296,457
Other post-employment benefits (OPEB)	7,565,659	471,865	8,037,524
Capital leases payable	466,373		466,373
Compensated absences	29,094,776	1,258,955	30,353,731
Long-term obligations	144,160,492		144,160,492
Estimated cost of landfill closure/postclosure		9,150,942	9,150,942
Total liabilities	<u>316,342,226</u>	<u>32,708,419</u>	<u>349,050,645</u>
<b>NET POSITION</b>			
Net investment in capital assets	380,595,362	28,812,078	409,407,440
Restricted for:			
Capital projects	82,035,903		82,035,903
Debt service	9,078,113		9,078,113
Other purposes	219,079,648	20,102,454	239,182,102
Unrestricted (deficit)	(1,978,513)	3,778,008	1,799,495
Total net position	<u>\$ 688,810,513</u>	<u>\$ 52,692,540</u>	<u>\$ 741,503,053</u>

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

**County of Stanislaus  
Statement of Activities  
For the Fiscal Year Ended June 30, 2014**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	\$ 29,418,322	\$ 17,702,441	\$ 39,252,941	\$ 41,399
Public protection	203,134,867	47,801,929	89,457,757	250,298
Public ways and facilities	61,684,798	6,835,337	16,068,378	15,987,614
Health and sanitation	128,083,298	38,459,900	63,096,331	45,777
Public assistance	294,889,889	8,408,836	276,565,315	
Education	9,457,254	486,531	115,857	34,532
Recreation	6,466,131	3,060,901	827,716	63,643
Interest and fiscal charges on long-term debt	12,441,241			
Total governmental activities	<u>745,575,800</u>	<u>122,755,875</u>	<u>485,384,295</u>	<u>16,423,263</u>
Business-type activities:				
Landfills	4,570,478	5,598,975	185,246	
Health Clinics & Ancillary	37,029,440	32,587,731	216,804	
Inmate Welfare and Commissary	1,389,576	1,528,952	9,682	
Transit	6,165,247	506,184	3,900,297	
Total business-type activities	<u>49,154,741</u>	<u>40,221,842</u>	<u>4,312,029</u>	
Total Stanislaus County	<u>\$ 794,730,541</u>	<u>\$ 162,977,717</u>	<u>\$ 489,696,324</u>	<u>\$ 16,423,263</u>

General revenues:

Taxes:

- Property taxes
- Property taxes in lieu vehicle license fees
- Property taxes - unsecured
- Sales taxes
- Sales taxes - library
- Sales taxes - road
- In lieu sales tax
- Other taxes
- Franchise fees
- Unrestricted investment earnings
- Miscellaneous
- Net transfers

Total general revenues and transfers

Changes in net position

Net position--beginning

Net position--ending

**County of Stanislaus  
Statement of Activities  
For the Fiscal Year Ended June 30, 2014**

<u>Net (Expense) Revenue and Changes in Net Assets</u>			
<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Functions/Programs</u>
27,578,459	\$	\$ 27,578,459	<b>Primary government</b>
(65,624,883)		(65,624,883)	<b>Governmental activities:</b>
(22,793,469)		(22,793,469)	General government
(26,481,290)		(26,481,290)	Public protection
(9,915,738)		(9,915,738)	Public ways and facilities
(8,820,334)		(8,820,334)	Health and sanitation
(2,513,871)		(2,513,871)	Public assistance
(12,441,241)		(12,441,241)	Education
(121,012,367)		(121,012,367)	Recreation
			Interest and fiscal charges on long-term debt
			Total governmental activities
			<b>Business-type activities:</b>
	1,213,743	1,213,743	Landfills
	(4,224,905)	(4,224,905)	Health Clinics & Ancillary
	149,058	149,058	Inmate Welfare and Commissary
	(1,758,766)	(1,758,766)	Transit
	(4,620,870)	(4,620,870)	Total business-type activities
\$ (121,012,367)	\$ (4,620,870)	\$ (125,633,237)	Total Stanislaus County
			<b>General revenues:</b>
42,994,218		42,994,218	Taxes:
45,269,937		45,269,937	Property taxes
1,969,146		1,969,146	Property taxes in lieu vehicle license fees
16,074,503	6,537,281	22,611,784	Property taxes - unsecured
9,140,466		9,140,466	Sales taxes
1,888,971		1,888,971	Sales taxes - library
5,502,719		5,502,719	Sales taxes - road
2,607,534		2,607,534	In lieu sales tax
1,111,071		1,111,071	Other taxes
818,300	687,854	1,506,154	Franchise fees
8,952,442		8,952,442	Unrestricted investment earnings
(5,030,124)	5,030,124		Miscellaneous
			Net transfers
131,299,183	12,255,259	143,554,442	Total general revenues and transfers
10,286,816	7,634,389	17,921,205	Changes in net position
678,523,697	45,058,151	723,581,848	Net position--beginning
\$ 688,810,513	52,692,540	741,503,053	Net position--ending

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

**County of Stanislaus  
Balance Sheet  
Governmental Funds  
June 30, 2014**

	General Fund	Tobacco Settlement	Behavioral Health and Recovery	Community Services Agency	Public Facility Fees	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and investments	\$ 97,319,013	\$ 422	\$ 37,145,017	\$ 393,990	\$ 70,289,238	\$ 98,135,201	\$ 303,282,881
Investments with fiscal agent		93,416,107				8,827,329	102,243,436
Taxes receivable	18,546,324						18,546,324
Accounts receivable	12,316,505	2,590,583	20,260,008	17,060,772		23,151,873	75,379,741
Interest and other receivables	446,473	784,595	78,265	12,977	148,071	120,685	1,591,066
Inventory						637,078	637,078
Due from other funds	10,671,919					6,169,086	16,841,005
Loans to other governments	3,273,562	6,274,055					9,547,617
Advances to other funds	100,000						100,000
Prepaid items	199,031					146,181	345,212
Restricted cash and investments	3,872,119						3,872,119
Total assets	<u>146,744,946</u>	<u>103,065,762</u>	<u>57,483,290</u>	<u>17,467,739</u>	<u>70,437,309</u>	<u>137,187,433</u>	<u>532,386,479</u>
Liabilities, deferred Inflows of resources & fund balance							
<b>LIABILITIES</b>							
Accounts payable	3,109,861		16,263,968		8,821	10,638,590	30,021,240
Salaries and benefits payable	4,734,284		1,230,756	2,561,509		2,536,063	11,062,612
Sales tax liability				2,682		317	2,999
Due to other funds						7,050,958	7,050,958
Due to other governments				521,522		45,036	566,558
Deposits from others	18,950						18,950
Advances from grantors & third parties	769,495		22,574,650	14,106,316		2,715,697	40,166,158
Advances from other funds						100,000	100,000
Total liabilities	<u>8,632,590</u>	<u></u>	<u>40,069,374</u>	<u>17,192,029</u>	<u>8,821</u>	<u>23,086,661</u>	<u>88,989,475</u>
<b>FUND BALANCE</b>							
Non-spendable	15,515,016		8,650	25,450		533,822	16,082,938
Restricted	3,872,119	103,065,762	13,295,444	250,260	70,066,771	90,477,837	281,028,193
Committed	4,510,888		3,000,685			699,952	8,211,525
Assigned	97,448,659		1,109,137		361,717	23,426,062	122,345,575
Unassigned							
General fund	16,765,674						16,765,674
Special revenue funds						(1,036,901)	(1,036,901)
Capital project funds							
Debt service funds							
Total fund balance	<u>138,112,356</u>	<u>103,065,762</u>	<u>17,413,916</u>	<u>275,710</u>	<u>70,428,488</u>	<u>114,100,772</u>	<u>443,397,004</u>
Total liabilities, deferred Inflows of resources & fund balance							
	<u>\$146,744,946</u>	<u>\$103,065,762</u>	<u>\$57,483,290</u>	<u>\$17,467,739</u>	<u>\$70,437,309</u>	<u>\$137,187,433</u>	<u>\$532,386,479</u>

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

**County of Stanislaus**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2014**

Total fund balances for governmental funds (page 18) \$ 443,397,004

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Land	\$ 43,647,477	
Intangible Assets - Internally Generated Software	362,190	
Infrastructure	175,044,739	
Structures and improvements	137,757,069	
Equipment	31,308,173	
Construction in progress	<u>23,720,361</u>	
Total capital assets		411,840,009

Investments - Joint ventures 18,213,073

Internal service funds are used by the County to charge the cost of risk management, plus central services, fleet services, technology and communication, Morgan Shop garage, and facility maintenance to individual funds. The assets and liabilities of these internal service funds are included in governmental activities in the statement of net assets. 12,875,549

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities--both current and long-term--are reported in the statement of net assets.

Balances at June 30, 2014 are:

Certificates of participation	(42,038,163)	
Tobacco securitization notes	(116,843,474)	
Capital leases	(688,802)	
Accrued interest on long term debt	(398,813)	
Other post-employment benefits (OPEB)	(7,359,410)	
Compensated absences	<u>(30,186,460)</u>	
Total long-term liabilities		(197,515,122)

Net position of governmental activities (page 15) \$ 688,810,513

**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2014**

	General Fund	Tobacco Settlement	Behavioral Health and Recovery	Community Services Agency	Public Facility Fees	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Taxes	\$ 110,691,222	\$	\$	\$	\$ 2,596,882	\$ 12,234,639	\$ 125,522,743
Licenses, permits and franchises	2,157,749			76,848		2,293,431	4,528,028
Fines, forfeitures and penalties	8,536,185		45,027			2,669,179	11,250,391
Revenue from use of money and property	3,665,542	9,265,071	453,503	2,480	624,788	949,992	14,961,376
Intergovernmental	62,645,641		48,294,684	202,721,995		173,745,129	487,407,449
Charges for services	46,291,589		26,583,403	694,865		34,583,978	108,153,835
Miscellaneous	1,431,676	422	910,227	1,305,293	17,922	5,266,886	8,932,426
Total revenues	<u>235,419,604</u>	<u>9,265,493</u>	<u>76,286,844</u>	<u>204,801,481</u>	<u>3,239,592</u>	<u>231,743,234</u>	<u>760,756,248</u>
<b>EXPENDITURES</b>							
Current:							
General government	26,797,307					408,915	27,206,222
Public protection	137,090,015		1,012,344			57,275,896	195,378,255
Public ways and facilities	558,896					36,931,590	37,490,486
Health and sanitation	8,830,061		76,029,010			42,623,895	127,482,966
Public assistance	363,221			209,853,252		82,214,893	292,431,366
Education	360,306					8,660,386	9,020,692
Recreation and cultural service	5,176,345					402,553	5,578,898
Capital outlay					20,934	13,154,983	13,175,917
Debt service:							
Interest and fiscal charges	659		3,622	22,829		5,543,692	5,570,802
Principal	17,511		55,804	158,190		49,386,601	49,618,106
Total expenditures	<u>179,194,321</u>		<u>77,100,780</u>	<u>210,034,271</u>	<u>20,934</u>	<u>296,603,404</u>	<u>762,953,710</u>
Excess revenues over (under) expenditures	<u>56,225,283</u>	<u>9,265,493</u>	<u>(813,936)</u>	<u>(5,232,790)</u>	<u>3,218,658</u>	<u>(64,860,170)</u>	<u>(2,197,462)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Capital lease proceeds	38,569			162,918		192,881	394,368
Loan Proceeds						19,540,000	19,540,000
Transfers in	10,314,933		2,315,709	8,321,682		53,460,420	74,412,744
Transfers out	(61,612,259)	(5,492,936)	(1,276,709)	(3,254,699)	(5,219,451)	(6,505,220)	(83,361,274)
Sale of capital assets	18,005					2,000	20,005
Total other financing sources (uses)	<u>(51,240,752)</u>	<u>(5,492,936)</u>	<u>1,039,000</u>	<u>5,229,901</u>	<u>(5,219,451)</u>	<u>66,690,081</u>	<u>11,005,843</u>
<b>EXTRAORDINARY ITEM</b>							
Net change in fund balances	4,984,531	3,772,557	225,064	(2,889)	(2,000,793)	1,829,911	8,808,381
Fund balance -- beginning	<u>133,127,825</u>	<u>99,293,205</u>	<u>17,188,852</u>	<u>278,599</u>	<u>72,429,281</u>	<u>112,270,861</u>	<u>434,588,623</u>
Fund balances -- ending	<u>\$ 138,112,356</u>	<u>\$ 103,065,762</u>	<u>\$ 17,413,916</u>	<u>\$ 275,710</u>	<u>\$ 70,428,488</u>	<u>\$ 114,100,772</u>	<u>\$ 443,397,004</u>

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

**County of Stanislaus**  
**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, 2014**

Net change in fund balances - total governmental funds (page 20) \$ 8,808,381

The change in net position reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital assets and infrastructure	\$ 18,956,414	
Less current year depreciation	<u>(35,964,098)</u>	(17,007,684)

The net effect of miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets (1,522,055)

Repayments of debt principal and issuance premiums are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and premiums are amortized in the statement of activities.

Repayments:		
Certificate of participation	36,246,642	
Other long-term debt	13,095,000	
Capital lease	(123,278)	
Amortization of issuance premium	<u>189,448</u>	49,407,812

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 governmental funds.

Other post-employment benefits (OPEB)	\$ (1,122,458)	
Change in investment in joint ventures	(403,020)	
Change in accrued interest payable	427,608	
Change in Tobacco accreted interest payable	(4,129,165)	
Change in compensated absences	(484,349)	
Change in deferred charges	<u>(3,157,078)</u>	(8,868,462)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net expense of certain activities of the internal service funds is reported with governmental activities. (991,176)

Bond Proceeds (19,540,000)

Change in net assets of governmental activities (page 17) \$ 10,286,816

**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**General Fund**  
**Budget and Actual on Budgetary Basis**  
**For the fiscal year ended June 30, 2014**

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
<b>REVENUES</b>				
Taxes	\$ 107,335,192	\$ 109,222,849	\$ 110,691,222	\$ 1,468,373
Licenses, permits and franchises	1,913,000	1,928,000	2,157,749	229,749
Fines, forfeitures and penalties	6,399,000	6,399,000	8,536,185	2,137,185
Revenue from use of money and property	3,801,002	3,805,079	3,665,542	(139,537)
Intergovernmental revenue	61,048,399	65,312,974	62,645,641	(2,667,333)
Charges for services	45,933,184	46,785,072	46,291,589	(493,483)
Miscellaneous revenue	1,318,857	1,511,497	1,431,676	(79,821)
Total revenues	<u>227,748,634</u>	<u>234,964,471</u>	<u>235,419,604</u>	<u>455,133</u>
<b>EXPENDITURES: GENERAL</b>				
Assessor				
Salaries and employee benefits	5,030,837	5,011,837	4,570,718	441,119
Services and supplies	444,680	462,680	425,924	36,756
Other charges	272,616	272,616	261,434	11,182
Expenditure transfer	100	1,100	419	681
Total expenditures	<u>5,748,233</u>	<u>5,748,233</u>	<u>5,258,495</u>	<u>489,738</u>
Auditor-Controller				
Salaries and employee benefits	3,794,296	3,784,296	3,259,834	524,462
Services and supplies	90,409	90,409	76,206	14,203
Other charges	207,528	217,728	216,029	1,699
Expenditure transfer	(27,174)		120	(120)
Total expenditures	<u>4,065,059</u>	<u>4,092,433</u>	<u>3,552,189</u>	<u>540,244</u>
Board of Supervisors				
Salaries and employee benefits	885,736	879,447	700,116	179,331
Services and supplies	114,464	118,932	115,893	3,039
Other charges	52,290	54,111	53,924	187
Expenditure transfer	(790)			
Total expenditures	<u>1,051,700</u>	<u>1,052,490</u>	<u>869,933</u>	<u>182,557</u>
Chief Executive				
Salaries and employee benefits	5,399,608	5,396,732	3,897,039	1,499,693
Services and supplies	1,142,668	1,103,251	854,745	248,506
Other charges	320,620	362,813	344,746	18,067
Expenditure transfer	(34,000)	100	(269)	369
Total expenditures	<u>6,828,896</u>	<u>6,862,896</u>	<u>5,096,261</u>	<u>1,766,635</u>
Economic Development				
Services and supplies	285,836	285,836	(175,800)	461,636
Total expenditures	<u>285,836</u>	<u>285,836</u>	<u>(175,800)</u>	<u>461,636</u>

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

**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**General Fund (continued)**  
**Budget and Actual on Budgetary Basis**  
**For the fiscal year ended June 30, 2014**

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
<b>Risk Management</b>				
Salaries and employee benefits	1,348,777	1,311,277	1,192,756	118,521
Services and supplies	227,410	253,310	249,301	4,009
Other charges	57,288	68,788	68,746	42
Expenditure transfer	(5,950)	150	15	135
Total expenditures	<u>1,627,525</u>	<u>1,633,525</u>	<u>1,510,818</u>	<u>122,707</u>
<b>CEO - Discretionary Revenue</b>				
Expenditure transfer			12,889	(12,889)
Total expenditures			<u>12,889</u>	<u>(12,889)</u>
<b>Capital Improvement Financing Authority</b>				
Services and supplies	162,313	162,313	31,407	130,906
Other charges	20	20	20	
Total expenditures	<u>162,333</u>	<u>162,333</u>	<u>31,427</u>	<u>130,906</u>
<b>Plant Acquisition</b>				
Salaries and employee benefits		106,230	72,841	33,389
Services and supplies	2,299,648	2,173,418	1,372,433	800,985
Other charges	33,870	33,870	5,797	28,073
Total expenditures	<u>2,333,518</u>	<u>2,313,518</u>	<u>1,451,071</u>	<u>862,447</u>
<b>General Fund Contribution to Other Programs</b>				
Services and supplies			(2,538,680)	2,538,680
Other charges	2,579,193	3,393,434	3,319,089	74,345
Total expenditures	<u>2,579,193</u>	<u>3,393,434</u>	<u>780,409</u>	<u>2,613,025</u>
<b>Mandated County Match</b>				
Appropriations for contingencies	4,758,708	4,758,708		4,758,708
Total expenditures	<u>4,758,708</u>	<u>4,758,708</u>		<u>4,758,708</u>
<b>Appropriations for Contingencies</b>				
Appropriations for contingencies	4,420,864	2,864,164		2,864,164
Total expenditures	<u>4,420,864</u>	<u>2,864,164</u>		<u>2,864,164</u>
<b>County Facilities</b>				
Services and supplies	522,186	1,356,072	938,225	417,847
Other charges	929,951	985,601	535,884	449,717
Expenditure transfer	6,000	16,400	20,458	(4,058)
Total expenditures	<u>1,458,137</u>	<u>2,358,073</u>	<u>1,494,567</u>	<u>863,506</u>

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

**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**General Fund (continued)**  
**Budget and Actual on Budgetary Basis**  
**For the fiscal year ended June 30, 2014**

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
<b>Elections Division</b>				
Salaries and employee benefits	1,048,685	1,085,440	976,056	109,384
Services and supplies	1,938,964	1,954,974	1,497,672	457,302
Other charges	106,969	106,969	82,917	24,052
Expenditure transfer	1,600	1,600	1,427	173
Fixed assets	863,222	863,222		863,222
Total expenditures	<u>3,959,440</u>	<u>4,012,205</u>	<u>2,558,072</u>	<u>1,454,133</u>
<b>County Counsel</b>				
Salaries and employee benefits	2,148,493	2,029,493	1,963,606	65,887
Services and supplies	209,973	155,580	35,270	120,310
Other charges	87,792	90,185	90,205	(20)
Expenditure transfer	50	50	15	35
Total expenditures	<u>2,446,308</u>	<u>2,275,308</u>	<u>2,089,096</u>	<u>186,212</u>
<b>Treasurer and Tax Collector</b>				
Salaries and employee benefits	1,019,297	1,019,297	967,151	52,146
Services and supplies	940,111	790,111	187,656	602,455
Other charges	124,486	124,486	116,013	8,473
Expenditure transfer	(14,500)	(14,500)	(25,725)	11,225
Total expenditures	<u>1,919,394</u>	<u>1,919,394</u>	<u>1,245,095</u>	<u>674,299</u>
<b>Revenue Recovery</b>				
Salaries and employee benefits	1,119,785	1,119,785	1,084,564	35,221
Services and supplies	238,503	238,503	161,783	76,720
Other charges	121,464	121,464	104,481	16,983
Expenditure transfer	(598,000)	(598,000)	(529,731)	(68,269)
Fixed assets	8,000	8,000		8,000
Total expenditures	<u>889,752</u>	<u>889,752</u>	<u>821,097</u>	<u>68,655</u>
<b>Treasury</b>				
Salaries and employee benefits	280,286	295,286	283,580	11,706
Services and supplies	129,500	114,500	84,156	30,344
Other charges	31,634	31,634	33,218	(1,584)
Expenditure transfer	115,000	115,000	115,000	
Total expenditures	<u>556,420</u>	<u>556,420</u>	<u>515,954</u>	<u>40,466</u>
<b>General Services Agency</b>				
Salaries and employee benefits	568,830	561,315	463,179	98,136
Services and supplies	5,035	11,285	6,609	4,676
Other charges	22,162	23,412	23,971	(559)
Expenditure transfer		15	15	
Total expenditures	<u>596,027</u>	<u>596,027</u>	<u>493,774</u>	<u>102,253</u>

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

**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**General Fund (continued)**  
**Budget and Actual on Budgetary Basis**  
**For the fiscal year ended June 30, 2014**

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
<b>EXPENDITURES: PUBLIC PROTECTION</b>				
Agricultural Commissioner				
Salaries and employee benefits	4,108,987	4,335,083	3,181,348	1,153,735
Services and supplies	338,331	338,331	291,557	46,774
Other charges	380,736	380,736	360,350	20,386
Expenditure transfer	92,960	93,560	89,102	4,458
Fixed assets	75,907	75,907	(20,380)	96,287
Total expenditures	<u>4,996,921</u>	<u>5,223,617</u>	<u>3,901,977</u>	<u>1,321,640</u>
Office of Emergency Services				
Salaries and employee benefits	563,030	387,724	387,724	
Services and supplies	1,111,951	1,298,717	1,051,380	247,337
Other charges	246,660	235,200	233,979	1,221
Expenditure transfer	800	800	583	217
Total expenditures	<u>1,922,441</u>	<u>1,922,441</u>	<u>1,673,666</u>	<u>248,775</u>
County Court Funding				
Salaries and employee benefits				
Services and supplies	142,800	142,800	118,561	24,239
Other charges	5,961,827	5,961,827	5,688,530	273,297
Expenditure transfer	403,561	403,561	368,850	34,711
Total expenditures	<u>6,508,188</u>	<u>6,508,188</u>	<u>6,175,941</u>	<u>332,247</u>
Recorder Division				
Salaries and employee benefits	1,805,748	1,805,748	1,639,117	166,631
Services and supplies	238,384	238,384	190,697	47,687
Other charges	231,973	231,973	220,995	10,978
Expenditure transfer	700	700	196	504
Total expenditures	<u>2,720,150</u>	<u>2,741,192</u>	<u>1,934,684</u>	<u>806,508</u>
District Attorney				
Salaries and employee benefits	11,780,051	12,191,745	11,758,799	432,946
Services and supplies	1,212,355	837,611	657,532	180,079
Other charges	741,429	742,889	735,645	7,244
Expenditure transfer	100	100	60	40
Total expenditures	<u>13,733,935</u>	<u>13,834,414</u>	<u>13,190,605</u>	<u>643,809</u>
Planning				
Salaries and employee benefits	1,740,933	1,740,933	1,431,620	309,313
Services and supplies	78,251	77,651	33,437	44,214
Other charges	96,509	96,509	96,102	407
Expenditure transfer	400	1,000	711	289
Total expenditures	<u>1,916,093</u>	<u>1,916,093</u>	<u>1,561,870</u>	<u>354,223</u>

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

**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**General Fund (continued)**  
**Budget and Actual on Budgetary Basis**  
**For the fiscal year ended June 30, 2014**

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
<b>Probation Administration</b>				
Salaries and employee benefits	1,889,552	1,919,552	1,821,913	97,639
Services and supplies	172,000	252,000	239,276	12,724
Other charges	169,751	249,751	242,904	6,847
Fixed assets	11,000	11,000	10,000	1,000
Total expenditures	<u>2,242,303</u>	<u>2,432,303</u>	<u>2,314,093</u>	<u>118,210</u>
<b>Probation Community Corrections Partnership</b>				
Salaries and employee benefits	3,152,156	3,152,156	2,980,961	171,195
Services and supplies	750,619	750,619	408,522	342,097
Other charges	25,000	25,000	3,646	21,354
Fixed assets	40,000	40,000	40,000	40,000
Total expenditures	<u>3,967,775</u>	<u>3,967,775</u>	<u>3,393,129</u>	<u>574,646</u>
<b>Probation Juvenile Commitment Facility</b>				
Salaries and employee benefits	2,711,075	2,833,471	2,569,825	263,646
Services and supplies	567,858	445,462	198,413	247,049
Other charges	352,000	352,000	288,663	63,337
Total expenditures	<u>3,630,933</u>	<u>3,630,933</u>	<u>3,056,901</u>	<u>574,032</u>
<b>Probation - Field Services</b>				
Salaries and employee benefits	9,094,070	8,299,070	7,400,554	898,516
Services and supplies	663,898	1,031,898	917,307	114,591
Other charges	740,914	747,414	739,559	7,855
Expenditure transfer	3,500	84,000	80,577	3,423
Fixed assets	30,000	30,000	15,000	15,000
Total expenditures	<u>10,532,382</u>	<u>10,192,382</u>	<u>9,152,997</u>	<u>1,039,385</u>
<b>Probation - Institutions</b>				
Salaries and employee benefits	5,203,126	5,353,126	5,097,803	255,323
Services and supplies	486,768	486,768	415,177	71,591
Other charges	557,093	557,093	497,689	59,404
Fixed assets	40,000	40,000	40,000	40,000
Total expenditures	<u>6,286,987</u>	<u>6,436,987</u>	<u>6,010,669</u>	<u>426,318</u>
<b>Public Defender</b>				
Salaries and employee benefits	5,312,421	5,232,421	4,593,778	638,643
Services and supplies	315,519	395,519	395,319	200
Other charges	212,600	212,600	205,654	6,946
Expenditure transfer	68,000	68,000	46,454	21,546
Total expenditures	<u>5,908,376</u>	<u>5,908,376</u>	<u>5,241,369</u>	<u>667,007</u>

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

**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**General Fund (continued)**  
**Budget and Actual on Budgetary Basis**  
**For the fiscal year ended June 30, 2014**

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Indigent Defense				
Services and supplies	3,161,140	3,774,140	3,773,315	825
Total expenditures	<u>3,161,140</u>	<u>3,774,140</u>	<u>3,773,315</u>	<u>825</u>
Sheriff's Administration				
Salaries and employee benefits	4,116,464	4,111,964	3,879,419	232,545
Services and supplies	872,237	872,237	577,618	294,619
Other charges	395,723	395,723	346,660	49,063
Expenditure transfer	600	1,600	1,100	500
Fixed assets	71,095	74,595	60,542	14,053
Total expenditures	<u>5,456,119</u>	<u>5,456,119</u>	<u>4,865,339</u>	<u>590,780</u>
Sheriff's Operations				
Salaries and employee benefits	21,386,880	19,948,243	18,824,407	1,123,836
Services and supplies	5,033,008	5,289,138	4,713,464	575,674
Other charges	2,742,594	2,679,644	2,105,941	573,703
Expenditure transfer	(593,200)	(668,200)	(673,545)	5,345
Fixed assets	2,041,940	2,116,940	1,422,159	694,781
Total expenditures	<u>30,611,222</u>	<u>29,365,765</u>	<u>26,392,426</u>	<u>2,973,339</u>
Sheriff's Detention				
Salaries and employee benefits	29,846,342	29,846,342	27,013,030	2,833,312
Services and supplies	5,140,923	5,140,923	3,853,834	1,287,089
Other charges	3,975,838	3,975,838	3,598,369	377,469
Expenditure transfer	17,000	17,000	6,640	10,360
Fixed assets	518,273	518,273	443,145	75,128
Total expenditures	<u>39,498,376</u>	<u>39,498,376</u>	<u>34,915,018</u>	<u>4,583,358</u>
Court Security				
Services and supplies	935	935	(439)	1,374
Total expenditures	<u>935</u>	<u>935</u>	<u>(439)</u>	<u>1,374</u>
Sheriff's Contract Cities				
Salaries and employee benefits	8,270,839	8,697,765	7,566,155	1,131,610
Services and supplies	1,290,004	1,317,795	1,189,294	128,501
Other charges	588,807	588,807	608,647	(19,840)
Expenditure transfer	38,500	38,500	37,414	1,086
Fixed assets	83,000	83,000	61,675	21,325
Total expenditures	<u>10,188,150</u>	<u>10,725,867</u>	<u>9,463,185</u>	<u>1,262,682</u>

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

**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**General Fund (continued)**  
**Budget and Actual on Budgetary Basis**  
**For the fiscal year ended June 30, 2014**

