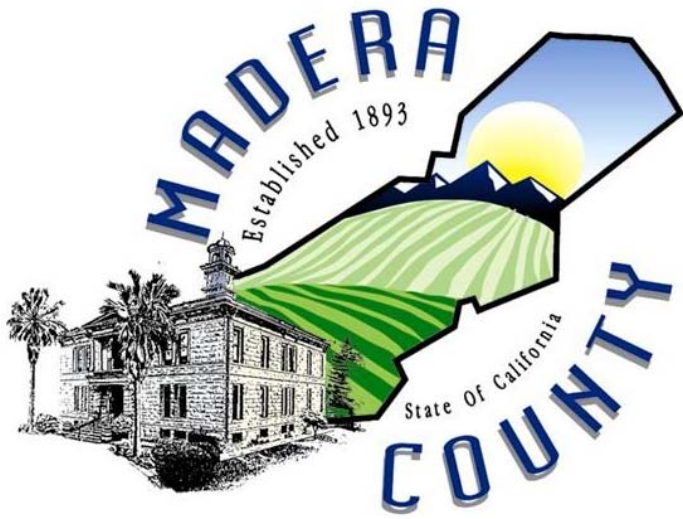