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
Grand Jury				
Salaries and employee benefits	53,039	53,039	46,858	6,181
Services and supplies	78,639	78,639	27,091	51,548
Other charges	14,018	14,018	12,208	1,810
Expenditure transfer	300	300	5	295
Total expenditures	<u>145,996</u>	<u>145,996</u>	<u>86,162</u>	<u>59,834</u>
<b>EXPENDITURES: PUBLIC WAYS</b>				
Airport				
Services and supplies	241,000	241,000	241,000	
Total expenditures	<u>241,000</u>	<u>241,000</u>	<u>241,000</u>	
CEO Crows Landing Air Facility				
Services and supplies	1,694,637	1,696,608	150,372	1,546,236
Other charges	4,295	2,324	2,324	
Total expenditures	<u>1,698,932</u>	<u>1,698,932</u>	<u>152,696</u>	<u>1,546,236</u>
<b>EXPENDITURES: HEALTH AND SANITATION</b>				
CEO Jail Medical				
Services and supplies	8,936,364	8,936,364	8,830,035	106,329
Other charges	30	30	26	4
Total expenditures	<u>8,936,394</u>	<u>8,936,394</u>	<u>8,830,061</u>	<u>106,333</u>
<b>EXPENDITURES: PUBLIC ASSISTANCE</b>				
Veterans' Services				
Salaries and employee benefits	295,807	344,802	304,950	39,852
Services and supplies	23,902	50,781	21,732	29,049
Other charges	29,503	39,503	36,465	3,038
Expenditure transfer			5	(5)
Total expenditures	<u>349,212</u>	<u>435,086</u>	<u>363,152</u>	<u>71,934</u>
<b>EXPENDITURES: EDUCATION</b>				
Cooperative Extension				
Salaries and employee benefits	268,123	268,123	238,918	29,205
Services and supplies	16,164	16,164	10,640	5,524
Other charges	123,611	123,611	110,918	12,693
Expenditure transfer			45	(45)
Total expenditures	<u>407,898</u>	<u>407,898</u>	<u>360,521</u>	<u>47,377</u>

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

**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**General Fund (continued)**  
**Budget and Actual on Budgetary Basis**  
**For the fiscal year ended June 30, 2014**

	Original Budget	Final Budget	Actual Amount on the Budgetary Basis	Variance with Final Budget
<b>EXPENDITURES: RECREATION AND CULTURAL SERVICES</b>				
Parks and Recreation				
Salaries and employee benefits	2,663,428	2,898,260	2,293,925	604,335
Services and supplies	630,358	1,418,300	1,229,845	188,455
Other charges	990,403	1,072,961	969,385	103,576
Expenditure transfer	549,460	549,460	535,245	14,215
Appropriations for contingencies				
Fixed assets	106,799	106,799		106,799
Total expenditures	<u>4,940,448</u>	<u>6,045,780</u>	<u>5,028,400</u>	<u>1,017,380</u>
 Tuolumne River Regional Park				
Services and supplies	121,426	121,426	121,426	
Total expenditures	<u>121,426</u>	<u>121,426</u>	<u>121,426</u>	
<b>EXPENDITURES: DEBT SERVICE</b>				
Debt Services				
Other charges		229,021	229,020	1
Expenditure transfer	(92,060)	(92,060)	(88,075)	(3,985)
Total expenditures	<u>(92,060)</u>	<u>136,961</u>	<u>140,945</u>	<u>(3,984)</u>
 <b>TOTAL EXPENDITURES - GENERAL FUND</b>	 <u>215,719,015</u>	 <u>217,480,125</u>	 <u>179,946,455</u>	 <u>37,533,670</u>
 Excess of revenue over expenditures	 <u>12,029,619</u>	 <u>17,484,346</u>	 <u>55,473,149</u>	 <u>37,988,803</u>
 Other financing sources (uses):				
Capital lease proceeds		38,569	38,569	
Transfers in	7,418,668	11,097,748	10,314,933	(782,815)
Transfers out	(46,760,544)	(62,939,728)	(61,612,259)	1,327,469
Sale of capital assets	82,399	20,600	18,005	(2,595)
Total other financing sources (uses)	<u>(39,259,477)</u>	<u>(51,782,811)</u>	<u>(51,240,752)</u>	<u>542,059</u>
 Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	 <u>(27,229,858)</u>	 <u>(34,298,465)</u>	 <u>4,232,397</u>	 <u>38,530,862</u>
 Fund balance -- beginning	 <u>(115,523,011)</u>	 <u>(166,041,547)</u>	 <u>179,550,810</u>	
 Fund balance -- ending	 <u>\$ (142,752,869) \$</u>	 <u>\$ (200,340,012) \$</u>	 <u>\$ 183,783,207 \$</u>	

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

**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Behavioral Health and Recovery - Special Revenue Fund**  
**Budget and Actual on the Budgetary Basis**  
**For the fiscal year ended June 30, 2014**

	Budgeted Amounts		Actual amount on the Budgetary basis	Variance with Final Budget
	Original Budget	Final Budget		
<b>REVENUES</b>				
Fines, forfeitures, and penalties	\$ 49,748	\$ 49,748	\$ 45,027	\$ (4,721)
Revenue from use of money and property	564,847	564,847	453,503	(111,344)
Intergovernmental revenue	52,226,046	52,194,046	48,294,684	(3,899,362)
Charges for services	24,987,436	25,458,259	26,583,403	1,125,144
Miscellaneous revenue	602,622	602,622	910,127	307,505
Donation			100	100
	<u>78,430,699</u>	<u>78,869,522</u>	<u>76,286,844</u>	<u>(2,582,678)</u>
Total revenues				
<b>EXPENDITURES</b>				
Public Protection				
Salaries and employee benefits	788,088	785,733	664,273	121,460
Services and supplies	104,170	104,170	71,294	32,876
Other charges	233,988	233,988	171,453	62,535
Expenditure transfer	103,949	103,949	101,788	2,161
	<u>1,230,195</u>	<u>1,230,195</u>	<u>1,011,163</u>	<u>219,032</u>
Total Public Protection				
Health and Sanitation				
Salaries and employee benefits	36,173,929	35,079,191	31,989,849	3,089,342
Services and supplies	37,931,529	43,623,234	38,754,315	4,868,919
Other charges	7,312,077	7,305,065	5,802,875	1,502,190
Fixed assets	132,567	337,567	281,105	56,462
Expenditure transfer	(103,949)	(103,949)	(101,788)	(2,161)
	<u>81,446,153</u>	<u>86,241,108</u>	<u>76,726,356</u>	<u>9,514,752</u>
Total Health and Sanitation				
Total expenditures	<u>82,676,348</u>	<u>87,471,303</u>	<u>77,737,519</u>	<u>9,733,784</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,245,649)</u>	<u>(8,601,781)</u>	<u>(1,450,675)</u>	<u>7,151,106</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,270,710	2,315,710	2,315,710	(0)
Transfers out	(492,140)	(757,140)	(1,276,709)	(519,569)
	<u>1,778,570</u>	<u>1,558,570</u>	<u>1,039,001</u>	<u>(519,569)</u>
Total other financing sources (uses)				
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(2,467,079)</u>	<u>(7,043,211)</u>	<u>(411,673)</u>	<u>6,631,538</u>
Fund balance - beginning	<u>8,811,193</u>	<u>316,722</u>	<u>14,800,349</u>	
Fund balance - ending	<u>\$ 6,344,114</u>	<u>\$ (6,726,489)</u>	<u>\$ 14,388,676</u>	<u>\$ 6,631,538</u>

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

**County of Stanislaus**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Community Services Agency - Special Revenue Fund**  
**Budget and Actual on the Budgetary Basis**  
**For the fiscal year ended June 30, 2014**

	Budgeted Amounts		Actual amount on the Budgetary basis	Variance with Final Budget
	Original Budget	Final Budget		
<b>REVENUES</b>				
Licenses, permits and franchises	\$ 78,653	\$ 78,653	\$ 76,848	\$ (1,805)
Revenue from use of money and property			2,480	2,480
Intergovernmental revenue	225,484,767	226,623,360	202,721,995	(23,901,365)
Charges for services	808,153	783,195	694,865	(88,330)
Miscellaneous revenue	1,209,933	1,325,632	1,070,356	(255,276)
Donation	232,768	232,768	234,936.5	2,169
<b>Total revenues</b>	<b>227,814,274</b>	<b>229,043,608</b>	<b>204,801,481</b>	<b>(24,242,127)</b>
<b>PUBLIC ASSISTANCE</b>				
Salaries and employee benefits	82,480,929	80,435,931	70,394,763	10,041,168
Services and supplies	21,087,036	21,093,884	17,876,105	3,217,779
Other charges	134,036,230	136,143,689	121,382,148	14,761,541
Fixed assets	367,161	530,450	343,119	187,331
<b>Total Public Assistance</b>	<b>237,971,356</b>	<b>238,203,954</b>	<b>209,996,135</b>	<b>28,207,819</b>
<b>Total expenditures</b>	<b>237,971,356</b>	<b>238,203,954</b>	<b>209,996,135</b>	<b>28,207,819</b>
Excess (deficiency) of revenues over (under) expenditures	(10,157,082)	(9,160,346)	(5,194,654)	3,965,692
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	10,424,110	10,467,330	8,321,682	(2,145,648)
Transfers out	(382,768)	(1,538,689)	(3,254,699)	(1,716,010)
Sale of capital assets				
Capital lease proceeds		162,918	162,918	
<b>Total other financing sources (uses)</b>	<b>10,041,342</b>	<b>9,091,559</b>	<b>5,229,901</b>	<b>(3,861,658)</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(115,740)	(68,787)	35,247	104,034
Fund balance - beginning	(443,139)	225,054	271,769	46,715
Fund balance - ending	\$ (558,879)	\$ 156,267	\$ 307,016	\$ 150,749

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

**County of Stanislaus  
Statement of Net Position  
Proprietary Funds  
June 30, 2014**

	Business-type Activities - Enterprise Funds				Governmental Activities
	Fink Road Sanitary Landfill	Health Clinics and Ancillary Services	Other Enterprise Funds	Total	Internal Service Funds
<b>ASSETS</b>					
Current Assets:					
Cash and investments	\$ 11,499,146	\$	\$ 10,680,167	\$ 22,179,313	\$ 40,578,756
Accounts receivable, net	646,754	20,661,223	609,350	21,917,327	523,163
Interest and other receivables	61,794	35,015	26,805	123,614	63,325
Inventory			6,971	6,971	203,688
Prepaid items		316,513		316,513	
Total current assets	<u>12,207,694</u>	<u>21,012,751</u>	<u>11,323,293</u>	<u>44,543,738</u>	<u>41,368,932</u>
Noncurrent assets:					
Investments with fiscal agent	69,950			69,950	
Restricted cash and investments	18,514,856		1,545,144	20,060,000	
Capital assets:					
Land and right of ways	13,556,621		1,906,261	15,462,882	
Intangible assets					3,630,872
Structures and improvements	7,840,779	9,791,847	348,276	17,980,902	1,002,508
Equipment	3,524,210	3,965,093	10,390,202	17,879,505	24,611,583
Construction in progress			75,482	75,482	
Less: Accumulated depreciation	<u>(5,150,508)</u>	<u>(12,665,520)</u>	<u>(4,770,665)</u>	<u>(22,586,693)</u>	<u>(19,031,655)</u>
Net capital assets	<u>19,771,102</u>	<u>1,091,420</u>	<u>7,949,556</u>	<u>28,812,078</u>	<u>10,213,308</u>
Total noncurrent assets	<u>38,355,908</u>	<u>1,091,420</u>	<u>9,494,700</u>	<u>48,942,028</u>	<u>10,213,308</u>
Total assets	<u>50,563,602</u>	<u>22,104,171</u>	<u>20,817,993</u>	<u>93,485,766</u>	<u>51,582,240</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	161,172	1,093,922	941,153	2,196,247	3,252,152
Salaries and benefits payable	41,135	585,564	18,012	644,711	251,151
Due to other funds		9,458,005		9,458,005	332,042
Deposits from others	28,617			28,617	
Interfund note payable - current		1,696,090		1,696,090	
Risk management liability - current					12,597,884
Compensated absences - current	<u>10,163</u>	<u>139,329</u>	<u>5,564</u>	<u>155,056</u>	<u>44,316</u>
Total current liabilities	<u>241,087</u>	<u>12,972,910</u>	<u>964,729</u>	<u>14,178,726</u>	<u>16,477,545</u>
Noncurrent liabilities					
Estimated cost of landfill closure/postclosure	7,163,736		1,987,206	9,150,942	
Interfund note payable		16,442,561		16,442,561	
Risk management liability					20,296,457
Other post-employnt benefits (OPEB)	42,060	406,888	22,917	471,865	206,249
Compensated absences	139,028	1,088,167	31,760	1,258,955	1,016,613
Total noncurrent liabilities	<u>7,344,824</u>	<u>17,937,616</u>	<u>2,041,883</u>	<u>27,324,323</u>	<u>21,519,319</u>
Total liabilities	<u>7,585,911</u>	<u>30,910,526</u>	<u>3,006,612</u>	<u>41,503,049</u>	<u>37,996,864</u>
<b>NET POSITION</b>					
Net investment in capital assets	19,771,102	1,091,420	7,949,556	28,812,078	10,213,308
Restricted	18,553,565		1,548,889	20,102,454	
Unrestricted	4,653,024	(9,897,775)	8,312,936	3,068,185	3,372,068
Total net position	<u>\$ 42,977,691</u>	<u>\$ (8,806,355)</u>	<u>\$ 17,811,381</u>	<u>51,982,717</u>	<u>\$ 13,585,376</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				709,823	
Net assets of business type activities				<u>\$ 52,692,540</u>	

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

**County of Stanislaus**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2014**

	Business-type Activities - Enterprise Funds				Governmental
	Fink Road	Health Clinics	Other	Total	Internal
	Sanitary Landfill	and Ancillary Services	Enterprise Funds		Service Funds
<b>OPERATING REVENUES</b>					
Charges for services	\$ 5,257,999	\$ 31,825,731	\$ 2,035,136	\$ 39,118,866	\$ 88,971,689
Total operating revenues	<u>5,257,999</u>	<u>31,825,731</u>	<u>2,035,136</u>	<u>39,118,866</u>	<u>88,971,689</u>
<b>OPERATING EXPENSES</b>					
Salaries and benefits	1,223,153	16,660,357	492,211	18,375,721	7,205,762
Services and supplies	1,829,681	19,439,507	7,177,879	28,447,067	85,141,055
Depreciation	796,043	246,635	941,714	1,984,392	1,558,566
Estimated cost of closure/postclosure	(335,381)			(335,381)	
Total operating expenses	<u>3,513,496</u>	<u>36,346,499</u>	<u>8,611,804</u>	<u>48,471,799</u>	<u>93,905,383</u>
<b>OPERATING INCOME (LOSS)</b>	<u>1,744,503</u>	<u>(4,520,768)</u>	<u>(6,576,668)</u>	<u>(9,352,933)</u>	<u>(4,933,694)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income	635,002	105,473	131,428	871,903	267,905
Interest expense		(181,013)		(181,013)	(31)
Insurance reimbursement			340,977	340,977	
Intergovernmental		216,804	10,437,579	10,654,383	
Gain (loss) on sale of capital assets		(13,588)		(13,588)	40,785
Total nonoperating revenues (expenses)	<u>635,002</u>	<u>127,676</u>	<u>10,909,984</u>	<u>11,672,662</u>	<u>308,659</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	2,379,505	(4,393,092)	4,333,316	2,319,729	(4,625,035)
Transfers in	56,568	5,478,958	1,175,893	6,711,419	4,138,680
Transfers out	(1,209,829)	(456,968)	(14,498)	(1,681,295)	(220,276)
Capital contributions					
Changes in net assets	<u>1,226,244</u>	<u>628,898</u>	<u>5,494,711</u>	<u>7,349,853</u>	<u>(706,631)</u>
Total net position - beginning	41,751,447	(9,435,253)	12,316,670	44,632,864	14,292,007
Total net position - ending	<u>\$ 42,977,691</u>	<u>\$ (8,806,355)</u>	<u>\$ 17,811,381</u>		<u>\$ 13,585,376</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				284,536	
Change in net assets of business type activities				<u>\$ 7,634,389</u>	

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

**County of Stanislaus**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2014**

	Business-type Activities - Enterprise Funds				Governmental Activities
	Fink Road Landfill	Health Clinics and Ancillary Services	Other Enterprise Funds	Total	Internal Service Funds
<b>Cash flows from operating activities:</b>					
Cash received from customers and users	\$ 5,488,547	\$ 45,827,135	\$ 2,570,895	\$ 53,886,577	\$ 90,884,846
Cash received (paid) from interfund services		(20,004,388)		(20,004,388)	(84,057,952)
Cash paid to suppliers	(1,867,118)	(12,568,753)	(7,412,222)	(21,848,093)	
Cash paid to employees	(1,205,065)	(16,803,179)	(520,051)	(18,528,295)	(7,454,691)
Net cash provided (used) by operating activities	2,416,364	(3,549,185)	(5,361,378)	(6,494,199)	(627,797)
<b>Cash flows from noncapital financing activities:</b>					
Transfers in	56,568	5,478,958	1,175,893	6,711,419	4,138,680
Interfund borrowing		(1,586,412)	-	(1,586,412)	
Insurance reimbursement			340,977	340,977	
Subsidy from state and federal grant		216,804	10,437,579	10,654,383	--
Transfers out	(1,209,829)	(456,968)	(14,498)	(1,681,295)	(220,276)
Net cash provided (used) by noncapital financing activities	(1,153,261)	3,652,382	11,939,951	14,439,072	3,918,404
<b>Cash flows from capital and related financing activities:</b>					
Purchase of capital assets	(62,224)		(3,843,974)	(3,906,198)	(92,808)
Proceeds (loss) from disposal of capital assets		(28,195)	-	(28,195)	(383,578)
Capital contributions		538		538	--
Principal payment - capital leases				-	--
Principal payment - long term debt				-	
Interest income		105,473		105,473	
Interest paid		(181,013)		(181,013)	(31)
Net cash (used) by capital and related financing activities	(62,224)	(103,197)	(3,843,974)	(4,009,395)	(476,417)
<b>Cash flows from investing activities:</b>					
Interest received	635,001		131,428	766,429	267,905
Net cash provided by investing activities	635,001		131,428	766,429	267,905
Net increase (decrease) in cash and cash equivalents	1,835,880	--	2,866,027	4,701,907	3,082,095
Cash and equivalents - beginning	28,248,072		9,359,284	37,607,356	37,496,661
Cash and equivalents - ending	\$ 30,083,952	\$ --	\$ 12,225,311	\$ 42,309,263	\$ 40,578,756
<b>Reconciliation of cash and cash equivalents to the Statement of Net Assets</b>					
Cash and investments	\$ 11,499,146		\$ 10,680,167	\$ 22,179,313	\$ 40,578,756
Restricted cash and investments & investment with fiscal agent	18,584,806		1,545,144	20,129,950	
Total cash and cash equivalents	\$ 30,083,952		\$ 12,225,311	\$ 42,309,263	\$ 40,578,756

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

**County of Stanislaus**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2014**

	Business-type Activities - Enterprise Funds				Governmental
	Fink Road Landfill	Health Clinics and Ancillary Services	Other Enterprise Funds	Total	Internal Service Funds
<b>CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 1,744,503	\$ (4,520,768)	\$ (6,576,668)	\$ (9,352,933)	\$ (4,933,694)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	796,043	246,635	941,714	1,984,392	1,558,566
(Increase) decrease in accounts receivable	206,878	14,033,876	525,150	14,765,904	974,519
(Increase) decrease in other receivables	23,670	(28,896)	1,163	(4,063)	26,933
(Increase) decrease in inventory		266,825	9,446	276,271	79,663
(Increase) decrease in prepaid items		14,752		14,752	
(Increase) decrease in due from other funds				--	500,000
(Increase) decrease in deposits with others					--
(Increase) decrease in deferred charges					
(Increase) decrease in internally generated intangible fixed asset					(239,280)
Increase (decrease) in accounts payable and accrued liabilities	(37,437)	(700,834)	216,903	(521,368)	39,361
Increase (decrease) in interfund note payable				--	
Increase (decrease) in salaries and benefits payable	5,579	36,934	(3,926)	38,587	30,349
Increase (decrease) in liability for compensated absences	7,215	(246,493)	(26,544)	(265,822)	(76,693)
Increase (decrease) in other post-employment benefits(OPEB)	5,294	66,736	2,630	74,660	36,695
Increase (decrease) in deferred revenue		(3,573)		(3,573)	
Increase (decrease) in due to other funds/govt's		(12,714,379)		(12,714,379)	
Increase (decrease) in advances from other funds					332,042
Increase (decrease) in capital lease payable					(1,915)
Increase (decrease) in estimated cost of closure/postclosure	(335,381)		(451,246)	(786,627)	
Increase (decrease) in risk management liability					1,045,657
Net cash provided (used) by operating activities	<u>\$ 2,416,364</u>	<u>\$ (3,549,185)</u>	<u>\$ (5,361,378)</u>	<u>\$ (6,494,199)</u>	<u>\$ (627,797)</u>

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

**County of Stanislaus**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2014**

	Employees' Retirement Trust	Investment Trust	Agency Funds	Successor Agency Private Purpose Trust
<b>ASSETS</b>				
Cash and investments	\$ 44,078,286	\$ 537,245,845	\$ 6,206,856	\$ 1,993,262
Investments with fiscal agent				1,193,740
Receivables (net of allowance for uncollectables)		20,915,662		
Interest and dividends	5,829,241			
Securities transactions	18,227,509			
Contributions	3,051,590			
Other	35,771	1,230,214	34	
Advances to other governments				17,485
Prepaid		31,545		
Interfund note receivable		18,138,651		
Other assets	3,669,013	31,250,458		
Investments:				
Bonds	493,747,037			
Stocks	1,189,389,840			
Direct Lending	74,084,729			
Collateral on loaned securities	190,943,489			
Total assets	<u>2,023,056,505</u>	<u>608,812,375</u>	<u>6,206,890</u>	<u>3,204,487</u>
<b>LIABILITIES</b>				
Accounts payable	40,844,689	19,528,780	101,909	
Securities Lending Obligation	190,507,537			
Salaries and benefits payable				
Grant deed extension fee	395,000			
Trust obligations		10,867,893	6,104,981	
Agency funds for other government unit				
Advances from grantors and third parties		545,932		
Advances from other funds				
Due to other funds				
Due to other gov't agencies				
Interest payable				340,723
Bonds and notes payable				16,884,797
Total liabilities	<u>231,747,226</u>	<u>30,942,605</u>	<u>6,206,890</u>	<u>17,225,520</u>
<b>NET POSITION</b>				
Net position held in trust for pension benefits/investment pool participants	<u>\$ 1,791,309,279</u>	<u>\$ 577,869,770</u>	<u>\$ 0</u>	<u>\$ (14,021,033)</u>

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

**County of Stanislaus**  
**Statement of Changes in Fiduciary Fund Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2014**

	Employees' Retirement Trust	Investment Trust	Successor Agency Private Purpose Trust
<b>ADDITIONS</b>			
Contributions:			
Employer contributions	\$ 46,763,996	\$	\$
Member contributions	21,867,911		
Contributions on pooled investments		3,684,388,055	
Redevelopment agency property tax trust			2,083,407
Total contributions	<u>68,631,907</u>	<u>3,684,388,055</u>	<u>2,083,407</u>
<b>INVESTMENT INCOME</b>			
Net (depreciation) in fair value	239,719,981		
Interest	44,870,019	5,683,465	9,945
Miscellaneous income/(expense)	(936,590)		2,349
Less investment expense	<u>(8,757,302)</u>		
Net investment income	<u>274,896,108</u>	<u>5,683,465</u>	<u>12,294</u>
Total additions	<u>343,528,015</u>	<u>3,690,071,520</u>	<u>2,095,701</u>
<b>DEDUCTIONS</b>			
Benefit payments	93,116,413		
Refunds of prior contributions	1,666,058		
Distributions from pooled investments		3,700,061,042	
Interest			818,261
Administrative expense	<u>2,249,260</u>		<u>328,304</u>
Total deductions	<u>97,031,731</u>	<u>3,700,061,042</u>	<u>1,146,565</u>
Change in Net Assets	246,496,284	(9,989,522)	949,136
Net position held in trust - beginning	<u>1,544,812,995</u>	<u>587,859,292</u>	<u>(14,970,169)</u>
Net position held in trust - ending	<u>\$ 1,791,309,279</u>	<u>\$ 577,869,770</u>	<u>\$ (14,021,033)</u>

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

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 1: **Summary of Significant Accounting Policies**

This summary of significant accounting policies of the County of Stanislaus (the County) is presented to assist in understanding the County's financial statements. These accounting policies conform to Generally Accepted Accounting Principles (GAAP) and have been consistently applied in the preparation of the financial statements.

**A. Reporting Entity**

The accounting methods and procedures adopted by the County conform to GAAP as applied to governmental entities. These financial statements present the County and its component units, legally separate entities for which the County is considered to be financially accountable, under the criteria set by Governmental Accounting Standards Board (GASB) Statement No. 61.

Reported component units on the County's financial statements can be blended or discretely presented. Blended component units, although legally separate entities, are in substance, part of the County's operations. Blended component units are an extension of the County and so data from these units are combined with the data of the primary government. Each component unit has a June 30<sup>th</sup> year-end.

**Blended Component Units**

1. Stanislaus County Capital Improvements Financing Authority ("Authority"): The Authority was established on September 1, 1989, as a separate legal entity whose sole purpose is to provide financing for various County capital projects. It is governed by the five members of the County Board of Supervisors. The activity for the Authority is reported as a debt service fund.
2. Lighting Districts: The County has 29 different, legally separate lighting districts whose boards are the same as the County Board of Supervisors. The County's approval is needed to set the districts' budgets and to set assessment rates. The activity for the lighting districts is reported in a special revenue fund.
3. Stanislaus County Tobacco Funding Corporation ("Stanislaus Corporation"): The Stanislaus Corporation was established per Board of Supervisors resolution on November 7, 2000 as a separate legal entity pursuant to California Corporations Code. Three directors, two from the County and one independent, govern The Stanislaus Corporation. The Corporation's purpose is to acquire from the County all of the rights of the County future tobacco settlement payments and to borrow money secured by the County tobacco assets on behalf of the California County Tobacco Securitization Agency (See Note 16). The Stanislaus Corporation provides service solely to the County and is reported as a debt service fund.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 1: **Summary of Significant Accounting Policies** (continued)

A. **Reporting Entity** (continued)

Blended Component Units (continued)

4. In-Home Supportive Services Public Authority of Stanislaus County ("Public Authority"): The Public Authority was established on December 9, 2004 as a separate legal entity pursuant to Welfare and Institutions Code Section 12301.6. The Public Authority is governed by the five members of the County Board of Supervisors. The purpose of the Public Authority is to implement the goals and objectives of the In-Home Supportive Services Program. The Public Authority is reported as a special revenue fund.
5. Stanislaus County Children and Families Commission ("Commission"): Following voter approval of Proposition 10 in November 1998, the Commission was established by the Stanislaus County Board of Supervisors on December 8, 1998, pursuant to Ordinance #687. The ordinance provides that the Commission operate as an independent "County agency." A governing board compiled of nine Commissioners, whose composition is defined in the enabling ordinance, is appointed by the Board of Supervisors. The purpose of the Commission is to promote the development and well-being of children zero through age five in Stanislaus County. The activity for the Commission is reported as a special revenue fund.

B. **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. The government-wide statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

In the government-wide statements, eliminations have been made to minimize the double counting of certain internal activities. In the statement of net position, all internal balances have been eliminated except those representing the net balance due between governmental and business-type activities. This residual balance is reported as "internal balances." In the statement of activities, direct expenses such as services provided and used are not eliminated, but internal service fund activity has been eliminated.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 1: **Summary of Significant Accounting Policies** (continued)

**B. Basis of Presentation** (continued)

*Government-Wide Financial Statements* (continued)

The statement of activities demonstrates the degree to which the program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated administrative overhead. 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, unrestricted resources are used only after the restricted resources are depleted.

*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, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as non-major funds.

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

The County reports the following major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as public protection, health and sanitation, public assistance, education and recreation and cultural services.
- The *Tobacco Settlement Fund* was established to account for the proceeds from securitizing the County's share of tobacco settlement revenues. Currently the proceeds are restricted to use for capital expenditures. The intent is to preserve the initial amount and to distribute 80% of the annual investment earnings to the General Fund.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 1: **Summary of Significant Accounting Policies** (continued)

**B. Basis of Presentation** (continued)

*Fund Financial Statements-major governmental funds* (continued)

- The *Behavioral Health and Recovery Fund* was established to provide mental health services to the residents of the County under the provisions of Welfare and Institutions Codes 5600 and 5000. This includes residential/support treatment services, outpatient treatment services, and an array of education and prevention services. The primary source of revenues is from intergovernmental sources and charges for services.
- The *Community Services Agency Fund* was established for the administration of the three major public social programs including financial assistance, social services, and employment services. Intergovernmental revenue is the primary source of financing for this fund.
- *Public Facility Fees Fund* was established by the Board of Supervisors adoption of Resolution No. 89-1724 for the purpose of reducing the impact of a growing community on existing County resources. The fees are charged to new development based on the need for facilities to maintain the existing level of service. The fee benefits the following departments and programs: roads, detention, criminal justice, library, parks, public and mental health, emergency services, animal services and sheriff.

The County reports the following major enterprise funds:

- The *Fink Road Sanitary Landfill Fund* was established to account for the operation of Fink Road Sanitary Landfill, which provides a dumping site for the disposal of solid wastes. Revenues are derived from fees generated for the disposal of waste at the site.
- The *Health Clinics and Ancillary Services Fund* was established to account for health care operations in outpatient clinics throughout the County. Revenues are derived from fees for patient services, payments from federal and state programs such as Medicare and Medi-Cal, private insurance, and subsidies from the County.

The County reports the following additional fund types:

- *Internal Service Funds* account for the County's fleet and facility maintenance, purchasing, communication, technology, and other services provided to departments or other governments. They also account for self-insurance programs – workers' compensation, long-term disability, employee benefits, and personal injury and property damage on a cost-reimbursement basis.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 1: **Summary of Significant Accounting Policies** (continued)

**B. Basis of Presentation** (continued)

*Fund Financial Statements-additional fund types* (continued)

- The *Employees' Retirement Trust* accumulates contributions from the County, its employees and other participating employers, and earnings from the fund's investments. Disbursements are made from the fund for retirement, disability and death benefits (based on a defined benefit formula) and administrative expenses. This fund includes all assets of the Stanislaus County Employees Retirement Association (StanCERA).
- The *Investment Trust Fund* accounts for the assets of legally separate entities that deposit cash with the County Treasurer in an investment portfolio for the benefit of all participants. These entities include school and community college districts and other special districts governed by local boards, regional boards and authorities. The fund represents the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.
- The *Agency Funds* account for assets held by the County as an agent for individuals, private organizations, or other governments.
- The *Private-Purpose Trust Fund* is a fiduciary fund type used by the County to report trust arrangements under which principal and income benefit other governments. This fund reports the assets, liabilities, and activities of the Stanislaus County Redevelopment Successor Agency (Successor Agency).

**C. Basis of Accounting**

The government-wide, proprietary, employees' retirement trust, private purpose trust, and investment trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

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. On an 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 eligibility requirements have been satisfied.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 1: **Summary of Significant Accounting Policies** (continued)

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available (“susceptible to accrual”). The County considers revenues available if they are collected within 180 days after year-end, except for property taxes. Property taxes are considered available if they are collected within 60 days after year-end. Expenditures are generally recorded when a liability is incurred, as under the accrual basis of accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from non-operating. Operating revenues and expenses generally result from providing services and producing goods in connection with a proprietary fund’s principal operations. The operating revenues of the enterprise and internal service funds are charges to customers for sales and services. Operating expenses for those same funds include the cost of sales and services, administrative expenses, depreciation and the estimated cost of closure/postclosure for the landfills. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**D. Budgetary Basis of Accounting**

In accordance with the provisions of Sections 29000 and 29143, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares a budget for each fiscal year on or before August 30. Budgeted expenditures are enacted into law through the passage of an Appropriation Ordinance. This ordinance mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County’s Board of Supervisors.

An operating budget is adopted each fiscal year for the General Fund and all special revenue funds except the Tobacco Settlement Fund. An operating balanced budget is adopted for the capital projects funds for the life of the project, except for the Courthouse Construction Fund and the Criminal Justice Facilities Fund, which adopt an operating budget each fiscal year. A budget is not adopted for the Public Facility Fees capital projects fund as those dollars are transferred and budgeted in other funds. Expenditures are controlled at the object level within budget units. A budget unit may be (1) a single department, (2) a division of a large department having multiple divisions, or (3) an entire fund. The object level within a budget unit is the level at which expenditures may not legally exceed

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 1: **Summary of Significant Accounting Policies** (continued)

**D. Budgetary Basis of Accounting** (continued)

appropriations. Any transfers of appropriations between object levels within the same budget unit may be authorized by the County Executive Office, with the exception of transfers related to fixed assets exceeding \$10,000. Budget amendments or supplementary appropriations normally financed by unanticipated revenues during the year or transfers of appropriations between budget units must be approved by the Board of Supervisors. Budgeted amounts in the budgetary comparison schedules are reported as originally adopted and as amended during the fiscal year by resolutions approved by the Board of Supervisors.

The budgets for the governmental funds may include an object level known as “expenditure transfers.” This object level is an accounting mechanism used by the County to show reimbursements between operations within the same fund (an example would be the General Fund).

The amounts reported on the budgetary basis differ from the basis used to present the basic financial statements in accordance with generally accepted accounting principles (GAAP). Annual budgets are prepared on the modified accrual basis of accounting except that current year encumbrances and commitments are budgeted as expenditures.

The following schedule reconciles the amounts on the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual on Budgetary Basis to the amounts on the Statement of Revenues, Expenditures and Changes in Fund Balances:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	
		<u>Behavioral Health and Recovery</u>	<u>Community Services Agency</u>
Total expenditures (budgetary basis)	\$ 179,946,455	\$ 77,737,519	\$ 209,996,135
Basis difference - net addition of 2012/13 encumbrances and commitments minus 2013/14 encumbrances and commitments	<u>(752,134)</u>	<u>(636,739)</u>	<u>38,136</u>
Total Expenditures (GAAP)	<u>\$ 179,194,321</u>	<u>\$ 77,100,780</u>	<u>\$ 210,034,271</u>

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 1: **Summary of Significant Accounting Policies** (continued)

**E. Cash and Cash Equivalents**

Cash and cash equivalents include cash in bank and investments held by the County Treasurer in a cash management pool. The amounts classified as “Investments with Fiscal Agent” represent loan proceeds held by the trustees for various borrowings (See Note 4) and securitized tobacco settlement proceeds invested outside the County Pool.

For purposes of the accompanying statement of cash flows, the enterprise and internal service funds consider all highly liquid investments with a maturity of three months or less when purchased, and their equity in the County Treasurer’s investment pool, to be cash equivalents.

**F. Investments**

California Government Code Section 53600, et seq., authorizes the County to invest in obligations of the State of California (the State) or any local agency of the State, bankers’ acceptances, commercial paper, negotiable certificates of deposits, repurchase agreements or reverse repurchase agreements, medium-term notes issued by corporations and the State of California Local Agency Investment Fund.

The County may also invest in certain open-ended mutual funds permitted by the Government Code. All investments are carried at fair value until they are within 90 days of maturity at which time they are reported at amortized cost. Interest earned on pooled investments is apportioned quarterly to certain participating funds based upon each fund’s average daily deposit balance with all remaining interest deposited in the General Fund.

The tobacco securitization proceeds are invested under a separate policy approved by the County Board of Supervisors on January 29, 2002. The policy authorizes the County to invest in obligations outlined in California Government Code Section 53600, et seq., with no investment having a greater maturity date than the final maturity of any tobacco settlement asset-backed bond. All investments are reported at fair value.

The Employees' Retirement Trust (StanCERA) funds are invested pursuant to policy guidelines established by the StanCERA Board of Retirement. The objective of the investment policy is to invest in a manner that provides the safeguards and diversity that a prudent investor would adhere to. The policy of StanCERA is to invest in the following asset classes: Large Cap US Stocks, Small Cap US Stocks, Non US Stocks and Fixed Income. Investments are stated at fair value.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 1: **Summary of Significant Accounting Policies** (continued)

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

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

In addition to assets, the Statement of Financial Position will, sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. The County has no items which qualify for reporting in this category.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the government that is applicable to a future reporting period. The County has no significant items which qualify for reporting in this category.

**H. Inventory**

In governmental funds, inventories are valued at cost. In proprietary funds, they are valued at lower of cost or market. Cost is determined by using either the weighted average or the first-in, first-out method. The consumption method of accounting for inventory is used for the governmental funds and the proprietary funds. For the governmental funds, the fund balance related to inventory is categorized as non-spendable (See Note 13).

**I. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**J. Capital Assets**

Capital assets (including infrastructure) are recorded at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. Capital assets include public domain assets (infrastructure) consisting of roads, bridges, lighting systems, drainage systems, and flood control improvements. The County defines capital assets, other than infrastructure, as assets with an initial, individual cost equal to or greater than \$5,000 and an estimated useful life in excess of one year, with the exception of the Health Clinics and Ancillary Services Enterprise Fund. The Health Clinics and Ancillary Services Enterprise Fund defines capital assets as

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 1: **Summary of Significant Accounting Policies** (continued)

**J. Capital Assets** (continued)

assets with an initial, individual cost equal to or greater than \$1,000 and an estimated useful life in excess of three years. In addition to these individual assets, the library's books are capitalized together as one collection.

Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide and proprietary funds statements, with the exception of patrol cars and landfill cell development. The units of production method is used for depreciation on patrol cars and landfill cells.

The estimated useful lives are as follows:

Infrastructure	20 to 60 years
Structures and improvements	15 to 60 years
Equipment	3 to 20 years
Patrol cars	100,000 miles
Landfill Cell-4	1,960,000 cubic yards
Landfill Cell-5	1,550,000 cubic yards

The County has seven networks of infrastructure assets – roads, bridges, lighting system, storm drains, signs, signals and beacons.

**K. Intangible Assets**

On July 13, 2010, the Board of Supervisors approved \$50,000 capitalization threshold for intangible assets.

GASB Statement No. 51 was issued in June of 2007. The objective of this statement is to establish accounting and financial reporting requirements for intangible assets to reduce inconsistencies in reporting among state and local governments. County financial statements must comply with all statements issued by the Governmental Accounting Standards Board. This statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. As such, existing accounting and financial reporting requirements are to be applied to intangible assets. Capital assets are expensed over their useful lives rather than being charged in the specific financial period in which they are purchased.

The existing capital asset policy for the County includes intangible assets. Currently, the capitalization threshold for other fixed assets is \$5,000 or greater. The threshold amount represents the minimum amount at which an asset should be capitalized.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 1: **Summary of Significant Accounting Policies** (continued)

**K. Intangible Assets** (continued)

GASB Statement No. 51 does not specifically identify a methodology for establishing a threshold amount. A survey of other California counties was performed which indicated a wide variation, depending on the size of the County, in the threshold amounts being implemented. Given the County's relative size and exposure, a \$50,000 threshold is considered to be a reasonable amount.

**L. Compensated Absences (Accrued Vacation, Sick Leave, and Compensatory Time)**

All regular employees of the County earn vacation and sick leave with pay every year. The amount of vacation and sick hours earned is based on the years of continuous service and the bargaining unit to which the employee belongs. All employee bargaining units have vacation accumulation limits. Regular employees are given credit for eight hours sick leave each month of employment with limited accumulation.

After at least six months of County service, most regular employees, upon separation, are entitled to all unused vacation time accumulation. Most regular employees are entitled to a portion of accumulated sick leave after six years of service, depending on age, years of service, and bargaining unit.

At the close of each fiscal year, the balance of this accumulated time is computed for each employee at the current salary range. In the financial statements, these amounts are referred to as "compensated absences." A 10-year average of all termination payments is used to compute the amount that is expected to be liquidated in the next year with expendable available financial resources. This current portion and the balance of the long-term liability are reported in the government-wide statements, the enterprise and internal service funds financial statements and are generally liquidated by the General Fund.

**M. Interfund Transactions**

Interfund transactions include loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/due from" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 1: **Summary of Significant Accounting Policies** (continued)

**M. Interfund Transactions** (continued)

Advances to other funds, as reported in the fund financial statements, are reported as non-spendable fund balance.

Services or supplies provided can result, at year-end, in receivables and payables referred to as “due to/from other funds.” These receivables and payables are eliminated in the governmental-wide consolidation with residual balances reported as “internal balances” when they are between funds of the County.

Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the government-wide presentation.

**N. Estimates**

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

**O. Fund Balance**

Governmental Accounting Standards Board (GASB) has issued Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement is effective for financial statements with periods beginning after June 15, 2010. The objective of this statement is to improve the usefulness, including the understandability, of governmental fund balance information. The statement provides more clearly defined categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The statement impacts governmental fund types.

The fund balance is reported in five categories: Non-spendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance and Unassigned Fund Balance.

Non-spendable Fund Balance – amounts cannot be spent because a) not in spendable form or b) legally or contractually required to be maintained intact.

Restricted Fund Balance - amounts are restricted by external parties, i.e., creditors, grantors, contributors or laws/regulations of other governments or restricted by law through constitutional provisions or enabling legislation.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 1: **Summary of Significant Accounting Policies** (continued)

O. **Fund Balance** (continued)

Committed Fund Balance – amounts that can only be used for specific purpose pursuant to constraints imposed by formal action of the government’s highest level of decision making authority. The formal action must occur prior to the end of the reporting period. The amount, which will be subject to the constraint, may be determined in the subsequent period.

Assigned Fund Balance - amounts constrained by the government’s intent to be used for specific purposes that are neither restricted nor committed. The intent can be expressed by a) the governing body itself or b) a body or official to which the governing body has delegated the authority, i.e., budget/finance committee. Monies set aside for debt service, carryover appropriations, teeter plan, retirement obligation, contingencies and tobacco settlement are some of the examples to be included in the assigned category.

Assigned fund balance can be used to eliminate the projected budgetary deficit in the subsequent year’s budget.

Unassigned Fund Balance – a residual classification for the general fund. The total fund balance less non-spendable, restricted, committed and assigned equals unassigned fund balance. General fund is the only fund that should report a positive unassigned fund balance amount. A negative fund balance is possible in other governmental funds.

P. **Implementation of Governmental Accounting Standards Board (GASB) Statements**

The following GASB Statements have been accounted for in the financial statements for the fiscal year ended June 30, 2014.

*GASB Statement No. 65: Items Previously Reported as Assets and Liabilities.* The Statement introduces new elements for the Statement of Net Position. Classifications for specific items have been changed to new categories, deferred outflows of resources and deferred inflows of resources from the traditional category of assets and liabilities.

*GASB Statement No. 66: Items Technical Corrections–2012 – an amendment of GASB Statements No. 10 and No. 62.* The Statement amends GASB Statement No. 10 to classify fund types based on the nature of the activity. The Statement also amends GASB Statement No. 62 by providing specific guidance on accounting for operating lease payments that vary from a straight-line basis. The impact of this Statement to the financial statements is insignificant.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 1: **Summary of Significant Accounting Policies** (continued)

**P. Implementation of Governmental Accounting Standards Board (GASB) Statements** (continued)

*GASB Statement No. 67: Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25.* The provisions of GASB Statement No. 67 are effective for financial statements beginning after June 15, 2013. There is no impact to the financial statements.

*GASB Statement No. 70: Accounting and Financial Reporting for Nonexchange Financial Guarantees.* This Statement requires that if certain criteria is met a liability should be recognized when a government agency extends financial guarantee on behalf of another entity. There is no impact of this Statement to the County.

**Q. Future of Governmental Accounting Standards Board (GASB) Statements**

*GASB Statement No. 68: Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27.* The provisions of GASB Statement No. 68 are effective for financial statements beginning after June 15, 2014. The County has not fully judged the effect of the implementation of GASB Statement No. 68 as of the date of the basic financial statements.

*GASB Statement 69: Government Combinations and Disposals of Government Operations.* This Statement establishes accounting and financial reporting for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013. The County has not fully judged the effect of the implementation of GASB Statement No. 69 as of the date of the basic financial statements.

*GASB Statement 71: Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68.* This Statement relates to amounts associated with contributions to a defined benefit pension plan after the measurement date of the government’s beginning net pension liability. This statement amends GASB Statement No. 68 and is to be applied simultaneously with the provisions of GASB Statement No. 68. The County has not fully judged the effect of the implementation of GASB Statement No. 71 as of the date of the basic financial statements.

Note 2: **Individual Fund Deficits**

**Deficit Fund balances – Governmental Fund Type**

Special Revenue Fund - Indigent Health Care	\$ 587,821
---------------------------------------------	------------

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 2: **Individual Fund Deficits** (continued)

The Indigent Health Care deficit is due to a decrease of program revenues and changes in County policy resulting in an increase in applicants.

**Net Asset Deficits – Proprietary Funds**

Enterprise Fund - Health Clinics and Ancillary Services	\$ 8,806,355
Internal Service Fund - General Liability Insurance	\$ 968,022
Internal Service Fund - Medical Self-Insurance	\$ 8,856,182

The Clinics and Ancillary Services Fund deficit is primarily due to operating losses incurred during Fiscal Years 1997-1998 through June 2004-2005 as well as the rising cost of providing health care services. The plan to recover the deficit focuses on transfers from other funds, increased fees for service, increased reimbursement as a Federally Qualified Health Center Look-Alike as well as other strategic initiatives.

The General Liability Insurance and Medical Self-Insurance deficits are due to user rates that were too low. These deficits will be funded by increased user charges.

Note 3: **Excess of Actual Expenditures Over Budget in Individual Budget Units**

For the year ended June 30, 2014, actual expenditures based on budgetary basis, excluding transfers, exceeded budget at the budget unit and object level as follows:

<u>Fund Type and Department</u>	<u>Object</u>	<u>Excess Expenditures</u>
General Fund - County Counsel	Other charges	\$ 20
General Fund - Treasury	Other charges	\$ 1,584
General Fund - General Services Agency	Other charges	\$ 559
General Fund - Sheriff's Contract Cities	Other charges	\$ 19,840

The excess expenditures are related to interfund reimbursements. The above disclosure is based on departmental appropriations as of June 30, 2014.

Note 4: **Cash and Investments**

The County maintains a cash and investment pool - Stanislaus County Treasurer's Pool - for the purpose of increasing interest income through investment activities. This pool, which is available for use by all funds, is displayed on the statement of net position/balance sheet as "cash and investments." The Stanislaus County Treasurer's Pool generally limits participation in the pool to those agencies and districts required to participate by legal provisions of the California State Government Code for those agencies and districts. Voluntary participation is limited to the Stanislaus County Employees Retirement System (StanCERA) and independent special districts, which represent approximately 3% of the pool. While StanCERA participates in the County Treasurer's Pool, the majority of its cash and investments are managed

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 4: **Cash and Investments** (continued)

separately from the County Pool. The County has no legally binding guarantees to support the shares in the County Treasurer's Pool.

The share of each fund in the Stanislaus County Treasurer's Pool is separately accounted for and interest is apportioned quarterly based on the relationship of the fund's average daily cash balance to the total of the pooled cash and investments. In accordance with Government Code Section 53647, interest on all money deposited in the County Treasury belongs to the County and participating schools unless otherwise directed by law or the County Board of Supervisors.

The County has numerous funds in which the interest earned is deposited into the General Fund to comply with the above code section.

The Stanislaus County Treasurer's Pool is not SEC-registered, but is invested in accordance with California State Government Code Section 53600 et. seq. The California State Government Code requires the formation of an Investment Oversight Committee, which is charged with overseeing activity in the pool for compliance to policy and code requirements. To this end, the Oversight Committee reviews the monthly investment report prior to presentation to the Board of Supervisors and causes an audit of investments to occur annually.

In addition to the restrictions and guidelines of the Government Code, cash and investments with the County Treasurer are invested pursuant to investment policy guidelines established by the County Treasurer and accepted by the Board of Supervisors. The objectives of the policy are, in order of priority, legality of investment, safety of principal, liquidity and yield.

Total County cash and investments are as follows:

Cash and Investments	
Imprest cash	\$ 145,587
Cash in banks-department administered	3,198,830
In custody of Treasurer:	
Cash on hand	86,538
Cash in bank	36,227,015
Investments held by Treasurer	944,901,557
Less outstanding checks	<u>(39,095,237)</u>
Total in custody of Treasurer	942,119,873
Investments held by fiscal agents:	
Tobacco settlement	93,416,107
Tobacco funding corporation	4,773,329
Stock investment	69,950
Bond requirements	<u>4,054,000</u>
Subtotal investments held by agents	102,313,386
Private Purpose Trust investments held by fiscal agent	<u>1,193,740</u>
Total investments held by agents	103,507,126
Employees' retirement trust:	
Cash (outside Treasurer's pool)	34,033,029
Investments	<u>1,948,165,095</u>
Total cash and investments	<u>\$ 3,031,169,540</u>

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 4: **Cash and Investments** (continued)

Total County cash & investments are reported as follows:

Primary government		
Cash and investments	\$	366,040,951
Investments with fiscal agent		102,313,386
Restricted cash & investments		23,932,119
Employees' retirement trust		
Cash and investments		44,078,286
Other investments		1,948,165,095
Investment trust - cash and investments		537,245,845
Agency funds - cash and investments		6,206,856
Private purpose trust		
Cash and investments		1,993,262
Investments with fiscal agent		1,193,740
Total cash and investments	\$	3,031,169,540

*Interest Rate Risk* - This is the risk of loss due to the fair value of an investment falling because of rising interest rates. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

- *Stanislaus County Treasurer's Pool.* The County's policy for interest rate risk allows investments to be sold prior to maturity at a loss if such sale will allow investment in a higher yield vehicle and any loss upon sale can be more than compensated by additional interest earning within a six month period. Of the County's \$940 million portfolio, over 42% of the investments have a maturity of one year or less. No investment has a maturity greater than five years.
- *Stanislaus County Tobacco Settlement Investment Portfolio.* This portfolio, under a separate investment policy, includes Municipal bonds with maturities of up to 20 years that are sensitive to interest rate changes. Of these bonds, 22% are insured, which tends to reduce interest rate risk.
- *StanCERA's Investment Portfolio.* StanCERA's average effective duration of all fixed income holdings, reflecting all instruments including Collateralized Mortgage Obligations and Asset-Backed Securities, must be maintained at plus or minus 1.5 years of the Barclay Aggregate bond index duration. At year end the Barclay Aggregate Bond Index was yielding 2.20% with an effective duration of 5.6 years. StanCERA had a yield of 2.60% with an effective duration of 5 years.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 4: **Cash and Investments** (continued)

*Credit Risk* - This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

- *Stanislaus County Treasurer's Pool.* The County is permitted to hold investments of issuers with a short-term rating of "A-1" and a minimum long-term rating of "A-" by two of the top nationally recognized statistical rating organizations (rating agencies). Additionally, the County is permitted to invest in U.S. Treasuries, Government Sponsored Enterprises (Agencies), the State's Local Agency Investment Fund and collateralized certificates of deposit that are un-rated.
- *Stanislaus County Tobacco Settlement Investment Portfolio.* This portfolio includes insured and non-insured bonds that are rated single A and double A. The bonds make up 70% of the portfolio. The rest of the portfolio is invested in money market and mutual funds with maturities of less than one year.
- *StanCERA's Investment Portfolio.* Under StanCERA policy, the fixed income portfolio must have an average quality rating of A or better in the aggregate as measured by at least one credit rating service. Investment grade quality is defined as a Standard and Poor's rating of BBB or higher at time of purchase. In cases where credit rating agencies assign different quality ratings to a security, the lower rating will be used.

Should the rating of a fixed income security fall below investment grade, the manager may continue to hold the security if they believe the security will be upgraded in the future, there is a low risk of default, and buyers will continue to be available throughout the anticipated holding period. The manager has the responsibility of notifying the StanCERA Retirement Board whenever an issue falls below investment grade. The notification should include the manager's assessment of the issue's credit rating and its ongoing role in the portfolio.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 4: **Cash and Investments** (continued)

*Credit Risk* (continued)

*StanCERA's Investment Portfolio* (continued)

The following table shows the quality of StanCERA's investments in fixed income securities on June 30, 2014.

<u>Credit Rating</u>	<u>Active Management</u>	<u>Fixed Income Securities Amount</u>
AAA	1.01%	\$ 4,984,176
Aa1/AA+/AA+	0.82%	4,053,839
AA	0.45%	2,232,246
AA-	0.64%	3,137,092
A1/A+/A+	2.37%	11,683,238
A2/A/A	1.36%	6,733,102
A3/A-/A-	4.97%	24,529,431
Baa1/BBB+/BBB+	6.44%	31,774,186
Baa2/BBB/BBB	14.79%	73,016,341
Baa3/BBB-/BBB-	5.27%	26,040,765
Ba1/BB+BB+	0.06%	313,264
Ba2/BB/BB	0.91%	4,471,624
Ba3/BB-/BB-	1.85%	9,154,760
B1/B+/B+	6.15%	30,358,252
B	0.29%	1,449,190
B3/B-/B-	0.25%	1,244,089
CCC	0.03%	160,255
N/R	32.87%	162,293,056
N/A	19.47%	96,118,131
	<u>100.00%</u>	<u>\$ 493,747,037</u>

N/R represents securities that are not rated

N/A represents securities that are not applicable to the rating disclosure requirements

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 4: **Cash and Investments** (continued)

*Custodial Credit Risk-deposits* - In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it.

- *Stanislaus County Treasurer's Pool and other deposits.* At year-end, Stanislaus County had no custodial credit risk exposure to any depository financial institution. As per State of California Government Code (Section 53630 – 53683), the depository banks, i.e., Bank of the West and Union Bank of California, collateralize Stanislaus County public funds with eligible securities having a market value of at least 110% of the actual amount on deposit. These securities are maintained with the third party custodians. The collateral is held in a pool based on the bank's total public deposits. The County did not have deposits in any foreign currency.
- *StanCERA's Investment Portfolio.* At year-end, StanCERA had no custodial credit risk exposure to any depository financial institution. All deposits are placed with a custodial bank. The custodian is responsible for maintaining an adequate level of collateral in an amount equal to 102% of the market value of loaned securities. Collateral received may include cash, letters of credit, or securities. If securities collateral is received, StanCERA cannot pledge or sell securities collateral unless the borrower defaults.

*Custodial Credit Risk-investments* - For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

- *Stanislaus County Treasurer's Pool and Stanislaus County Tobacco Settlement Investment Portfolio.* All negotiable instruments are held by the County's custodian or a third party in the County's name. The County did not participate in securities lending. The investment policy prohibits investment in instruments denominated in a foreign currency.
- *StanCERA's Investment Portfolio.* State statutes and Board of Retirement Investment Policy permit StanCERA to participate in a securities lending program. StanCERA's custodial bank administers its securities lending program. At year-end, StanCERA had no custodial credit risk exposure to borrowers because the amounts StanCERA owed to borrowers exceeded the amounts the borrowers owed to StanCERA. StanCERA's contract with the custodian requires it to indemnify StanCERA if the borrower fails to return the securities and the collateral is inadequate to replace the securities lent or fail to pay StanCERA for income distributions by securities issuers while securities are on loan.

As of June 30, 2014, StanCERA had securities on loan with a carrying value of \$186,958,555 and cash collateral of \$190,507,537. The types of securities lent were U.S. Government and Agencies, U.S. Corporate Fixed Income and U.S. Equities. There are no restrictions on the amount of securities that may be lent.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 4: **Cash and Investments** (continued)

*Foreign Currency Risk* – This is the risk that changes in exchange rates may adversely affect the fair value of an investment

- *StanCERA's Investment Portfolio.* StanCERA's external investment managers may invest in international securities and must follow StanCERA's Investment Guidelines pertaining to these types of investments.

The fair value, in US dollars, of StanCERA's foreign currency at June 30, 2014 was \$323,400,806, distributed as follows:

<u>Currency</u>	<u>Fair Value</u> <u>(in US \$)</u>	<u>Currency</u>	<u>Fair Value</u> <u>(in US \$)</u>
Australian Dollar	\$ 18,367,182	New Israeli Shekel	\$ 1,200,957
Brazil Real	\$ 1,155,975	New Taiwan Dollar	\$ 3,365,607
Canadian Dollar	\$ 24,935,035	New Zealand Dollar	\$ 671,860
Danish Krone	\$ 1,834,612	Pound Sterling	\$ 49,722,041
Euro Currency	\$ 76,597,681	Singapore Dollar	\$ 2,647,150
Hong Kong Dollar	\$ 11,914,037	South African Rand	\$ 4,888,710
Indonesian Rupiah	\$ 574,011	South Korean Won	\$ 6,412,812
Japanese Yen	\$ 47,805,620	Swiss Franc	\$ 19,115,125
Malaysian Renggit	\$ 415,280	Thailand Baht	\$ 1,335,587
Mexican Nuevo Peso	\$ 1,019,558	Turkish Lira	\$ 478,114
		US Dollar	\$ 39,858,665

*Concentration of Credit Risk* - This is the risk of loss due to a large concentration of investments in any one issuer. Investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools and other pooled investments are not considered at risk.

- *Stanislaus County Treasurer's Pool.* Over 45% of the County's investments were in the U.S. Government or Government Sponsored Enterprises (Agencies). The following Agencies each comprised more than 5% of the pool investments:

<i>US Treasury Securities</i>	24.99%
<i>Federal Home Loan Bank</i>	8.51%
<i>Federal Farm Credit Bank</i>	12.02%

Of the 55% of the portfolio invested in other types of investments, no issuer exceeded 5% of the portfolio in each investment type at the time of investment.

- *Stanislaus County Tobacco Settlement Investment Portfolio.* This portfolio includes California State Municipal bonds that comprise 38% of the portfolio.
- *StanCERA's Investment Portfolio.* StanCERA's policy requires that not more than 5% of the total StanCERA stock portfolio, valued at market, be held in the common stock

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 4: **Cash and Investments** (continued)

*Concentration of Credit Risk* (continued)

of any one corporation. Not more than 5% of the outstanding shares of any one company may be held. Individual investment managers are to hold no more than 8% of the market value of the manager's entire stock portfolio in any one company's stock. Not more than 25% of the stock valued at market may be held in any one industry category, as defined by the StanCERA consultant, without special permission from the StanCERA Board of Retirement.

With the exception of securities issued by the U.S. Government and its agencies, no single fixed income issue will represent more than 5% of the total portfolio as measured by market value at time of purchase. Holdings of any individual issue must be 5% or less of the value of the total issue.

At June 30, 2014, StanCERA had the following investments:

<b><u>Fixed Income Securities</u></b>	
U.S. Treasuries	\$ 90,132,453
Government Mortgage Backed Securities	154,319,004
Commercial Mortgage Backed Securities	7,108,273
Collateralized Mortgage Obligations	2,312,534
Federal Agency	6,619,685
Asset Backed	10,211,946
Emerging Market / Non-US Bonds	3,083,644
Corporate Bonds	197,641,123
Municipal Bonds	22,318,375
	<u>\$ 493,747,037</u>
<b><u>Equities</u></b>	
Domestic	\$ 840,640,650
International	323,400,806
	<u>\$ 1,164,041,456</u>
<b><u>Real Estate Securities</u></b>	<u>\$ 25,348,384</u>
<b><u>Direct Lending</u></b>	<u>\$ 74,084,729</u>
<b><u>Collateral on Loaned Securities</u></b>	<u>\$ 190,943,489</u>
Total Investments	<u>\$ 1,948,165,095</u>

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 4: **Cash and Investments** (continued)

The following schedule indicates the credit and interest rate risk at June 30, 2014. The credit ratings listed are for the lower of Standard and Poor's or Moody's Investor Services. Certain investments such as U.S. Treasuries and the State's Local Agency Investment Fund are un-rated.

Stanislaus County Treasury Pool  
Fair Value Maturity Distribution  
For the Year Ended June 30, 2014  
(Dollar amounts in thousands)  
Maturity

	S&P Credit Rating	≤ 30 Days	31 - 60 Days	61 - 90 Days	91 - 180 Days	181 - 360 Days	1 - 2 Years	2 - 3 Years	3 - 4 Years	4 - 5 Years	Total	Total %
Negotiable Cert of Deposit	A-1+						20,000				20,000	2.12%
Negotiable Cert of Deposit	A-1			20,000	20,027	35,019	20,006				95,052	10.06%
Commercial Paper	A-1+	20,000			19,990						39,990	4.23%
Commercial Paper	A-1	9,999		19,991	29,983						59,973	6.35%
Managed Pool Account - LAIF	N/R	50,000									50,000	5.29%
Federal Agencies - Coupon	AA+				10,004	40,089	65,058	20,081	49,527	10,198	194,957	20.63%
US Treasuries	AA+	20,000		20,076	20,170		55,631	60,114	59,366		235,357	24.91%
Medium Term Notes	AA+						10,229	20,695			30,924	3.27%
Medium Term Notes	AA-					21,099				10,127	31,226	3.30%
Medium Term Notes	A+					8,047		36,379			44,426	4.70%
Medium Term Notes	A					11,884		53,996	16,934		82,814	8.76%
Medium Term Notes	A-							10,083			10,083	1.07%
Municipal Bonds	A						10,561				10,561	1.12%
Calif Local Agency Indebt	N/R		4,775				4,850	4,925	4,990		19,540	2.07%
Money Market	N/R	20,000									20,000	2.12%
<b>Total Treasury Pool Investments</b>		<b>119,999</b>	<b>4,775</b>	<b>60,067</b>	<b>100,174</b>	<b>116,138</b>	<b>186,335</b>	<b>206,273</b>	<b>130,817</b>	<b>20,325</b>	<b>944,903</b>	<b>100.00%</b>

Stanislaus County Tobacco Endowment Investments  
Fair Value Maturity Distribution  
For the Year Ended June 30, 2014  
(Dollar amounts in thousands)  
Maturity

	S&P Credit Rating	< 30 Days	31 - 360 Days	1 - 3 Years	3 - 5 Years	5 - 10 Years	10 - 15 Years	15 - 20 Years	20 - 25 Years	Total	% Total
Tobacco Endowments (Combined)											
Money Market Funds	Unrated	10,628								10,628	11.38%
Mutual Funds	Unrated	17,175								17,175	18.38%
Municipal Bonds	A+			2,292		6,957	10,465	13,342		33,056	35.39%
Municipal Bonds	A						2,672			2,672	2.86%
Municipal Bonds	A-					1,077				1,077	1.15%
Municipal Bonds	AA+						2,140			2,140	2.29%
Municipal Bonds	AA						4,621	4,677		9,298	9.95%
Municipal Bonds	AA-					4,404	4,682	6,285		15,371	16.45%
Municipal Bonds	Unrated						2,000			2,000	2.14%
<b>Total Tobacco Settlement Investments</b>		<b>27,803</b>		<b>2,292</b>		<b>12,438</b>	<b>26,580</b>	<b>24,304</b>		<b>93,417</b>	<b>100.00%</b>

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 4: **Cash and Investments** (continued)

Stanislaus County Treasury Pool  
Summary of Investments  
For the Year Ended June 30, 2014

(Dollar amounts in thousands)

	<u>Fair Value</u>	<u>Dollar Cost</u>	<u>Interest Rate Range</u>	<u>Maturity Range</u>
Negotiable Cert of Deposit	\$ 115,052	\$ 115,000	0.10% - 0.51%	09/03/14 - 10/15/15
Commercial Paper	99,963	99,900	0.14% - 0.21%	07/03/14 - 10/17/14
Managed Funds - LAIF	50,000	50,000	0.23% - 0.23%	07/01/14 - 07/01/14
Federal Agencies - Coupons	194,957	194,481	0.14% - 1.51%	11/26/14 - 09/14/18
US Treasuries - Coupons	235,357	234,320	0.13% - 1.61%	07/31/14 - 05/31/18
Medium Term Notes	199,473	196,378	0.25% - 1.96%	12/02/14 - 01/14/19
Municipal Bonds	10,561	10,434	0.18% - 0.18%	09/01/15 - 09/01/15
Calif Local Agency Indebt	19,540	19,540	0.51% - 0.53%	08/01/14 - 08/01/17
Money Market	20,000	20,000		
Total Investments	<u>\$ 944,903</u>	<u>\$ 940,053</u>		

In accordance with GASB Statement No. 31, investments are reported on the statement of net position/balance sheet at their fair value and all changes in fair value are reflected in income of the period in which they occur. Fair values were obtained from our custodial statement for all investments having greater than 360 days to maturity in the following categories:

- U.S. Agency and GSE Bonds and Notes
- U.S. Treasury Bonds, Notes and Bills
- Corporate Bonds and Notes
- Municipal Bonds

Amortized cost was used for all investments having 360 days or less to maturity, which may include the following categories:

- Negotiable Certificates of Deposit
- Commercial Paper
- State of California Local Agency Investment Fund
- U.S. Agency and GSE Bonds and Notes
- U.S. Treasury Bonds, Notes and Bills
- Repurchase Agreements
- Corporate Bonds and Notes
- Money Market Funds

Book cost was used for collateralized Certificates of Deposit purchased from state and nationally chartered banks.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 4: **Cash and Investments** (continued)

The Stanislaus County Treasurer’s Pool normally maintains the maximum allowable investment in the State of California Local Agency Investment Fund (L.A.I.F.). The total amount invested by all public agencies in L.A.I.F. at June 30, 2014 was \$21.1 billion. L.A.I.F. is part of the State of California Pooled Money Investment Account (P.M.I.A.) whose balance at June 30, 2014 was \$62.9 billion. No amount was invested in any derivative financial products. P.M.I.A. is not SEC-registered, but is required to invest according to California State Code. The average maturity of P.M.I.A. investments was 232 days as of June 30, 2014.

The Local Investment Advisory Board (Board) has oversight responsibility for L.A.I.F. The Board consists of five members as designated by state statute. The value of the pool shares in L.A.I.F., which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the pooled treasury’s portion in the pool. Withdrawals from L.A.I.F. are done on a dollar to dollar basis.

In accordance with GASB Statement No. 31, investments are marked to fair values annually and an adjustment is made to each fund accordingly. However, actual daily activity is done on a dollar for dollar basis and only a withdrawal from the pool of a size that jeopardizes pool participants would cause the withdrawal to be done at market value.

The following represents a condensed statement of net position and changes in net position for the Treasurer’s investment pool at June 30, 2014:

<u>Statement of Net Position</u>	
Net assets held for pool participants	\$ 942,119,873
Equity of external pool participants	\$ 555,491,220
Equity of internal pool participants	386,628,653
Total Equity	\$ 942,119,873
 <u>Statement of Changes in Net Position</u>	
Net assets at July 1, 2013	\$ 915,072,152
Net investment income	12,366,008
Net contributions and withdrawals	14,681,713
Net assets at June 30, 2014	\$ 942,119,873

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 5: **Interfund Transactions**

**Interfund Receivables/Payables**

The compositions of interfund balances as of June 30, 2014 are as follows:

***Due To/From Other Funds***

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	
General Fund	Other Governmental Funds	\$ 7,036,583	To cover deficit cash balance
General Fund	Medical Self-Insurance	332,042	To cover deficit cash balance
General Fund	Health Clinics and Ancillary Services	<u>3,303,294</u>	To cover deficit cash balance
		<u>10,671,919</u>	Sub total
Other Governmental Funds	Other Governmental Funds	14,375	Reimbursement of expenditures
Other Governmental Funds	Health Clinics and Ancillary Services	<u>6,154,711</u>	To cover MIA Deficit
		<u>6,169,086</u>	Sub total
		<u>\$ 16,841,005</u>	Total

***Advances To/From***

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	
General Fund	Other Governmental Funds	<u>\$ 100,000</u>	Long-term loan

The balance of the loan between the General Fund and the Public Works department for dangerous building abatement is \$100,000.

***Interfund Note Payable***

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Investment Trust Fund	Health Clinics and Ancillary Services	\$ 18,138,651

In Fiscal Year 2003-2004 the Health Clinics and Ancillary Services Fund borrowed monies from the Investment Trust Fund. The balance on the note as of June 30, 2014 is \$7,834,290. The note is expected to be repaid, with interest by July 2019.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 5: **Interfund Transactions** (continued)

**Interfund Receivables/Payables** (continued)

*Interfund Note Payable* (continued)

The Health Clinics and Ancillary Services Fund borrowed a second long-term loan from the Investment Trust Fund. The second note was established in Fiscal Year 2008-2009 to cover repayment of the Graduate Medical Education (GME) Federal funding. As of June 30, 2014, the balance on the note is \$10,304,361. The note also funded the County's share of Residency Program costs for Fiscal Years 2008-2009 and 2009-2010. The note is expected to be repaid, with interest, by July 2026.

Subsequent to fiscal year end, the original note has been paid in full. The outstanding balance on the second note has been reduced to \$1,378,471.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 5: **Interfund Transactions** (continued)

Transfer from	Transfer to	Amount	Purpose
General Fund	Community Services Agency	\$ 8,014,987	County program contributions
	Behavioral Health and Recovery	2,270,709	County program contributions
	Health Clinics and Ancillary Services	5,428,733	County program contributions
	Other Governmental Funds	36,885,858	County program contributions and debt service
	Community Development Fund	6,087	Reimbursement of costs
	Other Governmental Funds	4,867,202	To pay debt service
	Internal Service Funds	<u>4,138,680</u>	General Liability
		<u>61,612,256</u>	
Tobacco Settlement	General Fund	2,537,813	Interest distribution
	General Fund	327,123	To pay debt service
	Other Governmental Funds	<u>2,628,000</u>	Contributions to capital projects
		<u>5,492,936</u>	
Behavioral Health and Recovery	Other Governmental Funds	966,058	To pay debt service
	Other Governmental Funds	265,000	Contributions to capital projects
	Health Clinics and Ancillary Services	<u>45,651</u>	Contributions to joint programs
		<u>1,276,709</u>	
Community Services Agency	Other Governmental Funds	2,098,778	To pay debt service
	General Fund	<u>1,155,921</u>	Contributions to joint programs
		<u>3,254,699</u>	
Public Facility Fees	General Fund	2,473,498	Debt Service Payments
	Other Governmental Funds	<u>2,745,953</u>	Contributions to capital projects
		<u>5,219,451</u>	
Other Governmental Funds	General Fund	3,814,491	Various contributions to programs
	Behavioral Health and Recovery	45,000	Various contributions to programs
	Community Services Agency	306,695	Contributions to joint programs
	Other Governmental Funds	72,415	Contributions to capital projects
	Other Governmental Funds	2,205,478	To pay debt service
	Fink Landfill	56,568	Reimbursement of costs
	Health Clinics and Ancillary Services	<u>4,574</u>	Various contributions to programs
		<u>6,505,221</u>	
Fink Landfill	Other Governmental Funds	33,936	To pay debt service
	Other Enterprise	<u>1,175,893</u>	Landfill closure/post-closure
		<u>1,209,829</u>	
Health Clinics and Ancillary Services	Other Governmental Funds	39,764	Reimburse administrative costs of HSA and debt service
	Other Governmental Funds	417,204	To pay debt service
		<u>456,968</u>	
Other Enterprise Funds	Other Governmental Funds	<u>14,498</u>	To pay debt service
Internal Service Funds	Other Governmental Funds	<u>220,276</u>	To pay debt service
		<u>\$ 85,262,843</u>	

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 6: **Capital Assets**

Capital asset activity for the year ended June 30, 2014 was as follows:

	Balance July 1, 2013	Additions	Retirements	Adjustments & Transfers	Balance June 30, 2014
<b>Governmental Activities</b>					
Capital assets, not being depreciated:					
Land and Right of Ways	\$ 42,945,236	\$ 1,233,489	\$ (531,248)		\$ 43,647,477
Construction in progress	12,293,310	11,427,051			23,720,361
Total capital assets, not being depreciated	55,238,546	12,660,540	(531,248)	-	67,367,838
Capital assets, being depreciated:					
Infrastructure	819,792,983	287,000	(32,312)	2,284	820,049,955
Structures and improvements	226,812,214	152,944	-	-	226,965,158
Equipment	105,387,951	6,592,940	(2,637,396)	140,479	109,483,974
Intangible Assets	3,995,242	239,280	-	-	4,234,522
Total capital assets, being depreciated	1,155,988,390	7,272,164	(2,669,708)	142,763	1,160,733,609
Less accumulated depreciation for:					
Infrastructure	(620,157,012)	(24,880,516)	32,312	-	(645,005,216)
Structures and improvements	(82,146,028)	(7,525,212)	-	1,139,991	(88,531,249)
Equipment	(66,463,907)	(6,940,716)	2,626,913	(238,230)	(71,015,940)
Intangible Assets	(1,074,817)	(420,910)	-	2	(1,495,725)
Total accumulated depreciation	(769,841,764)	(39,767,354)	2,659,225	901,763	(806,048,130)
Total capital assets, being depreciated, net	386,146,626	(32,495,190)	(10,483)	1,044,527	354,685,479
Governmental activities capital assets, net	\$ 441,385,172	\$ (19,834,650)	\$ (541,731)	\$ 1,044,526	\$ 422,053,317
<b>Business-type Activities</b>					
Capital assets, not being depreciated:					
Land and Right of Ways	\$ 15,462,882	\$ -	\$ -	\$ -	\$ 15,462,882
Construction in progress	345,231			(269,749)	75,482
Total capital assets, not being depreciated	15,808,113	-	-	(269,749)	15,538,364
Capital assets, being depreciated:					
Structures and improvements	18,218,567	13,566	(251,231)	2	17,980,904
Equipment	13,875,690	4,211,117	(230,039)	22,735	17,879,503
Total capital assets, being depreciated	32,094,257	4,224,683	(481,270)	22,737	35,860,407
Less accumulated depreciation for:					
Structures and improvements	(11,942,249)	(507,233)	239,752	(2,679)	(12,212,409)
Equipment	(9,095,658)	(1,477,159)	227,392	(28,859)	(10,374,284)
Total accumulated depreciation	(21,037,907)	(1,984,392)	467,144	(31,538)	(22,586,693)
Total capital assets, being depreciated, net	11,056,350	2,240,291	(14,126)	(8,801)	13,273,714
Business-type activities capital assets, net	\$ 26,864,463	\$ 2,240,291	\$ (14,126)	\$ (278,550)	\$ 28,812,078

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 6: **Capital Assets** (continued)

Depreciation expense was charged to governmental functions as follows:

	<u>Equipment</u>	<u>Structures and Improvements</u>	<u>Intangible</u>	<u>Infrastructure</u>	<u>Total</u>
General government	\$ 515,895	\$ 2,076,412	\$	\$	\$ 2,592,307
Public protection	2,731,762	2,943,845	60,365		5,735,972
Public ways	8,344	55,000		24,880,516	24,943,860
Health and sanitation	447,321	129,710			577,031
Public assistance	242,702	649,927			892,629
Education	1,660,715	208,429			1,869,144
Recreation	161,312	1,436,533			1,597,845
Internal service funds	1,172,665	25,356	360,545		1,558,566
Total	<u>\$ 6,940,716</u>	<u>\$ 7,525,212</u>	<u>\$ 420,910</u>	<u>\$ 24,880,516</u>	<u>\$ 39,767,354</u>

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

	<u>Equipment</u>	<u>Structures and Improvements</u>	<u>Total</u>
Transit	\$ 919,789	\$ 13,155	\$ 932,944
Fink Road Landfill	379,796	416,247	796,043
Health Clinics and Ancillary Services	175,792	70,843	246,635
Inmate Welfare/Commissary	1,782	6,988	8,770
	<u>\$ 1,477,159</u>	<u>\$ 507,233</u>	<u>\$ 1,984,392</u>

Note 7: **Receivables**

A large portion of the government activities accounts receivable, net of allowance for uncollectibles, balance of \$75,902,906 includes receivables from federal, state, and local governments in the amount of \$37,981,667.

Note 8: **Property Taxes**

The County's property taxes are levied July 1 (Unsecured Roll) and October 1 (Secured Roll) on assessed values established on the lien date of the previous January 1 for all taxable property located within the County. Local assessed values are determined, subject to appeal before the Assessment Appeals Board, by the County Assessor's Office. Locally assessed real property is appraised at the base year value and is adjusted each year after 1975 by the change in the California Consumer Price Index (CPI) not to exceed an increase of 2%. Property is re-appraised from the 1975-1976 base year value to current full value upon either (1) a change in ownership, or (2) new construction, as of the date of such transaction or completion of construction (only the newly constructed portion of the property is re-appraised). Thereafter, it continues to be increased annually by the change in the CPI not to exceed 2%. The total gross assessed value for Fiscal Year 2013-2014 is \$35,136,949,480.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 8: **Property Taxes** (continued)

The County is permitted by Section 93, of the California Revenue and Taxation Code, to levy taxes up to \$1.00 per \$100 of assessed valuation for general governmental services other than the payment of principal and interest on general obligation bonds or other indebtedness approved by a two-thirds vote of its voters after June 4, 1986. Taxes are allotted to local agencies and school districts as outlined in Sections 95 through 100 of the California Revenue and Taxation Code.

Taxes are due in one installment (Unsecured Roll) on billing and are subject to late payment penalties if paid after August 31, or two installments (Secured Roll) due on November 1 and February 1, and again subject to the late payment penalties if paid after December 10 and April 10, respectively.

The County and its political subdivisions operate under the provisions of Sections 4701-4717 of the California Revenue and Taxation Code (otherwise known as the "Teeter Plan"). Under this method, the accounts of all political subdivisions that levy taxes on the County tax roll are credited with 100% of their respective secured ad valorem tax levy, regardless of the actual payments and delinquencies. This method then provides for all the delinquent penalties and redemptions flow to the County's General Fund. In addition, Sections 4703 and 4703.2 of the California Revenue and Taxation Code require that a property tax loss reserve fund be maintained at 1% of the total of all taxes and assessments levied on the secured roll for that year for participating entities in the county, or 25% of the total delinquent secured taxes. By Board of Supervisors resolution, dated September 9, 2008, the County has elected to maintain the tax loss reserve at 1% of the secured roll.

Taxes receivable in the General Fund includes Teeter property tax of \$18,471,081 (\$7,757,854 of short-term and \$10,713,227 of long-term).

Unsecured taxes are accrued in the period when they are levied and are recognized when they become available. "Available" means, due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Unsecured property taxes receivable that does not meet the "available" criteria are recorded as deferred inflow of resources.

Note 9: **Leases**

**Operating Leases**

The County is committed under various operating leases for building and office space and business and data processing equipment.

Aggregate rental expense for all operating leases approximated \$4,512,020 for all fund types for the year ended June 30, 2014. The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2014.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 9: **Leases** (continued)

**Operating Leases** (continued)

Fiscal Year Ending June 30,	
2014	\$ 4,512,020
2015	4,397,727
2016	3,701,033
2017	3,056,813
2018	1,579,762
2019-2027	<u>3,535,420</u>
Total Minimum Lease Payments	<u>\$ 20,782,776</u>

**Revenue Leases**

Effective July 1, 2012, the County of Stanislaus entered into a new facility site lease agreement with Covanta Stanislaus, Inc. (formerly Stanislaus Waste Energy Company). The original lease with Stanislaus Waste Energy Company was established in June 1986 with initial term of 35 years with an option to renew the lease for additional 15 years. This lease was to expire August 2021. The lease covers 16.55 acre site owned by the County.

The new lease agreement extends the terms by six additional years with a one-time termination option on December 31, 2016. Covanta Stanislaus, Inc. retains a 15-year renewal option. The annual lease payment is \$198,000. If Covanta Stanislaus, Inc. exercises its 15-year renewal option, the annual rent would convert to the market rate for the highest and best use of land.

The County also has an agreement with the Stanislaus County Office of Education to lease 15,000 square feet of Building I at County Center III, located near the intersection of Scenic and Oakdale Road, Modesto, California. The annual rent is \$140,000. The build-to-suit lease was entered into agreement on August 26, 1999 with a ten year term. Since the initial lease terms expired, the lease has continued to operate on a month-to-month basis.

On January 1, 1997, the County of Stanislaus entered into a lease agreement with Mr. Dave Brown to lease 35 acres of agriculture land located at 3312 Crows Landing Road, Ceres, California. Although the original terms have expired, the lease continues to operate on a month-to-month basis. The annual rent is \$4,075 per year.

The County of Stanislaus and The Gallo Center for the Arts, LLC and the Central Valley Center for the Arts entered into an agreement on February 17<sup>th</sup>, 2004. The annual rent is one dollar. The leased property is located at 1030 11<sup>th</sup> Street, Modesto, California. The agreement expires 40 years from the date the Gallo Center for the Arts was completed and ready for occupancy. The completion date of the Gallo Center for the Arts was November 20, 2007.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 9: **Leases** (continued)

**Revenue Leases** (continued)

The following is a schedule of future lease revenue on these noncancelable leases at June 30, 2014.

Fiscal Year Ending June 30,	
2015	\$ 198,001
2016	198,001
2017	198,001
2018	198,001
2019	198,001
2020-2047	<u>1,386,028</u>
Total Minimum Lease Revenue	<u><u>\$ 2,376,033</u></u>

**Capital Leases**

The County has entered into certain capital lease agreements under which the related equipment will become property of the County when all terms of the lease agreements are met:

	Stated Interest Rate	Present Value of Remaining Payments at June 30, 2014
<b>Governmental activities:</b>		
Equipment	0.00-7.7%	<u>\$ 688,802</u>
Total capital lease obligations		<u><u>\$ 688,802</u></u>

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 9: **Leases** (continued)

**Capital Leases** (continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2014 were as follows:

Fiscal Year Ending June 30,	Governmental Activities
2015	\$ 245,157
2016	196,654
2017	166,359
2018	126,796
Total Minimum Lease Payments	734,967
Less: Amounts Representing Interest	(46,165)
Present Value of Minimum Lease Payments	688,802
Less: Current Portion of Capital Leases	222,429
Long-term Capital Lease Obligation	\$ 466,373

Equipment and related accumulated amortization under capital leases are as follows:

	Governmental Activities	Business-type Activities
Equipment	\$ 2,239,709	\$ 145,032
Less: accumulated depreciation	1,542,663	(143,458)
Net value	\$ 3,782,373	\$ 1,574

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 10: **Long-Term Debt**

A. **Summary of Long-Term Debt**

The following is a summary of long-term liability transactions for the year ended June 30, 2014:

	Balance June 30, 2013	Additions	Deletions	Adjustments	Balance June 30, 2014	Amounts Due Within One Year
<b>Governmental Activities:</b>						
Certificates of participation	\$ 50,735,000		\$ (34,805,000)		\$ 15,930,000	\$ 4,205,000
2012 Lease Refunding	\$ 7,507,612		\$ (1,441,642)		6,065,970	1,470,998
2013 Lease Refunding		\$ 19,540,000			19,540,000	4,775,000
Plus issuance premium	691,641		(189,448)		502,193	140,147
Bonds payable - POB	11,035,000		(11,035,000)			
Tobacco securitization note	91,563,611		(2,060,000)		89,503,611	4,130,000
Accreted interest tobacco note	23,210,698	4,129,165			27,339,863	
	<u>184,743,562</u>	<u>23,669,165</u>	<u>(49,531,090)</u>		<u>158,881,637</u>	<u>14,721,145</u>
Risk management liability	\$ 31,200,685	\$ 12,059,237	\$ (11,013,581)		\$ 32,246,341	\$ 12,318,884
Capital lease payable	567,439	408,957	(280,078)	\$ (7,516)	688,802	222,429
Compensated absences	30,839,732	1,198,588	(790,931)		31,247,389	2,152,613
	<u>\$ 62,607,856</u>	<u>\$ 13,666,782</u>	<u>\$ (12,084,590)</u>	<u>\$ (7,516)</u>	<u>\$ 64,182,532</u>	<u>\$ 14,693,926</u>
Total Governmental Activities	<u>\$ 247,351,418</u>	<u>\$ 37,335,947</u>	<u>\$ (61,615,680)</u>	<u>\$ (7,516)</u>	<u>\$ 223,064,169</u>	<u>\$ 29,415,071</u>
<b>Business-type Activities:</b>						
Risk management liability	\$ 648,000				\$ 648,000	\$ 279,000
Compensated absences	1,679,835	\$ 37,088	\$ (302,912)		1,414,011	155,056
Total Business-Type Activities	<u>\$ 2,327,835</u>	<u>\$ 37,088</u>	<u>\$ (302,912)</u>		<u>\$ 2,062,011</u>	<u>\$ 434,056</u>

With the exception of the Professional Liability Insurance Fund, which serves the Health Clinics and Ancillary Services Enterprise Fund, internal service funds serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. Also, for the governmental activities, risk management liability and compensated absences are generally liquidated by the General Fund.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 10: **Long-Term Debt** (continued)

A. **Summary of Long-Term Debt** (continued)

As of June 30, 2014, annual debt service requirements of governmental activities to maturity are as follows:

Year Ending June 30	Governmental Activities			
	Certificates of Participation		2012 Lease Refunding	
	Principal	Interest	Principal	Interest
2015	\$ 4,205,000	\$ 755,288	\$ 1,470,998	\$ 108,861
2016	4,450,000	513,500	1,500,754	79,106
2017	4,345,000	291,000	1,531,515	48,344
2018	2,930,000	117,200	1,562,703	17,157
Totals	\$ 15,930,000	\$ 1,676,988	\$ 6,065,970	\$ 253,468

	2013 Lease Refunding	
	Principal	Interest
	2015	\$ 4,775,000
2016	4,850,000	185,101
2017	4,925,000	111,787
2018	4,990,000	37,425
Totals	\$ 19,540,000	\$ 591,600

Year Ending June 30	Tobacco Securitization Note		Tobacco Securitization Note 2006	
	Principal	Interest	Principal	Interest
2015	\$ 4,130,000	\$ 2,414,438		
2016	4,460,000	2,185,204		
2017	4,815,000	1,931,840		
2018	5,660,000	1,644,340		
2019	6,095,000	1,317,836		
2020-2024	22,190,000	1,802,670		\$ 26,566,799
2025-2029			\$ 20,965,835	41,459,309
2030-2034			2,827,546	45,605,692
2035-2039			9,446,325	49,467,982
2040-2044				54,201,054
2045-2049			8,913,905	8,830,260
Totals	\$ 47,350,000	\$ 11,296,328	\$ 42,153,611	\$ 226,131,096

The above Tobacco Securitization Note amortization schedule assumes that the accelerated payments will be made. If the projected tobacco sales do not occur, then the amortization schedule will change to reflect less principal being paid each year, maturing in 2055.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 10: **Long-Term Debt** (continued)

**B. Long-Term Obligations**

A summary of certificates of participation outstanding at year-end follows:

	Interest Rate %	Date of Issue	Maturity	Amount of Original Issue	Outstanding as of June 30, 2014
<b>Governmental activities:</b>					
2012 Lease Refunding	1.99	8/1/2012	6/1/2018	\$ 8,687,050	\$ 6,065,970
2013 Lease Refunding	1.50	8/1/2013	8/1/2017	19,540,000	19,540,000
2007 Series A COP	3.65-5.75	2/1/2007	5/1/2018	42,081,614	15,930,000
Total governmental activities				<u>\$ 70,308,664</u>	<u>\$ 41,535,970</u>

(1) Includes \$1,541,614 premium

A summary of notes payable follows:

	Interest Rate %	Date of Issue	Maturity	Amount of Original Issue	Outstanding as of June 30, 2014
Tobacco Securitization Note	5.50-7.50	3/21/2002	6/1/2043	\$ 67,305,000	\$ 47,350,000
2006 Tobacco Securitization Note	5.75-7.25	3/29/2006	6/1/2055	42,153,611	69,493,474 *
Total				<u>\$ 109,458,611</u>	<u>\$ 116,843,474</u>

\* Includes accredited interest of \$27,339,863

**Purpose for County Borrowings**

2012 Lease Refunding	Refunded 1998 Series A COP which funded the construction of a portion of the Tenth Street Place building with the City of Modesto.
2013 Lease Refunding	Refunded 2004 A and B COPs which funded the construction of Gallo Center for the Arts, 12th Street office building and parking garage
2007 Series A Refunding	Construct Public Safety Center and Community Services building
Tobacco Securitization Note	To purchase future tobacco settlement revenue
Tobacco Securitization Note 2006	To purchase future tobacco settlement revenue

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 10: **Long-Term Debt** (continued)

**C. Tobacco Settlement Asset-Backed Bonds**

The County has issued two series of capital appreciation bonds. The first series is the Series 2002 Tobacco Settlement Asset-Backed Bonds and 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 California County Tobacco Securitization Agency (CCTSA) issued bonds and loaned the proceeds to a nonprofit corporation formed by the County called the Stanislaus County Tobacco Funding Corporation (the Stanislaus Corporation) which, in turn paid the proceeds to the County. The bonds are limited obligations of the CCTSA payable solely from payments made by the Stanislaus Corporation from tobacco settlement revenues purchased from the County.

In April 2002, the CCTSA issued the Tobacco Settlement Asset-Backed Bonds on behalf of the Stanislaus Corporation, which is reported as a blended component unit of the County. The original issue amount of the bonds was \$67,305,000 and the expected maturity dates were from June 1, 2019-2043. The bonds' interest rates range from 5.5% to 7.5%.

In April 2006 the CCTSA issued the Tobacco Settlement Asset-Backed Bonds, Subordinate Series 2006 in the amount of \$42,153,611 and the expected maturity dates were from June 1, 2046-2055. The bonds' interest rates range from 5.75% to 7.25%.

**D. Arbitrage**

Arbitrage regulations pertain to the investment of 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 arbitrage rebates are not reported and paid to the Internal Revenue Service at least every five years. The last arbitrage calculation was performed in Fiscal Year 2013-2014 for the 2004 A&B COP's. At June 30, 2014, the County did not have any outstanding liability for arbitrage. An arbitrage calculation is due in Fiscal Year 2015-2016 for the 2007 A Certificates of Participation.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 11: **Solid Waste Landfill Closure and Postclosure Care Costs**

There are two solid waste landfill sites in the County. The Fink Road Sanitary Landfill is owned by the County and is currently operating. The Geer Road Sanitary Landfill is on land jointly owned by the City of Modesto and the County of Stanislaus. This landfill has reached capacity and was closed in June 1990. The County of Stanislaus, by and through its Board of Supervisors, administered the closure operations of the Geer Road Sanitary Landfill. Both landfills are reported in their entirety as enterprise funds.

State and federal laws require the County to close a landfill once its capacity has been reached and to monitor and maintain the site for a minimum of thirty subsequent years. The County recognizes a portion of the closure and postclosure care costs in each operating period even though actual payouts will not occur until a landfill is closed. The amount recognized each year to date is based on the landfill capacity used as of the financial statement date.

	Fink Road	Geer Road	Total
Estimated total liability for closure/ postclosure at June 30, 2014	\$ 21,152,422	\$ 13,895,000	\$ 35,047,422
Liability recognized as of June 30, 2014	\$ 7,163,736	\$ 1,987,206	\$ 9,150,942
Landfill capacity used to date	34.00%	100%	
Estimated remaining useful life	16 years		

The estimated costs of closure and postclosure care are subject to changes such as the effects of inflation, technology, revision of laws and other variables including corrective action which is required when a release has been detected. State and federal laws require the County to establish a closure fund to accumulate assets needed for the actual payout of closure and postclosure care costs. Of the restricted cash and investments in the proprietary funds, the following amounts are held for this purpose:

Fink Road Sanitary Landfill	\$ 18,514,856
Geer Road Sanitary Landfill	\$ 1,545,144

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 12: **Net Position/Fund Balances**

**Net Position**

The government-wide and business-type activities financial statements utilize a net position presentation. Net position components are as follows:

- *Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents net assets of the County, not restricted for any project or other purpose.

As of June 30, 2014, the County had the following restrictions to net position:

	Governmental Activities	Business-type Activities
Restricted for:		
Capital projects	\$ 82,035,903	
Debt service	9,078,113	
Other purposes:		
Landfill closure/postclosure		20,102,454
Tobacco Settlement	103,065,761	
Road and Bridge	18,862,159	
Behavioral Health & Recovery	17,413,916	
Probation Grants	14,661,422	
Children and Families Commission	11,792,222	
Library	9,003,021	
Environmental resources	8,996,770	
Health Services	6,160,988	
Sherriff's Office	4,413,447	
Planning	4,386,650	
Tax Loss Reserve Fund	3,872,119	
Other	3,611,290	
Lighting/Storm Drain & Service Area Districts	3,146,778	
Clerk-recorder - capital assets	3,087,398	
Chief Executive Office	2,031,024	
Department of Child Support Services	1,564,541	
Probation	1,524,108	
Alliance Worknet	1,486,034	
Subtotal other purposes	219,079,648	20,102,454
Total Restricted Net Position	\$ 310,193,664	\$ 20,102,454
Amount of total restricted by enabling legislation	\$ 54,666	\$ -

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 12: **Net Position/Fund Balances** (continued)

**Fund Balances**

A detail schedule of fund balances at June 30, 2014 is as follows:

	General Fund	Tobacco Settlement	Behavioral Health and Recovery	Community Services Agency	Public Facility Fees	Other Governmental Funds	Total Governmental Funds
Non-spendable	\$ 15,515,016	\$	\$ 8,650	\$ 25,450	\$	\$ 533,822	\$ 16,082,938
Restricted	3,872,119	103,065,762	13,295,444	250,260	70,066,771	90,477,837	281,028,193
Committed	4,510,888		3,000,685			699,952	8,211,525
Assigned	97,448,659		1,109,137		361,717	23,426,062	122,345,575
Unassigned:							
General fund	16,765,674						16,765,674
Special revenue funds						(1,036,901)	(1,036,901)
Total fund balance	<u>\$ 138,112,356</u>	<u>\$ 103,065,762</u>	<u>\$ 17,413,916</u>	<u>\$ 275,710</u>	<u>\$ 70,428,488</u>	<u>\$ 114,100,772</u>	<u>\$ 443,397,004</u>

Note 13: **Risk Management**

The County CEO-Risk Management Division's program encompasses workers' compensation, general and professional liability, property, medical, dental, unemployment, and vision self-insurance. The County is self-insured for workers' compensation for the first \$500,000 per claim with excess insurance for amounts spent over \$500,000 on a statutory basis. The general liability insurance covers property damage, personal injury, auto and public officials' errors and omissions has a self insured retention of \$250,000 per occurrence with excess insurance through CSAC-Excess Insurance Authority and several excess insurance carriers totaling to \$25,000,000. The County's property coverage limit is \$698,870,843 subject to variable deductibles including \$10,000 for All Risk Coverage and \$20,000 for vehicles per incident. Unemployment, vision care, and dental insurance are the sole responsibility of the County. Limited exposure precludes the need for outside insurance coverage. The County is now self-insured for employee medical costs, and carries excess insurance for claims in excess of \$225,000.

The Health Services Agency, Behavioral Health and Recovery Services, Probation, and the Sheriff's Office participate in the medical malpractice program subject to a self-insured retention of \$500,000 per claim. The excess insurance through CSAC-Excess Insurance Authority and the insurance carriers is capped at \$10,000,000 per claim.

The estimation of claims liability is dependent on factors including, but not limited to; inflation, changes in legal doctrine, and damage awards. Accordingly, an actuarial study is completed each year.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 13: **Risk Management** (continued)

The County is named in several legal actions and while management cannot predict the ultimate outcome with certainty, management does not believe there will be an adverse impact on the financial position of the County.

	Fiscal Year ending 6/30/14	Fiscal Year ending 6/30/13
Unpaid claims as of July 1	\$ 31,848,685	\$ 32,839,413
Incurred claims (including IBNRs)	12,059,237	6,734,116
Claim payments	(11,013,581)	(7,724,844)
Unpaid claims as of June 30	\$ 32,894,341	\$ 31,848,685

Note 14: **Contingent Liabilities**

The County participates in a number of federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. Some audits of these programs prior to and for the year ended June 30, 2014, have not been conducted or concluded. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

In O'Neal, et al v. Stanislaus County Employees Retirement Association ("StanCERA"), Case No. 648469, three retirees have sued StanCERA alleging a breach of fiduciary, constitutional and statutory duties to its members. The County has intervened as a defendant. The trial court granted StanCERA's and the County's motion for summary judgment. The Plaintiffs have appealed. Briefing has not yet begun. The County is vigorously defending its interest as an unfavorable outcome could result in the County and other plan sponsors having obligation to pay millions to StanCERA.

Note 15: **Joint Ventures**

**Stanislaus Waste-to-Energy Financing Agency**

Stanislaus Waste-to-Energy Financing Agency (SWEFA) was created May 1, 1989, pursuant to a joint exercise of powers agreement between the City of Modesto (the City) and the County of Stanislaus. The SWEFA is administered by a commission consisting of two members of the City Council and two members of the County's Board of Supervisors.

The agreement provides that the City and the County shall pay for costs associated with the operation of the SWEFA and are entitled to all rights and property of the SWEFA

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 15: **Joint Ventures** (continued)

Stanislaus Waste-to-Energy Financing Agency (continued)

equally. The agreement was amended and approved by the County of Stanislaus Board of Supervisors on June 26, 2012.

On May 1, 1990, the Agency issued Certificates of Participation (COP) to refinance a bond issued through California Pollution Control Financing Authority. On February 1, 2000 Refunding Revenue Certificates were issued to refinance the 1990 COPs. The 2000 Refunding Revenue Certificates were paid off in full on December 3, 2008. As of June 30, 2014, the SWEFA did not have any outstanding debt.

Financial statements for the SWEFA may be obtained by writing to the County of Stanislaus, Environmental Resource Department, 3800 Cornucopia Way, Suite C, Modesto, CA 95358.

Tuolumne River Regional Park

The County participates with the City of Modesto and the City of Ceres in the operation and development of the Tuolumne River Regional Park (TRRP). TRRP is governed by the TRRP Committee which consists of two members of the County's Board of Supervisors, two members of the City of Modesto's City Council, and one member of the City of Ceres' City Council.

The TRRP Committee prepares the annual budget, which must be approved by both cities' councils and the Board of Supervisors. Each participant has an equity interest in the assets of TRRP based on the percentage of cumulative contributions paid. As of June 30, 2014, the County's equity interest was \$985,936. For the fiscal year ending June 30, 2014, the County contributed \$121,426 to TRRP. The financial statements for TRRP are prepared by the City of Modesto Finance Department and may be obtained by writing to the City of Modesto, Finance Department, P.O. Box 642, Modesto, CA 95353.

Stanislaus Drug Enforcement Agency

Stanislaus County and the cities of Modesto, Oakdale, Ceres, Patterson, Turlock, Riverbank, Waterford, Hughson and Newman are the participants in the Stanislaus Drug Enforcement Agency (SDEA). The purpose of the SDEA is to maintain a fully operational and specially trained police unit to assist each of the participating agencies in the enforcement of drug control laws, and to study, plan and set priorities for effective enforcement of such laws throughout Stanislaus County.

The governing body consists of the Sheriff, the District Attorney and Chief Probation Officer of Stanislaus County and the Chief of Police for each participating city. All participants contributed to the funding of the SDEA budgeted expenditures, based on population. The County's cash contribution to the SDEA for fiscal year 2014 was \$189,256.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 15: **Joint Ventures** (continued)

Stanislaus Drug Enforcement Agency (continued)

The total cash plus in-kind contribution was \$628,887. Upon termination of the agreement, assets will be distributed based on total contributions from each participant. Financial statements of the SDEA are available from the City of Modesto.

Financial Statements may be obtained by writing to the City of Modesto, Finance Department, P.O. Box 642, Modesto, CA 95353.

The City-County Capital Improvements and Financing Agency

The City-County Capital Improvements and Financing Agency (CCCIFA) was created December 17, 1996, pursuant to a joint exercise of powers agreement between the City of Modesto and the County of Stanislaus. The CCCIFA is administered by a six-member commission consisting of two members of the City Council, two members of the County's Board of Supervisors, the County Chief Executive Officer and the City Manager. The CCCIFA prepares the annual and project budgets, which must be approved by both the City Council and the Board of Supervisors. Each participant has an equity interest in the assets of the Agency in accordance with any project agreements or in the percentages as agreed upon by the CCCIFA which percentages shall be reviewed and approved in connection with the project and annual budgets of the CCCIFA. As of June 30, 2014, the County's equity interest in the CCCIFA was \$9,635,244 and is reported as Investments-joint ventures in the government-wide statement of net assets.

The City of Modesto was the CCCIFA's fiscal administrator after the construction phase of the City-County Administration Center through the end of June 2010. Since July 2010, the County of Stanislaus has been the CCCIFA's fiscal administrator. The Financial Statements may be obtained by writing to the County of Stanislaus, Auditor-Controller Department, P.O. Box 770, Modesto, CA 95353-0770.

The California County Tobacco Securitization Agency

In November 1998, the attorneys general of 46 states (including California) and various other public entities (collectively, the "Settling States") and the four largest United States tobacco manufacturers entered into a master settlement agreement (MSA) in resolution of cigarette smoking-related litigation. The MSA effectively releases the manufacturers from past, present and future smoking related claims in exchange for, among other things, certain payments to be made to the Settling States.

On August 5, 1998 the counsel for the State of California and various jurisdictions therein ("participating jurisdictions") entered into a memorandum of understanding (MOU), made to the State of California in accordance to the MSA. However, the payments under the MSA are subject to numerous adjustments and potential delays.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 15: **Joint Ventures** (continued)

The California County Tobacco Securitization Agency (continued)

On November 15, 2000, the County of Stanislaus entered into a Joint Powers Agreement (the "Agreement") with the County of Kern, County of Merced, and the County of Sonoma, thereby creating the California County Tobacco Securitization Agency (CCTSA). The CCTSA then added the County of Alameda, County of Fresno, County of Los Angeles, County of Marin, and the County of Placer.

The CCTSA is governed by a Commission, which is comprised of two designees of the Board of Supervisors of each member.

The purpose of the Agreement is to provide for the exercise of powers common to each member, including, but not limited to, the power to insure, hedge or otherwise manage the risks associated with the receipt of the MSA payments. In furtherance of its purpose, the CCTSA has been empowered to issue Bonds secured by the MSA payments of one or more members, the proceeds of which will be used directly or indirectly to purchase all or a portion of the rights to the MSA payments from a member or members.

On March 1, 2002, the Stanislaus County Tobacco Funding Corporation, a component unit of the County, entered into an agreement with the CCTSA for the purpose of issuing bonds in the principal amount of \$67,305,000 to acquire the County's rights to receive the MSA payments when and as such funds are available. The County agreed to sell its rights, title and interest of the money due under the MSA and the MOU for \$52,403,206.

On March 1, 2006 the Stanislaus County Tobacco Funding Corporation entered into a subordinate secured loan agreement with the CCTSA to borrow the proceeds of the \$42,153,611 CCTSA 2006 bond issue. The proceeds were used to pay the issuance costs of the bond and the remainder placed in the residual trust established for the benefit of the County in connection with the sale of County tobacco assets mentioned above. The County received \$40,971,290.

The financial statements of the CCTSA are produced annually and may be obtained by writing to the County of Stanislaus, Auditor-Controller, PO Box 770, Modesto, CA 95353-0770. The responsibility of preparing the audited financial statements is rotated among the nine counties mentioned above.

Consolidated Emergency Dispatch Agency

The Modesto/Stanislaus Consolidated Emergency Dispatch Agency (the MSCEDA) was created on September 1, 1999, pursuant to a joint exercise of powers agreement between the City of Modesto (the "City") and the County of Stanislaus (the "County"). The MSCEDA is administered by a seven-member commission consisting of one member of the Modesto City Council, one member of the County's Board of Supervisors, the County Chief Executive Officer, the Modesto City Manager, two members from the Dispatch

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 15: **Joint Ventures** (continued)

Consolidated Emergency Dispatch Agency (continued)

Advisory Board, and one member from the City of Ceres' City Council or one member selected by the City Council of another participating City. The purpose of the MSCEDA is to consolidate the public safety communications system. The responsibilities of the County and the City include approval of the annual budget, claims, liabilities, and the use of MSCEDA property as collateral. Each participant will contribute sufficient funds to pay for all costs and expenses associated with providing Emergency Dispatch Services. Upon termination of the agreement, assets will be distributed equally to the City and County, unless otherwise approved. The financial statements may be obtained by writing to the Modesto/Stanislaus Consolidated Emergency Dispatch, Office Manager, 3705 Oakdale Road, Modesto, California 95357.

Regional Fire Training Center

On July 1, 1992 the County, Yosemite Community College District (YCCD), and the City of Modesto (City) entered into a 20 year agreement for the joint use and management of the regional fire training center (Center) at Modesto Junior College (MJC). Although the agreement had a sunset date of June 30, 2012, all parties continued to operate under the terms of the expired agreement. A new agreement was put into place effective July 1, 2014. The Center's executive board is made up of the Chancellor of YCCD, the President of MJC, the City Manager and the Chief Executive Officer of the County. The Center was initially constructed using funds borrowed by YCCD with the City and County reimbursing a portion of these costs over 20 years. The buildings, grounds and equipment belong to YCCD. All three entities share in the Center's operating costs with YCCD responsible for the accounting and monitoring of the Center's budget. For fiscal year ending June 30, 2014, the County paid \$53,934 to YCCD under this agreement. Financial Statements may be obtained by writing to the Office of the Chancellor, Yosemite Community College District, 2201 Blue Gum Avenue, Modesto, CA 95352.

California Statewide Automated Welfare System Consortium IV

The California Statewide Automated Welfare System Consortium IV (Authority) was formed in December of 1998, pursuant to a joint exercise of powers agreement between the Counties of San Bernardino, Riverside, Merced and Stanislaus. The Authority was created for the purpose of the design, development, implementation, and on-going operation and maintenance of a system that automates the eligibility and case management functions of various welfare programs.

On January 9, 2007, the Board of Supervisors approved the Amendment 1 of the Joint Powers Agreement to add thirty-five (35) counties to the current C-IV Joint Powers Authority (JPA). On March 30, 2010, the Board of Supervisors approved the Amendment 2 to the Joint Powers Agreement to reflect the implementation of the C-IV Automated System in the thirty-five (35) migration counties. The agreement further documents and

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 15: **Joint Ventures** (continued)

California Statewide Automated Welfare System Consortium IV (continued)

establishes the new thirty-nine (39) C-IV Consortium County Regional Representation Model. The benefits of adding these counties create opportunities to expand and improve the current C-IV system along with lowering each counties share of costs.

Currently the Authority is governed by a Board of Directors comprised of seven (7) County Directors and all 39 County Directors participate as general members. All C-IV JPA meetings are open to the public and information updates are provided on the C-IV Website <http://www.c-iv.org/>.

Stanislaus County's C-IV costs for Fiscal Year 2013/2014 were \$331,081. A copy of the Consortium IV Financial Statement's may be obtained by writing to the County of San Bernardino Auditor-Controller/Treasurer/Tax Collector (ATC), 222 West Hospitality Lane, 4<sup>th</sup> Floor, and San Bernardino, CA 92415.

North County Corridor Transportation Expressway Authority

On April 1, 2008, the Board of Supervisors approved the establishment of a Joint Powers Authority between the County and the cities of Modesto, Oakdale and Riverbank to create the North County Corridor Transportation Expressway Authority (NCCTEA). The purpose of the Authority is to prepare, identify, and adopt a precise alignment, and prepare and certify environmental documents for a route to improve east/west traffic circulation in the County.

The intent of the NCCTEA is to provide a high capacity high speed east-west roadway to accommodate anticipated traffic growth, alleviate traffic on parallel roads, and to accommodate multi-modal travel. Under the terms of the agreement, the County will incur 40% of the costs of the project while each of the participating cities will be contributing 20%. The preliminary project development costs will be funded by State Transportation Program and Public Facility Fees. The NCCTEA Board of Directors will be comprised of two directors appointed by the County, and one director from each participating city. The board acts autonomously from the respective member agencies. The County of Stanislaus Public Works Director is designated as the NCCTEA's manager. Upon completion of the agreement, all assets will be distributed to the respective parties of the agreement as determined by the Board of Directors of the Authority. Financial statements may be obtained by writing to the County of Stanislaus, Public Works Department, 1716 Morgan Road, Modesto, CA 95358.

The Stanislaus Animal Services Agency

The Stanislaus Animal Services Agency (SASA) was created October 27, 2009, pursuant to a joint powers agreement among the cities of Ceres, Hughson, Modesto, Patterson, Waterford, and the County of Stanislaus. SASA is administered by a six-member board

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 15: **Joint Ventures** (continued)

**The Stanislaus Animal Services Agency** (continued)

comprised of the City Manager of each partner agency, and the Chief Executive Officer of the County. The purpose of SASA is to operate a regional agency providing animal services to their respective communities. The SASA Executive Director is responsible for the annual budget which must be approved by the SASA Board of Directors. Each partner agency will contribute sufficient funds to pay for all costs approved in the budget to provide animal services. Upon termination of the agreement, assets will be distributed in accordance with the joint powers agreement. The financial statements may be obtained by writing to the Stanislaus Animal Services Agency, Executive Director, 3647 Cornucopia Way, Modesto, CA 95358.

**Modesto Regional Fire Authority (MRFA)**

On January 11, 2011, the Board of Supervisors authorized the County to enter into a Joint Powers Agency (JPA) with the City of Modesto and the Salida Fire Protection District to create the Modesto Regional Fire Authority. The intent of the JPA is to create shared governance for all participating agencies where joint operations, governance and management is for the mutual benefit of each agency and their respective residents, and to provide efficiencies and economies of scale through cooperation. The governing board of the JPA includes members from each of the original participating agencies, each member having equal representation.

Note 16: **Employees' Retirement Plan**

The County is a major participant in the Stanislaus County Employees Retirement Association (StanCERA), a retirement system organized under the 1937 Retirement Act. StanCERA is a cost-sharing multiple-employer Public Employee Retirement System (PERS). StanCERA provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits. Health and welfare insurance for retirees and their dependents is available however administered independently of StanCERA. The plan is administered by the Stanislaus County Employees Retirement Association. An actuarial valuation is performed for the system annually as a whole and the contribution rate is determined for each participating entity. The participating entities are the County, City of Ceres, and six special districts located in the County not governed by the County's Board of Supervisors. StanCERA issues a Comprehensive Annual Financial Report (CAFR) that includes financial statements and required supplementary information for StanCERA. The CAFR may be obtained by writing to Stanislaus County Employees Retirement Association, P O Box 3150, Modesto, CA 95353-3150 or by calling (209) 525-6393.

The StanCERA CAFR is prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and a formal commitment to provide the contributions

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 16: **Employees' Retirement Plan** (continued)

has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. All other securities are valued at the last reported market price at current exchange rates.

StanCERA has six tiers of retirement benefits, all or some of which are offered to General and Safety members, respectively. The benefits known as Tier 1, Tier 2, Tier 4, Tier 5, and Tier 6 vest after five years of credited service, while the benefit known as Tier 3 vests after 10 years of credited service. Vested General members with Tier 1, Tier 2, Tier 4 or Tier 5 benefits may retire at age 50 or older with 10 or more years of membership with StanCERA or at any age with 30 or more years of credited service. Vested Safety members with Tier 1, Tier 2, Tier 4 or Tier 5 benefits may retire at age 50 or older with 10 years of membership with StanCERA or at any age with 20 or more years of credited service. Vested General members with Tier 6 may retire at age 52 with five years of service credit or age 70 regardless of service credit. Tier 6 Safety members may retire at age 50 with 5 years of service credit or age 70 regardless of service credit. All Tier 3 members may retire at age 55 with 10 or more years of credited service.

For members with Tier 1, Tier 4 or Tier 5 benefits, final average salary is the average monthly salary based on the highest twelve consecutive months of earnings. For members with Tier 2, Tier 3, or Tier 6 benefits, final average salary is the average monthly salary based on the highest thirty-six consecutive months of earnings.

The retirement benefit for Tier 1, Tier 2, Tier 4, Tier 5, and Tier 6 members includes a post-retirement cost-of-living (COL) adjustment based upon the Consumer Price Index. COL increases/decreases are limited to a maximum of 3% annually. Total COL decrease(s) cannot exceed the cumulative amount of previous COL increase(s). Tier 1, Tier 2, Tier 4, Tier 5, and Tier 6 provide death and disability benefits.

Those members participating in Tier 1, Tier 2, Tier 4, Tier 5, and Tier 6 are required by statute to contribute to the pension plan. Members' contribution rates for Tier 1, Tier 2, Tier 4, and Tier 5 are formulated on the basis of the age at date of entry and the actuarially calculated future benefits. Members' contribution rate for Tier 6 is a flat rate based on the actuarially calculated future benefit. The County is required by statute to contribute the remaining amounts necessary to finance the estimated benefits accrued to its members. Employer contribution rates vary from 12.77% to 34.64% of covered payroll and employee contributions rates vary from 4.83% to 17.12%.

Benefits and contribution provisions are established by state law subject to amendment only by a legislative act of the State of California. Alternative benefit and contribution schedules are permissive with approval of the Board of Supervisors.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 16: **Employees' Retirement Plan** (continued)

StanCERA provides a death benefit of \$5,000 paid to the beneficiary or estate if a member dies after retirement, provided that Stanislaus County was the members' last public employer.

Ad-hoc benefits are non-vested benefits determined by the Board of Retirement. Approved changes to the excess earnings policy by the Board of Retirement on August 28, 2012 placed restrictions on offering ad-hoc benefits, specifically that the system must be 100% actuarially funded prior to the Board of Retirement offering any ad-hoc benefits. StanCERA is 79.4% actuarially funded as of June 30, 2013.

The County's contribution to StanCERA was as follows and equals the required contributions for each year:

<u>Fiscal Year Ending</u>	<u>Contributions</u>
June 30, 2012	\$ 24,113,522
June 30, 2013	\$ 34,389,970
June 30, 2014	\$ 41,367,712

The County does not contribute towards post employment benefits other than retirement.

**Schedule of Funding Progress**

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	(UAAL) as a Percentage of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
6/30/2011	\$ 1,372,046	\$ 1,757,717	\$ 385,671	78.1%	\$221,541	174.1%
6/30/2012	\$ 1,451,764	\$ 1,888,713	\$ 436,949	76.9%	\$215,057	203.2%
6/30/2013	\$ 1,524,076	\$ 1,919,227	\$ 395,151	79.4%	\$222,898	177.3%

Data provided by last actuarial valuation as of July 1

Expressing StanCERA's benefits pension plan (the Plan) fiduciary net position as a percentage of the actuarial accrued liability (AAL) provides one indication of StanCERA's funding status on a going-concern basis. Analysis of this percentage over time will indicate whether the Plan is becoming financially stronger or weaker. As of the most current actuarial valuation completed for year ending June 30, 2013 this percentage was 79.4%. Trends in the unfunded actuarial accrued liability (UAAL) and annual covered payroll are both affected by inflation. Expressing the UAAL, as a percentage of annual covered payroll approximately adjusted for the effects of inflation, will also aid analysis of the Plan's progress made in accumulating sufficient assets to pay benefits when due. As of July 1, 2013 this percentage was 177.3%.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 17: **Other Post Employment Benefits (OPEB)**

Plan Description

Stanislaus County is a participant in the Stanislaus County Employees Retirement Association (StanCERA), a cost-sharing multiple-employer defined benefit public employee retirement system. StanCERA provides retirement benefits only. However, County retirees and active County employees are rated in the same pool to determine health insurance premiums. This ability for retirees to obtain coverage at active employee rates results in an economic benefit or implicit subsidy even though the retirees pay their entire premiums (substantive plan).

Funding Policy

The County makes no direct contributions to the StanCERA to fund the OPEB plan. The implicit subsidy is financed on a pay-as-you-go basis. The County does not intend to adopt a policy to pre-fund the implicit subsidy to retirees.

For fiscal year ended June 30, 2014 the County's annual OPEB expense was estimated at \$3,647,499 which represents the annual required contribution (ARC). The net OPEB obligation for June 30, 2014 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2014	\$ 3,647,499	66.1%	\$ 8,037,524

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend.

Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The funded status of the plan as of June 30, 2014 was as follows:

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 17: **Other Post Employment Benefits (OPEB)** (continued)

Funding Policy (continued)

Stanislaus County Employees Other Post Employment Benefit (OPEB) Plan  
Schedule of Funding Progress  
(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets a	Actuarial Accrued Liability		Funded Ratio (a/b)	Covered Payroll c	UAAL as a Percentage of Covered Payroll ((b-a)/c)
		Projected Unit Credit b	Unfunded AAL (UAAL) (b-a)			
7/1/2006	\$	\$ 36,090,083	\$ 36,090,083	0%	\$ 215,818,211	16.7%
7/1/2008	\$	\$ 40,174,546	\$ 40,174,546	0%	\$ 222,013,314	18.1%
7/1/2010	\$	\$ 36,877,098	\$ 36,877,098	0%	\$ 216,990,039	17.0%
7/1/2012	\$	\$ 35,347,085	\$ 35,347,085	0%	\$ 193,848,830	18.2%

Data provided by last actuarial valuation as of July 1, 2012

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Based on the July 1, 2012 valuation, the actuarial cost was based on the Projected Unit Credit cost method to derive the Accrued Liability (AL) and Annual Accrued Expense (ARC). The actuarial assumption used a four percent discount rate and a medical trend assumption of eight percent for 2012-2013, graded down by one percent per year to an ultimate of five percent per year beginning in 2015-2016. The Level Dollar amortization method is being used to accrue County's unfunded actuarial accrued liability over 30 years.

**County of Stanislaus**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

Note 18:     **Subsequent Events**

Payoff of Interfund Note Payable

In October 2014, the Health Clinics and Ancillary Services fully paid off the original interfund loan and reduced the outstanding balance of the second interfund loan from the Investment Trust Fund. A payment of \$7,834,289 was applied to the original note and \$8,925,891 was allocated to the second note.

Dissolution of Modesto Regional Fire Authority (Joint Powers Agency)

On June 10, 2014, the Board of Supervisors approved the dissolution of the Modesto Regional Fire Authority (MRFA) effective midnight on June 30, 2014, transitioning fire and emergency services functions out of MRFA, back to the member agencies: the County, the City of Modesto and the Salida Fire Protection District. A Memorandum of Understanding (MOU) between the three parties was put into place to set the details, terms and responsibilities of the transition. The MOU is limited to a six-month term to allow the transition of assets and a final closing audit of MRFA.

Required  
Supplementary  
Information



**County of Stanislaus  
Required Supplementary Information (Unaudited)  
For the Year Ended June 30, 2014**

**Stanislaus County Employees Retirement Association  
Schedule of Funding Progress – Pension Benefit Plan**

**SCHEDULE OF FUNDING PROGRESS – PENSION BENEFIT PLAN  
FOR YEARS ENDED JUNE 30**

Actuarial Valuation Date	Valuation Assets	1	Actuarial Liability (AL)	Unfunded AL	Funded Ratio	Covered Payroll	Unfunded AL as a % of Covered Payroll
6/30/2003	\$ 937,797,000		\$ 958,095,000	\$ 20,298,000	97.9%	\$ 197,664,000	10.3%
6/30/2004	993,180,000		1,035,345,000	42,165,000	95.9%	199,963,000	21.1%
6/30/2005	1,049,691,000		1,116,310,000	66,619,000	94.0%	211,681,000	31.5%
6/30/2006	1,154,048,000		1,329,375,000	175,327,000	86.8%	212,011,000	82.7%
6/30/2008	1,317,167,000		1,548,824,000	231,657,000	85.0%	242,009,000	95.7%
6/30/2009	1,171,767,000		1,653,716,000	481,949,000	70.9%	248,316,000	194.1%
6/30/2010	1,325,801,000		1,737,824,000	412,023,000	76.3%	231,538,000	178.0%
6/30/2011	1,372,046,000		1,757,717,000	385,671,000	78.1%	221,541,000	174.1%
6/30/2012	1,451,764,000		1,888,713,000	436,950,000	76.9%	215,057,000	203.2%
6/30/2013	1,524,076,000		1,919,227,000	395,151,000	79.4%	222,898,000	177.3%

- 1 Excludes value of Non-Valuation Reserves
- 2 The Accrued Liability as of June 30, 2006 was recomputed to reflect the change in Actuary and in the retirement, termination and refund assumptions
- 3 Includes \$50 million transferred from Non-Valuation Reserves as of 6/30/2008

**Stanislaus County Employees Other Post Employment Benefits (OPEB) Plan  
Schedule of Funding Progress**

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio (a/b)	Covered Payroll	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Date	a	b	(b-a)	(a/b)	c	((b-a)/c)
7/1/2006	\$ -	\$ 36,090,083	\$36,090,083	0%	\$ 215,818,211	16.7%
7/1/2008	\$ -	\$ 40,174,546	\$40,174,546	0%	\$ 222,013,314	18.1%
7/1/2010	\$ -	\$ 36,877,098	\$36,877,098	0%	\$ 216,990,039	17.0%
7/1/2012	\$ -	\$ 35,347,085	\$35,347,085	0%	\$ 193,848,830	18.2%

Data provided by last actuarial valuation as of July 1, 2012

Source: Demsey, Filliger & Associates, LLC “County of Stanislaus Actuarial Valuation as of July 1, 2010 For the County’s Retiree Health Benefits Agreement with StanCERA”

Notes to the Required Supplementary Information

The schedule for StanCERA, a cost-sharing, multiple employer retirement system, relates to the association as a whole. The County represents approximately 88.49% of StanCERA’s covered payroll.

The OPEB schedule presented relates solely to the County.



Other  
Supplementary  
Information



Non-major  
Governmental  
Funds

## **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

### **Capital Projects Fund**

The Capital Projects funds were established to account for financial resources for the acquisition or construction of major capital facilities.

### **Debt Service Funds**

Debt service funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Debt service funds include:

#### **Capital Improvement Financing Authority**

The Capital Improvement Financing Authority is used to accumulate resources for payment of principal and interest incurred by the sale of Certificates of Participation issued to finance various capital projects.

#### **Pension Obligation Bonds**

This fund is used to accumulate resources for the payment of principal and interest of taxable bonds issued to pay the Employees Retirement Association the County's unfunded actuarial accrued liability.

#### **Stanislaus County Tobacco Funding Corporation**

This fund is used to account for the receipt and disbursement of tobacco securitization revenues from the State. The Stanislaus County Tobacco Funding Corporation acquired all the rights to the future County tobacco settlement payments and borrowed money secured by these tobacco payments.

**County of Stanislaus**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2014**

	Debt Service Funds					Totals
	Special Revenue Funds	Capital Projects	Capital Improvement Finance Authority	Pension Obligation Bonds	Stan County Tobacco Funding Corp	
<b>ASSETS</b>						
Cash and investments	\$ 84,307,334	\$ 13,574,625	\$ 2,196	\$ 241,446	\$ 9,600	\$ 98,135,201
Investments with fiscal agent			4,054,000		4,773,329	8,827,329
Account receivable	20,225,785				2,926,088	23,151,873
Interest and other receivables	100,235	20,425	5		20	120,685
Inventory	637,078					637,078
Due from other funds	6,169,086					6,169,086
Prepaid items	146,181					146,181
Total assets	<u>\$ 111,585,699</u>	<u>\$ 13,595,050</u>	<u>\$ 4,056,201</u>	<u>\$ 241,446</u>	<u>\$ 7,709,037</u>	<u>\$ 137,187,433</u>
<b>LIABILITIES AND FUND BALANCE</b>						
Liabilities						
Accounts payable	\$ 5,743,745	\$ 1,966,274		\$ 2,483	\$ 2,926,088	\$ 10,638,590
Salaries and benefits payable	2,514,702	21,361				2,536,063
Sales tax liability	317					317
Due to other funds	7,050,958					7,050,958
Due to other governments	45,036					45,036
Deferred revenue	2,715,697					2,715,697
Advances from other funds	100,000					100,000
Total Liabilities	<u>18,170,455</u>	<u>1,987,635</u>		<u>2,483</u>	<u>2,926,088</u>	<u>23,086,661</u>
Fund Balances						
Non-spendable	533,822					533,822
Restricted	81,421,714		4,045,074	237,720	4,773,329	90,477,837
Committed	598,373	101,579				699,952
Assigned	11,898,236	11,505,836	11,127	1,243	9,620	23,426,062
Unassigned	(1,036,901)					(1,036,901)
Total fund balances	<u>93,415,244</u>	<u>11,607,415</u>	<u>4,056,201</u>	<u>238,963</u>	<u>4,782,949</u>	<u>114,100,772</u>
Total Liabilities and Fund Balances	<u>\$ 111,585,699</u>	<u>\$ 13,595,050</u>	<u>\$ 4,056,201</u>	<u>\$ 241,446</u>	<u>\$ 7,709,037</u>	<u>\$ 137,187,433</u>

**County of Stanislaus**  
**Combining Statement of Revenue, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2014**

	Debt Service Funds					Totals
	Special Revenue Funds	Capital Projects	Capital Improvement Finance Authority	Pension Obligation Bonds	Stan County Tobacco Funding Corp	
<b>REVENUES</b>						
Taxes	\$ 12,234,639	\$	\$	\$	\$	\$ 12,234,639
Licenses, permits and franchises	2,293,431					2,293,431
Fines, forfeitures and penalties	1,470,336	1,198,843				2,669,179
Revenue from use of money and property	434,843	106,726			408,423	949,992
Intergovernmental revenue	173,745,129					173,745,129
Charges for services	33,701,338	2,028		880,612		34,583,978
Miscellaneous revenue	674,687				4,592,199	5,266,886
Total revenues	<u>224,554,403</u>	<u>1,307,597</u>	<u></u>	<u>880,612</u>	<u>5,000,622</u>	<u>231,743,234</u>
<b>EXPENDITURES</b>						
Current						
General government	408,915					408,915
Public protection	57,275,896					57,275,896
Public ways and facilities	36,931,590					36,931,590
Health and sanitation	42,623,895					42,623,895
Public assistance	82,214,893					82,214,893
Education	8,660,386					8,660,386
Recreation and cultural services	402,553					402,553
Capital outlay		13,154,983				13,154,983
Debt service						
Interest and fiscal charges	6,019		2,173,459	413,228	2,950,986	5,543,692
Principal	44,960		36,246,641	11,035,000	2,060,000	49,386,601
Total expenditures	<u>228,569,107</u>	<u>13,154,983</u>	<u>38,420,100</u>	<u>11,448,228</u>	<u>5,010,986</u>	<u>296,603,404</u>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(4,014,704)</u>	<u>(11,847,386)</u>	<u>(38,420,100)</u>	<u>(10,567,616)</u>	<u>(10,364)</u>	<u>(64,860,170)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Capital lease proceeds	192,881					192,881
Loan proceeds			19,540,000			19,540,000
Transfers in	18,690,011	8,582,203	15,364,776	10,823,430		53,460,420
Transfers out	(4,846,720)	(1,658,500)				(6,505,220)
Sale of capital assets	2,000					2,000
Total other financing sources (uses)	<u>14,038,172</u>	<u>6,923,703</u>	<u>34,904,776</u>	<u>10,823,430</u>		<u>66,690,081</u>
Net changes in fund balances	10,023,468	(4,923,683)	(3,515,324)	255,814	(10,364)	1,829,911
Fund balances -- beginning	83,391,776	16,531,098	7,571,525	(16,851)	4,793,313	112,270,861
Fund balances -- ending	<u>\$ 93,415,244</u>	<u>\$ 11,607,415</u>	<u>\$ 4,056,201</u>	<u>\$ 238,963</u>	<u>\$ 4,782,949</u>	<u>\$ 114,100,772</u>

Non-major  
Special Revenue  
Funds

## **NONMAJOR SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. Special revenue funds include:

### **Environmental Resources**

This fund was established as a Comprehensive Environmental Department whose mandated goal was to control those factors in our physical environment, which exercise or may exercise a deleterious effect on our health and environment. Its revenues come from charges for services and federal and state sources.

### **Children and Families Commission**

This fund was established to account for a comprehensive system of services to support childhood development from the prenatal stage to five years of age. Its revenues come from an increase in the tobacco tax. The tax is divided among the counties based in the annual number of live births.

### **Public Works – Engineering**

This fund was established to provide engineering services to other divisions in the Public Works Department and other County departments. Revenue consists primarily of charges for services.

### **Road and Bridge**

This fund was established to provide maintenance and construction of roadways and bridges. Revenue consists primarily of the County's share of state highway users taxes and is supplemented by federal funds, vehicle code fines, and reimbursements for services provided.

### **Employment and Training**

This fund was established to account for the Workforce Incentive Act. The County serves as the grant recipient and administrator. The federal government funds the program for the purposes of providing employment and training services to youth and adults, who are unskilled, economically disadvantaged, unemployed, or underemployed.

### **Child Support Services**

This fund was established to account for the Department of Child Support Services, which is responsible for locating absent parents, establishing paternity, establishing child and medical support orders, collecting and distributing child support from absent parents and initiating remedial actions to collect on delinquencies. Federal and state funding are the primary source of revenues.

## **NONMAJOR SPECIAL REVENUE FUNDS**

(Continued)

### **Public Authority**

This fund was established to operate as the Employer of Record for In-Home Supportive Service Providers (Providers). The Public Authority negotiates with the union for wages and benefits for Providers, operates a registry and conducts background checks on Providers.

### **Health Services Agency**

This fund was established to oversee the delivery of health care to Stanislaus County residents. It includes the Public Health and Managed Care divisions and oversees the Health Clinics and Ancillary Services (enterprise fund). The revenues for this fund are primarily intergovernmental sources and charges for services, supplemented by transfers from the General Fund.

### **Indigent Health Care**

This fund was established to administer state and county funds for the delivery for quality medical care for indigent and medically indigent county residents. The primary funding source is the State.

### **Library**

This fund was established to account for library services in thirteen branches throughout the county. Support is derived principally from 1/8% sales tax increment beginning in July 1995, and from general fund discretionary revenues.

### **Lighting Districts**

This fund was established for lighting districts that are controlled by the Board of Supervisors. The revenue sources are property taxes and direct assessments.

### **All Other Special Revenue Funds**

Accounts for the activities of several special revenue funds, including:

- Area Agency on Aging
- Federal & State Grants
- County Service Areas
- Storm Drain Districts
- Landscape and Lighting Districts
- County Fire Service

**County of Stanislaus  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2014**

	Environmental Resources	Children and Families Commission	Public Works Engineering	Road and Bridge	Employment and Training	Child Support Services	Public Authority
<b>ASSETS</b>							
Cash and investments	\$ 8,652,770	\$ 11,332,883	\$ 2,761,616	\$ 16,287,274	\$ 1,274,390	\$ 1,660,322	\$ 753,571
Account receivable	843,656	1,038,532	119,178	4,081,225	833,770	342,797	1,760,586
Interest and other receivables	4,392	26,157		42,562		5,540	
Inventory				504,059	8,717		
Due from other funds					14,375		
Prepaid items					13,423		
Total assets	<u>\$ 9,500,818</u>	<u>\$ 12,397,572</u>	<u>\$ 2,880,794</u>	<u>\$ 20,915,120</u>	<u>\$ 2,144,675</u>	<u>\$ 2,008,659</u>	<u>\$ 2,514,157</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities							
Accounts payable	\$ 275,029	\$ 588,870	\$ 43,552	\$ 1,901,185	\$ 429,186	\$ 27,672	\$
Salaries and benefits payable	229,051	16,480	201,794	151,776	229,305	402,071	
Sales Tax Liability	(32)				149		
Due to other funds						14,375	
Due from other governments							45,036
Advances from grantors & third parties							2,469,013
Advances from other funds							
Total Liabilities	<u>504,048</u>	<u>605,350</u>	<u>245,346</u>	<u>2,052,961</u>	<u>658,640</u>	<u>444,118</u>	<u>2,514,049</u>
Fund Balances							
Non Spendable	\$ 800		300	312,460		100	
Restricted	8,896,211	11,587,572	783,499	18,397,440	1,475,973	1,415,276	
Committed							
Assigned	99,759	204,650	1,851,649	152,259	10,062	149,165	108
Unassigned							
Total fund balances	<u>8,996,770</u>	<u>11,792,222</u>	<u>2,635,448</u>	<u>18,862,159</u>	<u>1,486,035</u>	<u>1,564,541</u>	<u>108</u>
Total liabilities and fund balances	<u>\$ 9,500,818</u>	<u>\$ 12,397,572</u>	<u>\$ 2,880,794</u>	<u>\$ 20,915,120</u>	<u>\$ 2,144,675</u>	<u>\$ 2,008,659</u>	<u>\$ 2,514,157</u>

**County of Stanislaus  
Combining Balance Sheet  
Nonmajor Special Revenue Funds (Continued)  
June 30, 2014**

Health Services Agency	Indigent Health Care	Library	Lighting Districts	All Other Special Revenue Funds	Totals	
\$ 4,474,838	\$	\$ 7,928,444	\$ 454,777	\$ 28,726,449	\$ 84,307,334	ASSETS
3,616,478	705,975	1,467,836		5,415,752	20,225,785	Cash and investments
627	1,072		887	18,998	100,235	Account receivable
124,302					637,078	Interest and other receivables
	6,154,711				6,169,086	Inventory
132,758					146,181	Due from other funds
<u>\$ 8,349,003</u>	<u>\$ 6,861,758</u>	<u>\$ 9,396,280</u>	<u>\$ 455,664</u>	<u>\$ 34,161,199</u>	<u>\$ 111,585,699</u>	Prepaid items
						Total assets
						<b>LIABILITIES AND FUND BALANCE</b>
\$ 1,348,886	\$ 295,048	\$ 179,367	\$ 11,497	\$ 643,453	\$ 5,743,745	Liabilities
686,893	23,479	213,893		359,960	2,514,702	Accounts payable
21				179	317	Salaries and benefits payable
	7,036,583				7,050,958	Sales Tax Liability
152,215	94,469				45,036	Due to other funds
				100,000	100,000	Due from other governments
<u>2,188,015</u>	<u>7,449,579</u>	<u>393,260</u>	<u>11,497</u>	<u>1,103,592</u>	<u>18,170,455</u>	Advances from grantors & third parties
						Advances from other funds
						Total Liabilities
210,177	100	1,885		8,000	533,822	Fund Balances
5,251,768	402,728	8,898,563	441,827	23,870,857	81,421,714	Non Spendable
				598,373	598,373	Restricted
699,043	23,680	102,572	2,340	8,602,949	11,898,236	Committed
	(1,014,329)			(22,572)	(1,036,901)	Assigned
<u>6,160,988</u>	<u>(587,821)</u>	<u>9,003,020</u>	<u>444,167</u>	<u>33,057,607</u>	<u>93,415,244</u>	Unassigned
						Total fund balances
<u>\$ 8,349,003</u>	<u>\$ 6,861,758</u>	<u>\$ 9,396,280</u>	<u>\$ 455,664</u>	<u>\$ 34,161,199</u>	<u>\$ 111,585,699</u>	Total liabilities and fund balances

**County of Stanislaus**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2014**

	Environmental Resources	Children and Families Commission	Public Works Engineering	Road and Bridge	Employment and Training	Child Support Services	Public Authority
<b>REVENUES</b>							
Taxes	\$	\$	\$	\$	\$	\$	\$
Licenses, permits and franchises			1,704,039	577,463			
Fines, forfeitures and penalties	197,619						
Revenue from use of money and property	15,962	106,928	188	175,819		22,179	1,123
Intergovernmental revenue	679,828	5,466,445	235,700	31,455,144	8,837,591	14,293,909	62,073,668
Charges for services	7,056,273		4,846,862	190,405	7,323,408		
Miscellaneous revenue	14,245	32,912	4,542	8,571	(14,863)		
<b>Total revenues</b>	<u>7,963,927</u>	<u>5,606,285</u>	<u>6,791,331</u>	<u>34,296,373</u>	<u>16,146,136</u>	<u>14,316,088</u>	<u>62,074,791</u>
<b>EXPENDITURES</b>							
General		376,174					
Public protection	7,637,012		1,666,595			13,866,046	
Public ways and facilities			4,856,184	32,056,434			
Health and sanitation		6,025,005					
Public assistance					16,065,009		62,879,703
Education							
Recreation and cultural services							
Interest and fiscal charges							
Principal							
<b>Total expenditures</b>	<u>7,637,012</u>	<u>6,401,179</u>	<u>6,522,779</u>	<u>32,056,434</u>	<u>16,065,009</u>	<u>13,866,046</u>	<u>62,879,703</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>326,915</u>	<u>(794,894)</u>	<u>268,552</u>	<u>2,239,939</u>	<u>81,127</u>	<u>450,042</u>	<u>(804,912)</u>
Capital lease proceeds							
Transfers in	1,310,409		273,451	800,333			2,022,552
Transfers out	(241,850)	(13,545)	(170,527)	(126,734)	(197,851)	(359,876)	(1,217,532)
Sale of capital assets				2,000			
<b>Total other financing sources (uses)</b>	<u>1,068,559</u>	<u>(13,545)</u>	<u>102,924</u>	<u>675,599</u>	<u>(197,851)</u>	<u>(359,876)</u>	<u>805,020</u>
<b>Net change in fund balance</b>	1,395,474	(808,439)	371,476	2,915,538	(116,724)	90,166	108
<b>Fund balances -- beginning</b>	<u>7,601,296</u>	<u>12,600,661</u>	<u>2,263,972</u>	<u>15,946,621</u>	<u>1,602,759</u>	<u>1,474,375</u>	
<b>Fund balances -- ending</b>	<u>\$ 8,996,770</u>	<u>\$ 11,792,222</u>	<u>\$ 2,635,448</u>	<u>\$ 18,862,159</u>	<u>\$ 1,486,035</u>	<u>\$ 1,564,541</u>	<u>\$ 108</u>

**County of Stanislaus**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds (Continued)**  
**For the Fiscal Year Ended June 30, 2014**

Health Services Agency	Indigent Health Care	Library	Lighting Districts	All Other Special Revenue Funds	Totals	
\$	\$	\$	\$	\$	\$	<b>REVENUES</b>
		9,140,466	65,731	1,139,471	12,234,639	Taxes
11,929					2,293,431	Licenses, permits and franchises
129,075	846,523			297,119	1,470,336	Fines, forfeitures and penalties
					434,843	Revenue from use of money and property
11,996	5,116	3,589	3,840	88,103	173,745,129	Intergovernmental revenue
12,567,393	1,726,482	112,269	611	36,296,089	33,701,338	Charges for services
9,966,847	393,560	388,979	327,843	3,207,161	674,687	Miscellaneous revenue
159,882	30,694	108,413	3,500	326,791	224,554,403	Total revenues
<u>22,847,122</u>	<u>3,002,375</u>	<u>9,753,716</u>	<u>401,525</u>	<u>41,354,734</u>		<b>EXPENDITURES</b>
				32,741	408,915	General
			305,400	33,800,843	57,275,896	Public protection
				18,972	36,931,590	Public ways and facilities
25,773,746	10,825,144			3,270,181	42,623,895	Health and sanitation
		8,656,776		3,610	82,214,893	Public assistance
				402,553	8,660,386	Education
3,566				2,453	402,553	Recreation and cultural services
37,145				7,815	6,019	Interest and fiscal charges
<u>25,814,457</u>	<u>10,825,144</u>	<u>8,656,776</u>	<u>305,400</u>	<u>37,539,168</u>	44,960	Principal
					228,569,107	Total expenditures
<u>(2,967,335)</u>	<u>(7,822,769)</u>	<u>1,096,940</u>	<u>96,125</u>	<u>3,815,566</u>	<u>(4,014,704)</u>	<b>REVENUES OVER</b>
						<b>(UNDER) EXPENDITURES</b>
192,881					192,881	Capital lease proceeds
4,473,286	8,077,837	491,810		1,240,333	18,690,011	Transfers in
(554,670)	(43,348)	(147,340)		(1,773,447)	(4,846,720)	Transfers out
<u>4,111,497</u>	<u>8,034,489</u>	<u>344,470</u>		<u>(533,114)</u>	2,000	Sale of capital assets
					14,038,172	Total other financing sources (uses)
1,144,162	211,720	1,441,410	96,125	3,282,452	10,023,468	Net change in fund balance
<u>5,016,826</u>	<u>(799,541)</u>	<u>7,561,610</u>	<u>348,042</u>	<u>29,775,155</u>	<u>83,391,776</u>	Fund balances -- beginning
<u>\$ 6,160,988</u>	<u>\$ (587,821)</u>	<u>\$ 9,003,020</u>	<u>\$ 444,167</u>	<u>\$ 33,057,607</u>	<u>\$ 93,415,244</u>	Fund balances -- ending



Non-major  
Enterprise  
Funds

## **NONMAJOR ENTERPRISE FUNDS**

Enterprise funds are established to account for the financing of self-supporting activities of governmental units, which render services on a user-charge basis to the general public.

### **County Transit System**

This fund was established to account for the operation of a transit system within the county which performs intra-city transit service, medical transportation, and Senior Opportunity Services Program's nutrition deliveries. Revenues are generated from state grants and fees to transit users.

### **Geer Road Sanitary Landfill**

The Geer Road Sanitary Landfill Fund was established to account for the operation of Geer Road Sanitary Landfill, which provided a dumping site for the disposal of solid wastes. The landfill was closed in July 1990 and is jointly owned with the City of Modesto.

### **Inmate Welfare/Commissary**

This fund was established to account for the activity of the Jail Commissary and the use of revenue generated from the sale of goods for the benefit of inmates.

**County of Stanislaus**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**June 30, 2014**

	County Transit System	Geer Road Sanitary Landfill	Inmate Welfare/ Commissary	Total
<b>ASSETS</b>				
Current Assets:				
Cash and investments	\$ 9,360,159	\$ 378,905	\$ 941,103	\$ 10,680,167
Accounts receivable, net	549,335		60,015	609,350
Interest and other receivables	20,695	4,366	1,744	26,805
Inventory			6,971	6,971
Total current assets	<u>9,930,189</u>	<u>383,271</u>	<u>1,009,833</u>	<u>11,323,293</u>
Noncurrent assets:				
Restricted cash and investments		1,545,144		1,545,144
Capital assets:				
Land and right of ways		1,906,261		1,906,261
Building and improvements	131,545		216,731	348,276
Equipment	10,245,295		144,907	10,390,202
Construction in progress	75,482			75,482
Less: Accumulated depreciation	(4,549,581)		(221,084)	(4,770,665)
Total noncurrent assets	<u>5,902,741</u>	<u>3,451,405</u>	<u>140,554</u>	<u>9,494,700</u>
Total assets	<u>15,832,930</u>	<u>3,834,676</u>	<u>1,150,387</u>	<u>20,817,993</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	832,603	61,906	46,644	941,153
Salaries and benefits payable	9,808		8,204	18,012
Due to other governments				
Due to other funds				
Advances from other funds				
Interfund payable				
Deposits from others				
Current portion of capital lease				
Compensated absences - current	5,047		517	5,564
Total current liabilities	<u>847,458</u>	<u>61,906</u>	<u>55,365</u>	<u>964,729</u>
Noncurrent liabilities				
Estimated cost of closure/postclosure		1,987,206		1,987,206
Other post-employment benefits (OPEB)	7,418		15,499	22,917
Compensated absences	24,436		7,324	31,760
Total noncurrent liabilities	<u>31,854</u>	<u>1,987,206</u>	<u>22,823</u>	<u>2,041,883</u>
Total liabilities	<u>879,312</u>	<u>2,049,112</u>	<u>78,188</u>	<u>3,006,612</u>
<b>NET POSITION</b>				
Net investment in capital assets	5,902,741	1,906,261	140,554	7,949,556
Restricted		1,548,889		1,548,889
Unrestricted	<u>9,050,877</u>	<u>(1,669,586)</u>	<u>931,645</u>	<u>8,312,936</u>
Total net position	<u>\$ 14,953,618</u>	<u>\$ 1,785,564</u>	<u>\$ 1,072,199</u>	<u>\$ 17,811,381</u>

**County of Stanislaus**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Nonmajor Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2014**

	County Transit System	Geer Road Sanitary Landfill	Inmate Welfare/ Commissary	Total
<b>OPERATING REVENUES</b>				
Charges for services	\$ 506,184	\$	\$ 1,528,952	\$ 2,035,136
Total operating revenues	<u>506,184</u>	<u></u>	<u>1,528,952</u>	<u>2,035,136</u>
<b>OPERATING EXPENSES</b>				
Salaries and benefits	287,832		204,379	492,211
Services and supplies	4,944,472	1,056,981	1,176,426	7,177,879
Depreciation	932,944		8,770	941,714
Total operating expenses	<u>6,165,248</u>	<u>1,056,981</u>	<u>1,389,575</u>	<u>8,611,804</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(5,659,064)</u>	<u>(1,056,981)</u>	<u>139,377</u>	<u>(6,576,668)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	102,342	19,404	9,682	131,428
Interest expense				
Insurance reimbursement		340,977		340,977
(Loss) on sale of fixed assets				
Intergovernmental	10,437,579			10,437,579
Total nonoperating revenues (expenses)	<u>10,539,921</u>	<u>360,381</u>	<u>9,682</u>	<u>10,909,984</u>
Income before contributions and transfers	4,880,857	(696,600)	149,059	4,333,316
Capital contributions				
Transfers in		1,175,893		1,175,893
Transfers out	(9,508)		(4,990)	(14,498)
Change in net position	<u>4,871,349</u>	<u>479,293</u>	<u>144,069</u>	<u>5,494,711</u>
Total net position - beginning	10,082,269	1,306,271	928,130	12,316,670
Total net position - ending	<u>\$ 14,953,618</u>	<u>\$ 1,785,564</u>	<u>\$ 1,072,199</u>	<u>\$ 17,811,381</u>

# Internal Service Funds

## **INTERNAL SERVICE FUNDS**

Internal service funds were established to finance and account for the services and commodities furnished by a designated agency of a governmental unit to other departments of the same governmental unit. Since the services and commodities are supplied exclusively to other departments of a governmental jurisdiction, they are distinguishable from the public services which are rendered to the public in general and which are accounted for in general, special revenue, or enterprise funds.

### **General Liability Insurance**

This fund is a risk management fund which was established to account for administrative cost, insurance premiums and the cost of claims for the County's property damage, general liability, auto liability, fiduciary, bonds, dishonesty, and legal defense. Revenues are generated by premiums paid by other funds and interest on investments.

### **Unemployment Insurance**

This fund is a risk management fund which accounts for administrative cost and cost for the County's unemployment claims. Revenues are generated by premiums paid by other funds and interest on investments.

### **Workers' Compensation Insurance**

This fund is a risk management fund which accounts for administrative cost, loss control and cost of Workers' Compensation claims and benefits. Revenues are generated by premiums paid by other funds and interest on investments.

### **Medical Self-Insurance**

This fund is a risk management fund to account for the cost of County health benefit claims. Revenues are generated by premiums paid by other funds.

### **Other Employee Benefits**

This fund is a risk management fund to account for employee benefits such as basic life insurance, long-term disability insurance and deferred compensation. Revenues are generated by premiums paid by other funds and interest on investments.

### **Dental Insurance**

This fund is a risk management fund to account for administrative cost and the cost for the County's employee dental claims. Revenues are generated by premiums paid by other funds and interest on investments.

## **INTERNAL SERVICE FUNDS (Continued)**

### **Vision Care Insurance**

This fund is a risk management fund to account for administrative cost and the cost for the County's employee vision care claims. Revenues are generated by premiums paid by other funds and interest on investments.

### **Professional Liability Insurance**

This fund is a risk management fund to account for the purchase of insurance and the cost of claims for medical malpractice cases, administrative costs and legal defense. Revenues are generated by premiums paid predominantly by the Health Services Agency Clinics and Ancillary Services Enterprise Fund, and interest on investments.

### **Central Services**

This fund was established to account for the cost of purchasing services, printing, duplication, postage, mail room service, warehouse storage and salvage and messenger service. Revenues are generated based on billings for services provided.

### **Fleet Services**

This fund was established to account for the cost of maintaining all County-owned automobiles, trucks, and heavy equipment for County departments. Revenues are based on fee charges for services provided.

### **Technology and Communications**

This fund was established to account for the costs of providing information services, computer processing and communication services. Revenues are based on billings to customers for services provided.

### **Morgan Shop Garage**

This fund was established to account for the cost of maintaining Public Works light and heavy equipment. Revenues are based on fee charges for services provided.

### **Facility Maintenance**

This fund was established to account for the costs of providing maintenance on all County buildings. Revenues are based on fee charges for services provided.

**County of Stanislaus**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2014**

	Self Insurance funds						
	General Liability Insurance	Unemployment Insurance	Workers' Compensation Insurance	Medical Self-Insurance	Other Employee Benefits	Dental Insurance	Vision Care Insurance
<b>ASSETS</b>							
Cash and investments	\$ 3,289,771	\$ 1,401,978	\$ 22,752,325	\$	\$ 417,928	\$ 1,244,245	\$ 417,666
Accounts receivable, net	128,414		407	319,702			
Interest and other receivables	6,838	3,076	47,128			2,630	950
Inventory							
Deposit with others							
Due from other funds							
Prepaid items							
Total current assets	<u>3,425,023</u>	<u>1,405,054</u>	<u>22,799,860</u>	<u>319,702</u>	<u>417,928</u>	<u>1,246,875</u>	<u>418,616</u>
Capital assets:							
Intangible assets							
Structures and improvements							
Equipment							
Less: Accumulated depreciation							
Net capital assets							
Total assets	<u>3,425,023</u>	<u>1,405,054</u>	<u>22,799,860</u>	<u>319,702</u>	<u>417,928</u>	<u>1,246,875</u>	<u>418,616</u>
<b>LIABILITIES</b>							
Current liabilities							
Accounts payable	350,045	197,000	30,476	2,043,842	15	67,047	40,923
Salaries and benefits payable							
Interfund payable							
Due to other funds				332,042			
Deposits from others							
Risk management liability-current	1,349,543	200,000	3,757,000	6,800,000		175,504	36,837
Capital lease - current							
Compensated absences - current							
Total current liabilities	<u>1,699,588</u>	<u>397,000</u>	<u>3,787,476</u>	<u>9,175,884</u>	<u>15</u>	<u>242,551</u>	<u>77,760</u>
Noncurrent liabilities							
Risk management liability	2,693,457		17,234,000				
Capital leases payable							
Other post-employment benefits							
Compensated absences							
Total noncurrent liabilities	<u>2,693,457</u>		<u>17,234,000</u>				
Total liabilities	<u>4,393,045</u>	<u>397,000</u>	<u>21,021,476</u>	<u>9,175,884</u>	<u>15</u>	<u>242,551</u>	<u>77,760</u>
<b>NET POSITION</b>							
Net investment in capital assets							
Unrestricted	<u>(968,022)</u>	<u>1,008,054</u>	<u>1,778,384</u>	<u>(8,856,182)</u>	<u>417,913</u>	<u>1,004,324</u>	<u>340,856</u>
Total net position	<u>\$ (968,022)</u>	<u>\$ 1,008,054</u>	<u>\$ 1,778,384</u>	<u>\$ (8,856,182)</u>	<u>\$ 417,913</u>	<u>\$ 1,004,324</u>	<u>\$ 340,856</u>

**County of Stanislaus**  
**Combining Statement of Net Position (Continued)**  
**Internal Service Funds**  
**June 30, 2014**

Self Insurance funds								
Professional Liability Insurance	Central Services	Fleet Services	Technology and Communications	Morgan Shop Garage	Facility Maintenance	Total		
\$ 1,370,495	\$ 178,751	\$ 601,603	\$ 3,385,516	\$ 3,521,928	\$ 1,996,550	\$ 40,578,756	<b>ASSETS</b>	
	5,969	1,835	20,361	40,081	6,394	523,163	Cash and investments	
2,703	46,225	71,872		84,894	697	63,325	Accounts receivable, net	
						203,688	Interest and other receivables	
							Inventory	
							Deposit with others	
							Due from other funds	
							Prepaid items	
<u>1,373,198</u>	<u>230,945</u>	<u>675,310</u>	<u>3,405,877</u>	<u>3,646,903</u>	<u>2,003,641</u>	<u>41,368,932</u>	Total current assets	
							Capital assets:	
			3,630,872			3,630,872	Intangible assets	
	11,735	990,773				1,002,508	Structures and improvements	
	145,737	4,990,006	5,393,541	13,874,148	208,151	24,611,583	Equipment	
	(149,404)	(5,296,142)	(5,645,855)	(7,734,913)	(205,341)	(19,031,655)	Less: Accumulated depreciation	
	8,068	684,637	3,378,558	6,139,235	2,810	10,213,308	Net capital assets	
<u>1,373,198</u>	<u>239,013</u>	<u>1,359,947</u>	<u>6,784,435</u>	<u>9,786,138</u>	<u>2,006,451</u>	<u>51,582,240</u>	Total assets	
							<b>LIABILITIES</b>	
							Current liabilities	
15,375	7,600	88,142	103,846	121,682	186,159	3,252,152	Accounts payable	
	23,263	27,945	103,520	26,242	70,181	251,151	Salaries and benefits payable	
						332,042	Interfund payable	
279,000						12,597,884	Due to other funds	
							Deposits from others	
							Risk management liability-current	
							Capital lease - current	
	215	3,203	11,691	5,096	24,111	44,316	Compensated absences - current	
<u>294,375</u>	<u>31,078</u>	<u>119,290</u>	<u>219,057</u>	<u>153,020</u>	<u>280,451</u>	<u>16,477,545</u>	Total current liabilities	
369,000						20,296,457	Noncurrent liabilities	
							Risk management liability	
	35,917	23,138	59,115	23,796	64,283	206,249	Capital leases payable	
	72,091	131,933	430,959	70,862	310,768	1,016,613	Other post-employment benefits	
<u>369,000</u>	<u>108,008</u>	<u>155,071</u>	<u>490,074</u>	<u>94,658</u>	<u>375,051</u>	<u>21,519,319</u>	Compensated absences	
<u>663,375</u>	<u>139,086</u>	<u>274,361</u>	<u>709,131</u>	<u>247,678</u>	<u>655,502</u>	<u>37,996,864</u>	Total noncurrent liabilities	
							Total liabilities	
							<b>NET POSITION</b>	
	8,068	684,637	3,378,558	6,139,235	2,810	10,213,308	Net investment in capital assets	
<u>709,823</u>	<u>91,859</u>	<u>400,949</u>	<u>2,696,746</u>	<u>3,399,225</u>	<u>1,348,139</u>	<u>3,372,068</u>	Unrestricted	
<u>\$ 709,823</u>	<u>\$ 99,927</u>	<u>\$ 1,085,586</u>	<u>\$ 6,075,304</u>	<u>\$ 9,538,460</u>	<u>\$ 1,350,949</u>	<u>\$ 13,585,376</u>	Total net position	

**County of Stanislaus**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2014**

	Self Insurance funds							
	General Liability Insurance	Unemployment Insurance	Workers' Compensation Insurance	Medical Self-Insurance	Other Employee Benefits	Dental Insurance	Vision Care Insurance	Professional Liability Insurance
<b>OPERATING REVENUES</b>								
Charges for services	\$ 4,415,329	\$ 192,900	\$ 5,892,078	\$ 52,338,739	\$ 475,497	\$ 3,434,712	\$ 333,551	\$ 762,000
Total operating revenues	<u>4,415,329</u>	<u>192,900</u>	<u>5,892,078</u>	<u>52,338,739</u>	<u>475,497</u>	<u>3,434,712</u>	<u>333,551</u>	<u>762,000</u>
<b>OPERATING EXPENSES</b>								
Salaries and benefits								
Services and supplies	7,585,123	509,842	4,918,590	55,146,298	465,976	3,497,058	677,838	488,338
Depreciation								
Total operating expenses	<u>7,585,123</u>	<u>509,842</u>	<u>4,918,590</u>	<u>55,146,298</u>	<u>465,976</u>	<u>3,497,058</u>	<u>677,838</u>	<u>488,338</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(3,169,794)</u>	<u>(316,942)</u>	<u>973,488</u>	<u>(2,807,559)</u>	<u>9,521</u>	<u>(62,346)</u>	<u>(344,287)</u>	<u>273,662</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>								
Investment income	25,938	12,200	205,982	(12,657)	3,165	11,187	2,600	10,874
Interest expense								
Intergovernmental								
Gain(loss) on sale of capital assets								
Total nonoperating revenues (expenses), net	<u>25,938</u>	<u>12,200</u>	<u>205,982</u>	<u>(12,657)</u>	<u>3,165</u>	<u>11,187</u>	<u>2,600</u>	<u>10,874</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>(3,143,856)</u>	<u>(304,742)</u>	<u>1,179,470</u>	<u>(2,820,216)</u>	<u>12,686</u>	<u>(51,159)</u>	<u>(341,687)</u>	<u>284,536</u>
Capital contribution								
Transfers in	4,138,680							
Transfers out								
Changes in net position	<u>994,824</u>	<u>(304,742)</u>	<u>1,179,470</u>	<u>(2,820,216)</u>	<u>12,686</u>	<u>(51,159)</u>	<u>(341,687)</u>	<u>284,536</u>
Total net position - beginning	<u>(1,962,846)</u>	<u>1,312,796</u>	<u>598,914</u>	<u>(6,035,966)</u>	<u>405,227</u>	<u>1,055,483</u>	<u>682,543</u>	<u>425,287</u>
Total net position (deficit) - ending	<u>\$ (968,022)</u>	<u>\$ 1,008,054</u>	<u>\$ 1,778,384</u>	<u>\$ (8,856,182)</u>	<u>\$ 417,913</u>	<u>\$ 1,004,324</u>	<u>\$ 340,856</u>	<u>\$ 709,823</u>

**County of Stanislaus**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position (Continued)**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2014**

Central Services	Fleet Services	Technology and Communications	Morgan Shop Garage	Facility Maintenance	Total	
						OPERATING REVENUES
\$ 1,068,059	\$ 2,669,251	\$ 5,119,192	\$ 3,719,535	\$ 8,550,846	\$ 88,971,689	Charges for services
<u>1,068,059</u>	<u>2,669,251</u>	<u>5,119,192</u>	<u>3,719,535</u>	<u>8,550,846</u>	<u>88,971,689</u>	Total operating revenues
						OPERATING EXPENSES
717,375	765,477	2,802,716	731,566	2,188,628	7,205,762	Salaries and benefits
316,044	1,703,210	1,809,991	1,935,726	6,087,021	85,141,055	Services and supplies
2,581	56,901	516,177	981,816	1,091	1,558,566	Depreciation
<u>1,036,000</u>	<u>2,525,588</u>	<u>5,128,884</u>	<u>3,649,108</u>	<u>8,276,740</u>	<u>93,905,383</u>	Total operating expenses
<u>32,059</u>	<u>143,663</u>	<u>(9,692)</u>	<u>70,427</u>	<u>274,106</u>	<u>(4,933,694)</u>	OPERATING INCOME (LOSS)
						NONOPERATING REVENUES (EXPEN
				8,616	267,905	Investment income
(31)					(31)	Interest expense
	21,071	(9,776)	29,490		40,785	Intergovernmental Gain(loss) on sale of capital assets
<u>(31)</u>	<u>21,071</u>	<u>(9,776)</u>	<u>29,490</u>	<u>8,616</u>	<u>308,659</u>	Total nonoperating revenues (expenses), net
						INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFER:
32,028	164,734	(19,468)	99,917	282,722	(4,625,035)	
					4,138,680	Capital contribution
(21,455)	(23,328)	(91,337)	(22,990)	(61,166)	(220,276)	Transfers in Transfers out
<u>10,573</u>	<u>141,406</u>	<u>(110,805)</u>	<u>76,927</u>	<u>221,556</u>	<u>(706,631)</u>	Changes in net position
<u>89,354</u>	<u>944,180</u>	<u>6,186,109</u>	<u>9,461,533</u>	<u>1,129,393</u>	<u>14,292,007</u>	Total net position - beginning
<u>\$ 99,927</u>	<u>\$ 1,085,586</u>	<u>\$ 6,075,304</u>	<u>\$ 9,538,460</u>	<u>\$ 1,350,949</u>	<u>\$ 13,585,376</u>	Total net position (deficit) - ending



# Successor Agency



**County of Stanislaus**  
**Successor Agency to the Stanislaus County Redevelopment Agency**  
**Long-Term Debt**  
**For the Year Ended June 30, 2014**

The Agency had the following long-term debt liabilities as of June 30, 2014:

	Beginning Principal Balance	Adjustments	Deletions	Ending Principal Balance	Due Within One Year
<u>Notes Payable</u>					
United States Department of Agriculture	\$ 4,005,000	\$ (5,000)	\$ 75,000	\$ 3,925,000	\$ 75,000
State of California, State Water Resources Control Board	505,775	-	163,478	\$ 342,297	168,539
State of California, Housing Finance Agency	562,500	-	-	562,500	562,500
Total notes payable	<u>5,073,275</u>	<u>(5,000)</u>	<u>238,478</u>	<u>4,829,797</u>	<u>806,039</u>
<u>Bonds Payable</u>					
2005 tax allocation bonds	12,575,000	-	520,000	12,055,000	545,000
Total long-term liabilities	<u>\$17,648,275</u>	<u>\$ (5,000)</u>	<u>\$758,478</u>	<u>\$ 16,884,797</u>	<u>\$1,351,039</u>

Debt service requirements for principal and interest of long-term liabilities for future years are as follows:

Fiscal Year	Ending	Principal	Interest	Total
2015	\$ 1,351,039	\$ 989,787	\$ 2,340,826	
2016	688,764	764,019	1,452,783	
2017	525,000	733,943	1,258,943	
2018	535,000	707,623	1,242,623	
2019	550,000	681,153	1,231,153	
2020-2024	2,920,000	2,979,103	5,899,103	
2025-2029	3,255,000	2,189,944	5,444,944	
2030-2034	3,625,000	1,305,049	4,930,049	
2035-2039	2,760,000	394,423	3,154,423	
2040-2042	674,994	43,817	718,811	
	<u>\$ 16,884,797</u>	<u>\$ 10,788,861</u>	<u>\$ 27,673,658</u>	

**County of Stanislaus**  
**Successor Agency to the Stanislaus County Redevelopment Agency**  
**Long-Term Debt (continued)**  
**For the Year Ended June 30, 2014**

United States Department of Agriculture Note – The Agency refinanced a tax revenue anticipation loan in 2001. The loan was used to finance a storm drainage system in Salida, California. The principal amount of the note is \$4,525,000 to be paid in 40 years. Principal payments are due each August. The interest rate for the note is 5.125% with payments due February and August each year. The note matures in August 2041.

Fiscal Year Ending	Principal	Interest	Total
2015	\$ 75,000	\$ 165,206	\$ 240,206
2016	80,000	161,911	241,911
2017	80,000	158,950	238,950
2018	85,000	155,004	240,004
2019	90,000	151,284	241,284
2020-2024	505,000	695,291	1,200,291
2025-2029	625,000	575,879	1,200,879
2030-2034	765,000	428,387	1,193,387
2035-2039	945,000	247,013	1,192,013
2040-2042	675,000	43,817	718,817
	<u>\$ 3,925,000</u>	<u>\$ 2,782,742</u>	<u>\$ 6,707,742</u>

State of California, State Water Resources Control Board Note – The Agency entered in to an agreement to help finance construction of the Bret Harte Sewer System, a wastewater collection system. The principal amount of the note is \$2,636,549 to be paid in 20 years and with an interest rate of 3.03% per annum. The note matures in December 2015.

Fiscal Year Ending	Principal	Interest	Total
2015	168,539	10,611	179,150
2016	173,758	5,387	179,145
	<u>\$ 342,297</u>	<u>\$ 15,998</u>	<u>\$ 358,295</u>

**County of Stanislaus**  
**Successor Agency to the Stanislaus County Redevelopment Agency**  
**Long-Term Debt (continued)**  
**For the Year Ended June 30, 2014**

State of California, California Housing Finance Agency – In April 2005, the Agency entered into an agreement for the purpose of expanding the First-Time Homebuyers Down Payment Assistance Program. The principal amount of the note is \$562,500 with an interest rate of 3.0% per annum. The note matures in 2015.

Fiscal Year			
Ending	Principal	Interest	Total
2015	\$ 562,500	\$ 193,565	\$ 756,065

2005 Tax Allocation Bonds – The Agency issued bonds to finance construction of a storm drainage collection and transfer system within the Agency’s project area. The bonds will be paid and secured with future tax increment revenues derived from the project area. The principal amount of the bonds is \$15,615,000 to be paid in 30 years. Principal payments are due each August. The interest rate for the bonds ranges from 3.5% to 5.375% with payments due February and August each year. The bonds maturing on or after August 1, 2014, are subject to redemption at the option of the Agency. The bonds maturing on August 1, 2026, and August 1, 2036, are also subject to mandatory sinking fund redemption. The bonds mature in August 2036.

Fiscal Year			
Ending	Principal	Interest	Total
2015	\$ 545,000	\$ 620,405	\$ 1,165,405
2016	435,000	596,722	1,031,722
2017	445,000	574,993	1,019,993
2018	450,000	552,619	1,002,619
2019	460,000	529,869	989,869
2020-2024	2,415,000	2,283,811	4,698,811
2025-2029	2,630,000	1,614,065	4,244,065
2030-2034	2,860,000	876,663	3,736,663
2035-2037	1,815,000	147,409	1,962,409
	<u>\$ 12,055,000</u>	<u>\$ 7,796,556</u>	<u>\$ 19,851,556</u>

Bond Issuance Costs – Pursuant to GASB Statement No. 65, “*Items Previously Reported as Assets and Liabilities*,” the debt issuance costs are reported as an outflow of the period in which they occur. The financial statement as of June 30, 2014 reported \$287,381 expense related to bond issuance costs.



# Statistical Information



**County of Stanislaus**  
**Net Position by Component**  
**(accrual basis of accounting)**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2005 as restated	2006 as restated	2007	2008	2009	2010	2011	2012	2013	2014
<b>GOVERNMENTAL ACTIVITIES</b>										
Net investment in capital assets	\$ 486,725,321	\$ 468,897,825	\$ 464,402,025	\$ 435,204,374	\$ 418,149,972	\$ 397,176,565	\$ 393,212,996	\$ 385,331,672	\$ 383,152,489	\$ 380,595,362
Restricted	127,009,622	152,249,240	163,255,952	193,992,595	189,524,182	182,467,381	291,389,268	312,275,044	306,281,464	310,193,664
Restricted by enabling legislation	20,529	126,604								
Unrestricted (deficit)	10,909,303	36,961,726	64,162,858	72,110,910	81,056,076	53,951,001	(47,246,228)	(42,965,529)	(10,910,256)	(1,978,513)
Total governmental activities net position	<u>\$ 624,664,775</u>	<u>\$ 658,235,395</u>	<u>\$ 691,820,835</u>	<u>\$ 701,307,879</u>	<u>\$ 688,730,230</u>	<u>\$ 633,594,947</u>	<u>637,356,036</u>	<u>654,641,187</u>	<u>678,523,697</u>	<u>688,810,513</u>
<b>BUSINESS-TYPE ACTIVITIES</b>										
Net investment in capital assets	\$ 27,911,764	\$ 29,741,803	\$ 29,205,014	\$ 23,544,958	\$ 24,087,472	\$ 24,537,140	\$ 24,275,953	\$ 23,350,343	\$ 26,864,465	\$ 28,812,078
Restricted	16,464,101	17,484,367	18,925,816	20,404,464	20,831,269	20,697,693	20,453,722	20,711,930	19,457,319	20,102,454
Restricted by enabling legislation										
Unrestricted (deficit)	(19,270,657)	(24,034,466)	(22,237,324)	(6,364,621)	(13,496,679)	(14,739,508)	(13,181,272)	(8,194,825)	(1,263,633)	3,778,008
Total business-type activities net position	<u>\$ 25,105,208</u>	<u>\$ 23,191,704</u>	<u>\$ 25,893,506</u>	<u>\$ 37,584,801</u>	<u>\$ 31,422,062</u>	<u>\$ 30,495,325</u>	<u>\$ 31,548,403</u>	<u>\$ 35,867,448</u>	<u>\$ 45,058,151</u>	<u>\$ 52,692,540</u>
<b>NET POSITION</b>										
Net investment in capital assets	\$ 514,637,085	\$ 498,639,628	\$ 493,607,039	\$ 458,749,332	\$ 442,237,444	\$ 421,713,705	\$ 417,488,949	\$ 408,682,015	\$ 410,016,954	\$ 409,407,440
Restricted	143,473,723	169,733,607	182,181,768	214,397,059	210,355,451	203,165,074	311,842,990	332,986,974	325,738,783	330,296,118
Restricted by enabling legislation	20,529	126,604								
Unrestricted (deficit)	(8,361,354)	12,927,260	41,925,534	65,746,289	67,559,397	39,211,493	(60,427,500)	(51,160,354)	(12,173,889)	1,799,495
Total net position	<u>\$ 649,769,983</u>	<u>\$ 681,427,099</u>	<u>\$ 717,714,341</u>	<u>\$ 738,892,680</u>	<u>\$ 720,152,292</u>	<u>\$ 664,090,272</u>	<u>\$ 668,904,439</u>	<u>\$ 690,508,635</u>	<u>\$ 723,581,848</u>	<u>\$ 741,503,053</u>

Notes:

FY 2004-2005 business-type activities total net position was restated from \$23,160,498 to \$25,105,208

FY 2005-2006 business-type activities total net position was restated from \$28,418,264 to \$23,191,704

**County of Stanislaus**  
**Changes in Net Position**  
**(accrual basis of accounting)**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>EXPENSES</b>										
Governmental activities:										
General government	\$ 43,758,556	\$ 46,905,827	\$ 40,326,944	\$ 43,025,653	\$ 41,874,466	\$ 53,939,423	\$ 39,047,915	\$ 31,262,204	\$ 34,640,462	\$ 29,418,322
Public protection	153,222,823	171,456,271	179,232,723	191,239,717	188,612,369	187,171,627	178,821,359	172,544,110	180,757,835	203,134,867
Public ways and facilities	49,611,339	43,300,626	48,425,573	55,988,788	53,935,268	48,937,845	35,995,934	49,480,040	52,929,458	61,684,798
Health and sanitation	104,052,780	107,002,519	117,136,073	121,365,271	117,806,204	123,260,103	130,697,663	114,881,433	131,314,972	128,083,298
Public assistance	216,024,493	226,912,785	234,184,853	259,362,079	269,101,718	280,497,676	280,276,073	265,885,829	282,044,591	294,889,889
Education	11,455,049	11,617,617	13,230,701	15,610,881	14,687,440	12,784,666	9,726,317	8,149,446	9,738,176	9,457,254
Recreation	5,367,318	5,936,392	5,172,418	6,879,842	5,811,357	6,986,331	5,171,457	5,669,167	7,123,274	6,466,131
Interest and fiscal charges on long-term debt	17,509,698	15,794,464	18,532,357	16,122,979	15,244,566	16,481,243	14,149,048	11,308,210	11,492,957	12,441,241
Total governmental activities expenses	<u>601,002,056</u>	<u>628,926,501</u>	<u>656,241,642</u>	<u>709,595,210</u>	<u>707,073,388</u>	<u>730,058,914</u>	<u>693,885,766</u>	<u>659,180,439</u>	<u>710,041,725</u>	<u>745,575,800</u>
Business-type activities:										
Landfills	1,837,850	4,264,879	4,495,812	4,561,797	4,766,494	8,600,496	5,020,344	3,285,042	3,486,212	4,570,478
Behavioral Health	16,256,875	16,574,026	14,981,467	3,403,472	(2,472)					
Health Clinics and Ancillary	42,296,204	47,386,656	46,566,334	44,898,435	44,109,491	47,269,019	42,109,590	39,470,220	34,752,858	37,029,440
Inmate Welfare and Commissary	1,861,958	1,448,930	1,553,968	1,555,411	1,864,632	1,820,149	1,344,932	1,239,584	1,404,060	1,389,576
Transit	2,953,712	2,621,053	2,879,015	3,133,519	3,588,704	3,784,351	3,971,811	4,262,606	4,655,628	6,165,247
Total business-type activities expenses	<u>65,206,599</u>	<u>72,295,544</u>	<u>70,476,596</u>	<u>57,552,634</u>	<u>54,326,849</u>	<u>61,474,015</u>	<u>52,446,677</u>	<u>48,257,452</u>	<u>44,298,758</u>	<u>49,154,741</u>
Total primary government expenses	<u>\$ 666,208,655</u>	<u>\$ 701,222,045</u>	<u>\$ 726,718,238</u>	<u>\$ 767,147,844</u>	<u>\$ 761,400,237</u>	<u>\$ 791,532,929</u>	<u>\$ 746,332,443</u>	<u>\$ 707,437,891</u>	<u>\$ 754,340,483</u>	<u>\$ 794,730,541</u>
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Charges for services:										
General government	\$ 25,096,648	\$ 25,071,142	\$ 24,445,799	\$ 28,325,318	\$ 29,188,498	\$ 25,288,833	\$ 21,461,403	\$ 16,844,922	\$ 17,831,574	\$ 17,702,441
Public protection	47,523,591	47,598,437	45,100,432	44,468,709	42,232,145	40,563,656	39,900,420	38,134,653	44,846,489	47,801,929
Public ways and facilities	14,937,803	13,523,739	11,821,776	10,880,736	7,689,430	6,969,697	5,782,680	5,782,815	6,916,936	6,835,337
Health and sanitation	27,706,588	34,027,134	32,012,248	33,728,583	30,132,125	35,071,044	34,607,863	33,689,959	34,539,726	38,459,900
Public assistance	5,144,987	4,562,731	4,454,712	4,306,559	4,276,140	7,475,063	8,130,839	6,336,221	6,962,414	8,408,836
Education	2,597,282	1,791,647	1,119,156	929,447	525,221	456,577	365,953	325,092	439,237	486,531
Recreation	4,303,898	4,195,225	3,785,258	3,464,167	2,795,544	2,791,644	2,841,387	3,359,825	3,451,645	3,060,901
Operating grants and contributions	346,718,321	373,932,272	388,750,336	407,883,255	404,255,878	415,579,530	422,599,832	435,135,939	456,187,128	485,384,295
Capital grants and contributions	18,080,864	17,156,592	23,998,543	24,598,071	25,452,497	19,331,088	18,457,150	6,662,251	22,426,787	16,423,263
Total governmental activities program revenues	<u>492,109,982</u>	<u>521,858,919</u>	<u>535,488,260</u>	<u>558,584,845</u>	<u>546,547,472</u>	<u>553,527,132</u>	<u>554,147,527</u>	<u>546,271,677</u>	<u>593,601,936</u>	<u>624,563,433</u>
Business-type activities:										
Charges for services:										
Landfills	5,785,376	5,941,134	5,316,886	5,976,090	4,902,033	4,220,903	4,208,446	4,588,277	5,217,737	5,598,975
Behavioral Health	15,994,328	17,043,260	13,767,234	2,747,730						
Health Clinics and Ancillary	38,144,080	36,897,631	27,505,872	40,609,257	40,307,063	44,994,702	39,625,230	38,216,020	34,807,751	32,587,731
Inmate Welfare and Commissary	1,387,650	1,587,772	1,584,935	1,576,214	1,568,646	1,379,595	1,180,418	1,369,506	1,688,466	1,528,952
Transit	280,470	270,282	271,523	287,648	363,804	346,729	502,139	465,005	687,089	506,184
Operating grants and contributions	945,523	1,172,645	1,906,353	2,567,553	2,952,731	1,296,301	1,470,103	1,519,071	1,307,816	4,312,029
Capital grants and contributions	2,106,894	219,614		742,258						
Total business-type activities program revenues	<u>64,644,321</u>	<u>63,132,338</u>	<u>50,352,803</u>	<u>54,506,750</u>	<u>50,094,277</u>	<u>52,238,230</u>	<u>46,986,336</u>	<u>46,157,879</u>	<u>43,708,859</u>	<u>44,533,871</u>
Total primary government program revenues	<u>\$ 556,754,303</u>	<u>\$ 584,991,257</u>	<u>\$ 585,841,063</u>	<u>\$ 613,091,595</u>	<u>\$ 596,641,749</u>	<u>\$ 605,765,362</u>	<u>\$ 601,133,863</u>	<u>\$ 592,429,556</u>	<u>\$ 637,310,795</u>	<u>\$ 669,097,304</u>
Net (expense)/revenue										
Governmental activities	\$ (108,892,074)	\$ (107,067,582)	\$ (120,753,382)	\$ (151,010,365)	\$ (160,525,916)	\$ (176,531,782)	\$ (139,738,240)	\$ (112,908,762)	\$ (116,439,789)	\$ (121,012,367)
Business-type activities	(562,278)	(9,163,206)	(20,123,793)	(3,045,884)	(4,232,568)	(9,235,785)	(5,460,341)	(2,099,573)	(589,899)	(4,620,870)
Total primary government net expense	<u>\$ (109,454,352)</u>	<u>\$ (116,230,788)</u>	<u>\$ (140,877,175)</u>	<u>\$ (154,056,249)</u>	<u>\$ (164,758,484)</u>	<u>\$ (185,767,567)</u>	<u>\$ (145,198,581)</u>	<u>\$ (115,008,335)</u>	<u>\$ (117,029,688)</u>	<u>\$ (125,633,237)</u>
<b>GENERAL REVENUES AND OTHER CHANGES</b>										
<b>IN NET POSITION</b>										
Governmental activities:										
Taxes										
Property taxes	36,762,205	91,742,755	106,497,765	113,743,380	103,175,578	83,397,110	90,486,458	86,124,943	94,552,082	90,233,301
Sales taxes	29,434,230	32,547,462	32,520,456	29,552,774	26,568,776	20,677,876	23,329,577	26,796,833	30,024,222	32,606,659
Other taxes	4,667,735	4,693,426	3,390,027	2,583,804	2,765,178	2,220,643	2,157,019	2,284,530	2,298,871	2,607,534

**County of Stanislaus**  
**Changes in Net Position**  
**(accrual basis of accounting)**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Franchise fees	1,015,443	1,053,101	1,090,128	1,126,758	1,175,849	958,324	1,005,292	1,013,027	1,008,261	1,111,071
Motor vehicle license	44,584,362									
Open space subvention	1,670,086	1,609,009	1,545,374	1,466,943	1,332,316					
Unrestricted investment earnings	10,552,047	8,678,242	13,903,636	11,247,849	7,448,383	9,327,724	8,173,086	9,608,355	1,975,516	818,300
Miscellaneous	12,506,005	9,652,580	9,516,094	10,011,674	9,734,087	7,719,050	21,020,693	8,077,436	9,950,570	8,952,442
Transfers	(1,441,780)	(9,338,373)	(14,124,658)	(11,265,358)	(4,251,900)	(5,250,856)	(2,673,525)	(2,432,361)	512,777	(5,030,124)
<b>Total governmental activities</b>	<b>139,750,333</b>	<b>140,638,202</b>	<b>154,338,822</b>	<b>158,467,824</b>	<b>147,948,267</b>	<b>119,049,871</b>	<b>143,498,600</b>	<b>131,472,763</b>	<b>140,322,299</b>	<b>131,299,183</b>
<b>Business-type activities:</b>										
Sales taxes	2,422,965	2,506,291	2,626,260	2,528,268	2,781,611	2,962,729	3,026,730	3,490,576	5,863,652	6,537,281
Unrestricted investment earnings	705,257	631,598	848,117	943,553	673,368	95,463	813,164	495,681	374,703	687,854
Transfers	1,441,780	9,338,373	14,124,658	11,265,358	4,251,900	5,250,856	2,673,525	2,432,361	(512,777)	5,030,124
<b>Total business-type activities</b>	<b>4,570,002</b>	<b>12,476,262</b>	<b>17,599,035</b>	<b>14,737,179</b>	<b>7,706,879</b>	<b>8,309,048</b>	<b>6,513,419</b>	<b>6,418,618</b>	<b>5,725,578</b>	<b>12,255,259</b>
<b>Total primary government</b>	<b>\$ 144,320,335</b>	<b>\$ 153,114,464</b>	<b>\$ 171,937,857</b>	<b>\$ 173,205,003</b>	<b>\$ 155,655,146</b>	<b>\$ 127,358,919</b>	<b>\$ 150,012,019</b>	<b>\$ 137,891,381</b>	<b>\$ 146,047,877</b>	<b>\$ 143,554,442</b>
<b>CHANGE IN NET POSITION EXCLUDING EXTRAORDINARY ITEM</b>										
Governmental activities	\$ 30,858,259	\$ 33,570,620	\$ 33,585,440	\$ 7,457,459	\$ (12,577,649)	\$ (57,481,911)	\$ 3,760,360	\$ 18,564,001	\$ 23,882,510	\$ 10,286,816
Business-type activities	4,007,724	3,313,056	(2,524,758)	11,691,295	3,474,311	(926,737)	1,053,078	4,319,045	5,135,679	7,634,389
<b>Total primary government</b>	<b>\$ 34,865,983</b>	<b>\$ 36,883,676</b>	<b>\$ 31,060,682</b>	<b>\$ 19,148,754</b>	<b>\$ (9,103,338)</b>	<b>\$ (58,408,648)</b>	<b>\$ 4,813,438</b>	<b>\$ 22,883,046</b>	<b>\$ 29,018,189</b>	<b>\$ 17,921,205</b>
<b>EXTRAORDINARY ITEM</b>										
RDA Debt Write-off								\$ 18,141,513		
RDA Due to Successor Agency								(19,421,089)		
Net Extraordinary Loss	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,279,576)	\$ -	\$ -
<b>CHANGE IN NET POSITION</b>	<b>\$ 34,865,983</b>	<b>\$ 36,883,676</b>	<b>\$ 31,060,682</b>	<b>\$ 19,148,754</b>	<b>\$ (9,103,338)</b>	<b>\$ (58,408,648)</b>	<b>\$ 4,813,438</b>	<b>\$ 21,603,470</b>	<b>\$ 29,018,189</b>	<b>\$ 17,921,205</b>

**County of Stanislaus**  
**Governmental Activities Tax Revenues by Source**  
**(accrual basis of accounting)**  
**Last Ten Fiscal Years**

Fiscal Year	Property Tax	Sales Tax	Other Tax	Total
2005	36,762,205	29,434,230	4,667,735	70,864,170
2006	91,742,755	32,547,462	4,693,426	128,983,643 (1)
2007	106,497,765	32,520,456	3,390,027	142,408,248
2008	113,743,380	29,552,774	2,583,804	145,879,958
2009	103,175,578	26,568,776	2,765,178	132,509,532
2010	83,397,110	20,677,876	2,220,643	106,295,629
2011	90,486,461	23,329,577	2,157,019	115,973,057
2012	86,124,943	26,796,833	2,284,530	115,206,306
2013	94,552,082	30,024,222	2,298,871	126,875,175
2014	90,233,301	32,606,659	2,607,534	125,447,494

(1) Over \$46 million of the 2006 increase can be attributed to the State's swap of motor vehicle in-lieu taxes for property taxes in-lieu of vehicle license fees.

**County of Stanislaus**  
**Fund Balances of Governmental Funds**  
**(modified accrual basis of accounting)**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General fund										
Reserved	\$ 25,924,335	\$ 31,767,114	\$ 44,479,034	\$ 62,679,395	\$ 41,020,498	\$ 33,648,284	\$	\$	\$	\$
Unreserved	56,023,028	74,630,642	72,660,005	61,246,112	81,512,275	72,768,168				
Non-spendable							22,816,700	21,106,188	19,683,239	15,515,016
Restricted							3,902,067	3,766,553	3,728,477	3,872,119
Committed							7,360,782	2,835,387	7,460,200	4,510,888
Assigned							53,427,519	71,991,359	92,656,760	97,448,659
Unassigned							20,761,362	16,066,425	9,599,149	16,765,674
Total general fund	<u>81,947,363</u>	<u>106,397,756</u>	<u>117,139,039</u>	<u>123,925,507</u>	<u>122,532,773</u>	<u>106,416,452</u>	<u>108,268,430</u>	<u>115,765,912</u>	<u>133,127,825</u>	<u>138,112,356</u>
All other governmental funds										
Reserved	67,918,410	48,258,775	41,362,101	33,055,756	44,950,684	38,392,864				
Unreserved, reported in:										
Special revenue funds	109,598,487	163,006,645	163,980,081	167,860,880	165,211,615	166,634,879				
Capital projects funds	68,311,908	101,602,439	116,592,397	127,469,211	113,352,227	107,615,020				
Debt service funds	1,177,586	86,286	716,295	803,917	(53,215)	343,325				
Non-spendable							604,486	629,283	567,030	567,922
Restricted							275,406,521	275,903,217	258,631,067	277,156,074
Committed							7,673,957	8,006,919	5,958,731	3,700,637
Assigned							31,321,622	23,969,078	37,470,379	24,896,916
Unassigned							(606,674)	(1,309,161)	(1,166,409)	(1,036,901)
Total all other governmental funds	<u>\$ 247,006,391</u>	<u>\$ 312,954,145</u>	<u>\$ 322,650,874</u>	<u>\$ 329,189,764</u>	<u>\$ 323,461,311</u>	<u>\$ 312,986,088</u>	<u>\$ 314,399,912</u>	<u>\$ 307,199,336</u>	<u>\$ 301,460,798</u>	<u>\$ 305,284,648</u>

**County of Stanislaus**  
**Changes in Fund Balances of Governmental Funds**  
**(modified accrual basis of accounting)**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Taxes	\$ 70,907,713	\$ 128,897,810	\$ 142,332,996	\$ 146,040,455	\$ 132,516,011	\$ 106,302,266	\$ 116,024,106	\$ 115,217,548	\$ 126,869,802	\$ 125,522,743
Licenses, permits and franchises	5,229,280	5,795,146	5,632,176	4,850,084	4,362,507	3,779,539	3,346,635	3,251,371	3,427,357	4,528,028
Fines, forfeitures and penalties	8,249,576	12,293,083	13,334,536	16,471,765	18,740,397	15,853,039	14,102,259	11,277,500	11,731,463	11,250,391
Revenue from use of money and property	14,087,837	14,851,573	23,993,844	20,366,844	13,135,585	11,628,724	10,951,594	12,046,180	3,544,350	14,961,376
Intergovernmental revenue	404,173,862	385,428,573	399,060,197	423,136,156	424,320,463	432,391,862	437,920,991	439,019,276	476,840,206	487,407,449
Charges for services	110,621,879	113,569,885	105,010,453	106,066,595	95,147,099	99,969,868	96,719,319	90,939,405	100,787,593	108,153,835
Miscellaneous revenue	12,513,789	9,652,580	9,516,094	10,012,180	9,734,085	7,700,801	20,758,655	8,053,236	9,831,879	8,932,426
Donation	6,145,113		3,736,752				188,052			
Total revenues	<u>631,929,049</u>	<u>670,488,650</u>	<u>702,617,048</u>	<u>726,944,079</u>	<u>697,956,147</u>	<u>677,626,099</u>	<u>700,011,611</u>	<u>679,804,516</u>	<u>733,032,650</u>	<u>760,756,248</u>
<b>Expenditures</b>										
General	38,619,527	44,505,563	36,843,138	42,117,731	35,384,104	32,492,953	32,199,947	27,597,103	30,181,242	27,206,222
Public Protection	155,069,132	164,830,857	181,167,098	191,335,195	187,668,670	184,488,026	164,981,273	165,575,535	183,212,316	195,378,255
Public ways and facilities	19,355,303	21,154,573	28,138,841	33,640,576	33,072,185	24,836,257	33,152,617	29,360,660	28,921,543	37,490,486
Health and sanitation	105,176,319	108,099,835	117,532,564	121,486,760	117,463,923	117,204,330	128,343,261	114,687,805	130,738,595	127,482,966
Public assistance	215,860,788	226,545,330	233,950,056	258,662,538	268,783,428	278,429,040	278,379,256	264,657,512	280,991,671	292,431,366
Education	10,055,515	10,522,628	12,683,522	14,038,114	12,614,620	11,426,521	8,439,844	7,945,714	8,565,946	9,020,692
Recreation and cultural services	4,260,721	4,414,323	5,288,606	6,548,470	5,393,150	5,180,469	5,147,480	5,454,792	4,915,595	5,578,898
Capital outlay	28,409,155	18,404,088	18,105,515	7,032,270	11,398,556	17,536,137	13,993,830	13,759,973	22,696,280	13,175,917
Debt Service:										
Interest and fiscal charges	16,417,218	16,380,484	16,070,101	13,622,687	12,187,477	11,420,042	10,220,117	9,296,468	7,436,146	5,570,802
Principal	13,021,864	13,578,584	18,429,803	16,444,563	18,125,510	18,546,652	19,887,473	20,159,733	32,516,086	49,618,106
Total expenditures	<u>606,245,542</u>	<u>628,436,265</u>	<u>668,209,244</u>	<u>704,928,904</u>	<u>702,091,623</u>	<u>701,560,427</u>	<u>694,745,098</u>	<u>658,495,295</u>	<u>730,175,420</u>	<u>762,953,710</u>
Excess of revenues over (under) expenditures	25,683,507	42,052,385	34,407,804	22,015,175	(4,135,476)	(23,934,328)	5,266,513	21,309,221	2,857,230	(2,197,462)
<b>Other financing sources (uses)</b>										
Capital lease proceeds		219,767	129,559	254,451	1,005,918	1,224,693	363,711		370,612	394,368
Transfers in	67,662,570	78,628,427	77,077,052	81,047,677	84,579,807	67,347,196	74,906,929	66,041,234	78,625,650	74,412,744
Transfers out	(68,986,762)	(88,271,040)	(91,273,994)	(92,022,031)	(88,571,434)	(71,247,366)	(77,346,060)	(67,656,660)	(79,035,846)	(83,361,274)
Loan proceeds		15,615,000	42,081,614						8,687,050	19,540,000
Sale of capital assets	697		15,401	501		18,266	73,981	24,200	118,679	20,005
Payment to refund bond agent			(41,999,424)							
Total other financing sources (uses)	<u>(1,323,495)</u>	<u>6,192,154</u>	<u>(13,969,792)</u>	<u>(10,719,402)</u>	<u>(2,985,709)</u>	<u>(2,657,211)</u>	<u>(2,001,439)</u>	<u>(1,591,226)</u>	<u>8,766,145</u>	<u>11,005,843</u>
<b>Special item</b>										
Proceeds of tobacco securitization		42,153,611								
<b>Extraordinary item</b>										
Amount Due to Successor Agency								(19,421,089)		
Net change in fund balances	<u>\$ 24,360,012</u>	<u>\$ 90,398,150</u>	<u>\$ 20,438,012</u>	<u>\$ 11,295,773</u>	<u>\$ (7,121,185)</u>	<u>\$ (26,591,539)</u>	<u>\$ 3,265,074</u>	<u>\$ 296,906</u>	<u>\$ 11,623,375</u>	<u>\$ 8,808,381</u>
Debt service as a percentage of noncapital expenditures	5.56%	5.27%	5.72%	4.57%	4.68%	4.65%	4.82%	5.13%	5.79%	7.42%

**County of Stanislaus  
Net Assessed and Estimated Actual Value  
of Taxable Property  
Last Ten Fiscal Years**

Fiscal Year	Secured	Unsecured	Total Assessed Value	(1) Total Direct Tax Rate
2005/2006	\$ 32,208,454,089	\$ 1,587,421,541	\$ 33,795,875,630	1.0%
2006/2007	\$ 37,791,765,530	\$ 1,680,662,352	\$ 39,472,427,882	1.0%
2007/2008	\$ 41,620,543,863	\$ 1,724,988,175	\$ 43,345,532,038	1.0%
2008/2009	\$ 38,597,715,159	\$ 1,826,743,622	\$ 40,424,458,781	1.0%
2009/2010	\$ 35,370,164,996	\$ 1,926,983,957	\$ 37,297,148,953	1.0%
2010/2011	\$ 33,672,949,885	\$ 1,885,958,178	\$ 35,558,908,063	1.0%
2011/2012	\$ 32,956,461,906	\$ 1,818,628,853	\$ 34,775,090,759	1.0%
2012/2013	\$ 32,069,153,243	\$ 1,855,446,174	\$ 33,924,599,417	1.0%
2013/2014	\$ 33,719,128,951	\$ 1,881,099,573	\$ 35,600,228,524	1.0%
2014/2015	\$ 37,630,912,906	\$ 2,044,364,215	\$ 39,675,277,121	1.0%

Note: Values are net of all exemptions except the Homeowners Property Tax Relief Exemption which is State subvented.

The assessed value does not include adjustments and cancellations after lien date.  
The assessed value includes non-commercial aircraft.

Due to the passage of the property tax initiative Proposition 13 (Prop 13) in 1978, the County does not track the estimated actual value of all County properties. Under Prop 13, property is assessed at the 1975 market value with an annual increase limited to the lesser of 2% or the California Consumer Price Index (CCPI), unless there is a change in ownership or property has undergone construction. Property involving change of ownership is assessed at market value. Property which has undergone construction will include the value of the additional parcel plus the existing base value.

Prop 13 limits the property tax rate to 1% of assessed value plus the rate necessary to fund local voter approved bonds and special assessments.

**County of Stanislaus  
Property Tax Rates and Distributions  
of General Levy Property Tax Rate  
Among Direct and Overlapping Governments  
Last Ten Fiscal Years**

Fiscal Year	Property Tax Rates Per \$100 of Assessed Valuation		County	Cities	(1)	(2)	Total
	(Low)	(High)			School District	Special District	
2005/2006	0.9511	1.1668	10.88%	6.70%	72.28%	10.14%	100.00%
2006/2007	0.9283	1.1683	10.81%	6.79%	71.62%	10.78%	100.00%
2007/2008	0.9383	1.1683	10.84%	6.81%	71.25%	11.10%	100.00%
2008/2009	0.9233	1.2053	10.98%	6.52%	71.11%	11.39%	100.00%
2009/2010	1.0202	1.2168	11.09%	6.37%	71.23%	11.31%	100.00%
2010/2011	1.0259	1.2440	11.07%	6.39%	71.57%	10.97%	100.00%
2011/2012	1.0246	1.2541	11.10%	6.39%	71.89%	10.62%	100.00%
2012/2013	1.0213	1.2731	11.20%	6.32%	71.91%	10.57%	100.00%
2013/2014	1.0194	1.2707	11.23%	6.40%	71.84%	10.53%	100.00%
2014/2015	1.0160	1.2751	10.59%	6.37%	72.67%	10.37%	100.00%

The County is divided into approximately 1,622 tax code areas, which are unique combinations of various jurisdictions serving a specific geographical area. The above tax rates, which include levies for general obligation bonds and special assessments, represent the low and high tax rates levied within each tax rate area.

The above allocation percentages are for general levies only and exclude general obligation bond rates and special assessments.

The passage of Proposition 13 on June 6, 1978 enacted Article XIII(A) of the State Constitution. This prohibits the levying of any tax rate, except for existing voter-approved bonded debt, in excess of the general tax rate of 1% of assessed value (4% prior to year ended June 30, 1982). The proceeds of this tax are shared by all overlapping local government entities.

(1) Includes Superintendent of Schools

(2) Includes independent special districts, dependent special districts, redevelopment agencies and County Fire Service.

**County of Stanislaus  
Principal Property Taxpayers  
Current Year and Nine Years Ago**

Taxpayer	Secured Assessed Value	2013/2014			2004/2005		
		Property Taxes Billed	Rank	Percentage of Total Property Taxes Billed	Property Taxes	Rank	Percentage of Total Property Taxes
Pacific Gas and Electric	252,073,862	3,214,272	1	0.7172%	1,264,549	4	0.3787%
World International, LLC	\$ 20,540,046	\$ 3,108,228	2	0.6936%			
Gallo Winery	252,167,204	2,810,732	3	0.6272%	1,236,655	5	0.3704%
Gallo Glass Co	234,940,295	2,619,834	4	0.5846%	1,738,928	2	0.5208%
Bronco Wine Company	132,153,060	1,511,804	5	0.3374%			
Doctor's Medical Center	125,232,140	1,367,327	6	0.3051%	1,226,499	6	0.3673%
Hunt Wesson Foods, Inc	118,373,997	1,319,007	7	0.2943%	972,884	10	0.2914%
Frito Lay Inc	111,694,570	1,246,008	8	0.2780%			
WW Grainger, Inc	91,340,280	1,242,152	9	0.2772%			
Fresno Farming LLC	90,307,837	1,240,161	10	0.2767%			
Diable Grande, LTD					4,444,999	1	1.3312%
Signature Fruit					1,396,438	3	0.4182%
Foster Dairy Farms					1,082,731	7	0.3243%
SBC California					1,060,492	8	0.3176%
Hershey's Chocolate, Inc					1,049,265	9	0.3142%
Total	<u>1,428,823,291</u>	<u>\$ 19,679,525</u>		<u>4.3914%</u>	<u>\$ 15,473,440</u>		<u>4.6341%</u>

**County of Stanislaus**  
**Property Tax Levy and Collections \***  
**Last Ten Fiscal Years**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy	
		Amount	Percent of Levy
2005	\$ 333,902,361	\$ 326,003,357	97.63%
2006	\$ 396,734,408	\$ 383,041,323	96.55%
2007	\$ 461,085,798	\$ 431,482,886	93.58%
2008	\$ 505,125,278	\$ 464,689,972	91.99%
2009	\$ 474,286,882	\$ 451,524,927	95.20%
2010	\$ 446,704,648	\$ 430,564,452	96.39%
2011	\$ 436,493,485	\$ 424,593,296	97.27%
2012	\$ 426,313,135	\$ 416,034,209	97.59%
2013	\$ 427,774,039	\$ 417,419,791	97.58%
2014	\$ 448,139,124	\$ 438,298,281	97.80%

\* Includes all taxing authorities within the County excluding Airplane Tax.

**County of Stanislaus  
Legal Debt Margin Information  
Last Ten Fiscal Years**

Fiscal Year	Assessed Value	Debt Limit Percentage	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Debt Applicable to the Limit as a Percentage of Debt Limit
2004/2005	\$ 33,476,100,273	1.25%	\$ 418,451,253	\$ -	\$ 418,451,253	0%
2005/2006	\$ 39,155,801,284	1.25%	\$ 489,447,516	\$ -	\$ 489,447,516	0%
2006/2007	\$ 42,974,745,064	1.25%	\$ 537,184,313	\$ -	\$ 537,184,313	0%
2007/2008	\$ 40,026,418,777	1.25%	\$ 500,330,235	\$ -	\$ 500,330,235	0%
2008/2009	\$ 37,297,148,953	1.25%	\$ 466,214,362	\$ -	\$ 466,214,362	0%
2009/2010	\$ 35,558,908,063	1.25%	\$ 444,486,351	\$ -	\$ 444,486,351	0%
2010/2011	\$ 34,775,090,795	1.25%	\$ 434,688,635	\$ -	\$ 434,688,635	0%
2011/2012	\$ 34,775,090,759	1.25%	\$ 434,688,634	\$ -	\$ 434,688,634	0%
2012/2013	\$ 33,924,599,417	1.25%	\$ 424,057,493	\$ -	\$ 424,057,493	0%
2013/2014	\$ 35,600,228,524	1.25%	\$ 445,002,857	\$ -	\$ 445,002,857	0%

Note: The legal debt limit percentage is set by statute. Debt includes only general obligation bonded debt supported by property taxes.

**County of Stanislaus**  
**ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT**  
**(as of December 1, 2014)**

2014-15 Assessed Valuation: \$39,675,277,121 (includes unitary utility valuation)

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 12/1/14</u>
Yosemite Community College District	72.724%	\$216,753,554
Modesto High School District	100.000	41,768,885
Turlock Joint Unified School District	98.315	25,296,450
Ceres Unified School District	100.000	65,917,188
Newman-Crows Landing Unified School District	100.000	22,727,973
Oakdale Joint Unified School District	98.566	14,306,855
Patterson Joint Unified School District	98.652	27,554,041
Riverbank Unified School District	100.000	12,741,011
Other Unified School Districts	Various	39,039,339
Modesto City School District	100.000	10,630,274
Stanislaus Union School District	100.000	17,685,532
Sylvan School District	100.000	34,031,169
Other School Districts	Various	22,449,837
Oak Valley Hospital District	100.000	32,690,000
Newman Drainage District	100.000	140,000
Empire Union School District Community Facilities District No. 87-1	100.000	9,100,724
City Community Facilities Districts	100.000	117,265,000
Schools Infrastructure Financing Agency Mello-Roos Act Bonds	100.000	24,040,000
Salida Area Community Facilities District No. 1988-1	100.000	26,035,000
Western Hills Water District Community Facilities District No. 1	100.000	45,825,000
1915 Act Bonds (Estimate)	100.000	<u>6,845,462</u>
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b><u>\$812,843,294</u></b>
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
<b>Stanislaus County Certificates of Participation</b>	<b>100.000%</b>	<b>\$ 49,270,000</b>
Stanislaus County Office of Education Certificates of Participation	100.000	3,395,000
Modesto High School District Certificates of Participation	100.000	16,420,000
Ceres Unified School District Certificates of Participation	100.000	11,025,000
Newman-Crows Landing Unified School District	100.000	11,755,000
Salida Union School District Certificates of Participation	100.000	11,835,000
Other School District Certificates of Participation	Various	21,200,987
City of Modesto General Fund Obligations	100.000	73,790,000
City of Oakdale Certificates of Participation	100.000	2,375,000
Other City Certificates of Participation	100.000	<u>2,672,473</u>
<b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>		<b>\$203,738,460</b>
Less: City of Newman Wastewater Certificates of Participation (100% supported)		990,000
<b>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>		<b><u>\$202,748,460</u></b>
 <u>OVERLAPPING TAX INCREMENT DEBT:</u>		
County Redevelopment Agencies	100.000%	\$ 16,435,000
Ceres Redevelopment Agency	100.000	44,190,000
Turlock Redevelopment Agency	100.000	39,675,000
Other City Redevelopment Agencies	100.000	<u>38,796,379</u>
<b>TOTAL OVERLAPPING TAX INCREMENT DEBT</b>		<b><u>\$139,096,379</u></b>
 <b>GROSS COMBINED TOTAL DEBT</b>		<b>\$1,155,678,133<sup>(1)</sup></b>
<b>NET COMBINED TOTAL DEBT</b>		<b>\$1,154,688,133</b>

<sup>(1)</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 principal due at maturity.

Ratios to 2014-15 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	2.05%
<b>Total Direct Debt (\$49,270,000).....</b>	<b>0.12%</b>
Gross Combined Total Debt.....	2.91%
Net Combined Total Debt.....	2.91%

Ratios to Redevelopment Incremental Valuation (\$3,664,760,136):

Total Overlapping Tax Increment Debt.....	3.80%
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Source: California Municipal Statistics, Inc.

**County of Stanislaus  
Demographic and Economic Statistics  
Last Ten Calendar Years**

Calendar Year	Population (2)	Personal Income (in thousands) (1)	Per Capita Personal Income (1)	Unemployment Rate (2)
2004	491,900	12,880,334	25,885	10.9%
2005	504,482	13,472,415	26,954	9.9%
2006	514,370	14,076,261	27,862	8.4%
2007	521,497	14,755,527	28,985	8.5%
2008	525,903	15,977,182	31,485	10.5%
2009	526,383	15,948,738	31,248	15.3%
2010	530,584	15,980,924	31,006	16.4%
2011	517,685	16,652,338	32,115	15.1%
2012	522,651	17,810,902	34,138	15.2%
2013	526,042 (3)	not available	not available	13.0%

Sources: (1) U.S. Department of Commerce, Bureau of Economic Analysis  
(2) California Employment Development Department, Labor Market Information  
(data shown is for the County)  
(3) Estimate

**County of Stanislaus  
Principal Employers  
Current Year and Nine Years Ago**

(1) Employer	2014			2005		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
County of Stanislaus	3,747	1	1.81%	4,747	1	2.28%
E & J Gallo Winery	3,300	2	1.59%	3,425	4	1.65%
Modesto City Schools	3,189	3	1.54%	4,000	3	1.92%
Memorial Medical Center	2,600	4	1.25%	2,600	6	1.25%
Del Monte Foods	2,300	5	1.11%	2,600	5	1.25%
Seneca (Signature) Foods	2,275	6	1.10%	4,100	2	1.97%
Turlock Unified School District	2,192	7	1.06%	1,851	10	0.89%
Doctors Medical Center	2,100	8	1.01%	2,300	7	1.11%
Stanislaus Food Products	1,850	9	0.89%	2,000	8	0.96%
Save Mart Supermarkets	1,661	10	0.80%			
Modesto Junior College				1,866	9	0.90%
Total	<u>25,214</u>		<u>12.16%</u>	<u>29,489</u>		<u>14.18%</u>

Source: (1) Stanislaus Business Alliance

**County of Stanislaus**  
**Full-time Employees by Function**  
**Last Ten Fiscal Years**

**Full-time Employees as of June 30**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>FUNCTION</b>										
<b>GOVERNMENTAL ACTIVITIES</b>										
General government	331	341	343	352	348	337	270	281	268	272
Public protection	1,368	1,378	1,441	1,486	1,464	1,418	1,224	1,215	1,208	1,235
Public ways and facilities	123	123	121	109	110	107	99	73	98	97
Health and sanitation	961	937	916	644	676	664	568	622	576	547
Public assistance	898	897	952	979	951	927	913	962	969	1,003
Education	92	93	94	94	88	86	71	70	68	68
Recreation	26	25	28	30	27	23	20	20	20	20
Total governmental activities	3,799	3,794	3,895	3,694	3,664	3,562	3,165	3,243	3,207	3,242
<b>BUSINESS-TYPE ACTIVITIES</b>										
Landfill	17	17	15	17	17	17	14	13	14	15
Health Clinics & Ancillary	243	222	217	193	229	220	186	185	182	178
Transit	3	3	3	3	3	3	3	3	3	3
Inmate Welfare/Commissary	0	0	0	0	0	0	4	5	4	4
Behavioral Health	99	108	79	0	0	0	0	0	0	0
Total business-type activities	362	350	314	213	249	240	207	206	203	200
<b>Total Stanislaus County</b>	<b>4,161</b>	<b>4,144</b>	<b>4,209</b>	<b>3,907</b>	<b>3,913</b>	<b>3,802</b>	<b>3,372</b>	<b>3,449</b>	<b>3,410</b>	<b>3,442</b>

**County of Stanislaus  
Miscellaneous Statistical Data  
June 30, 2014**

GEOGRAPHICAL LOCATION : Stanislaus County is located in the central part of the state of California, about 300 miles north of Los Angeles and 90 miles east of San Francisco. The County is bordered on the north by San Joaquin County, on the east by Calaveras and Tuolumne Counties, on the south by Merced County, and on the west by Santa Clara County.

AREA OF COUNTY : Approximately 1,494 square miles

COUNTY SEAT : Modesto, California

FORM OF GOVERNMENT : General Law, County governed by five-member Board of Supervisors

DATE COUNTY FORMED : April 1, 1854

FISCAL YEAR BEGINS : July 1

INCORPORATED CITIES :

Ceres	Newman	Riverbank
Hughson	Oakdale	Turlock
Modesto	Patterson	Waterford

Number of Special Districts  
Controlled by Board of Supervisors :

County Service Areas	21
Drainage	7
Lighting	29
Landscape and Lighting	<u>8</u>
Total	65

Number of other Special Districts :

Irrigation	5	Cemetery	3
Mosquito Abatement	2	Sanitation	2
Resource Conservation	2	Reclamation	4
Community Services	8	Healthcare & Hospital	3
Flood Control	2	Drainage	1
Fire Protection	13	Water	<u>6</u>
		Total	51

**County of Stanislaus**  
**Miscellaneous Statistical Data (continued)**  
**June 30, 2014**

**ELECTION: June 3, 2014**  
 (County Registrar of Voters)

Registered Voters:	211,277
Number Voting:	55,835
Percent Voting:	26.43%

**CONSTRUCTION PERMITS**  
 (County Building Department)

Calendar Year	# of Permits	Cost of Permits
2004	3,515	\$1,326,118
2005	3,813	\$4,755,706
2006	3,965	\$5,637,126
2007	3,076	\$2,679,003
2008	2,448	\$1,926,485
2009	2,032	\$1,729,597
2010	2,316	\$1,420,550
2011	2,138	\$1,253,989
2012	2,134	\$1,368,633
2013	2,452	\$1,576,289
2014	Data Unavailable	

**MILES OF COUNTY-MAINTAINED ROADS**  
 (County Department of Public Works)

1,513

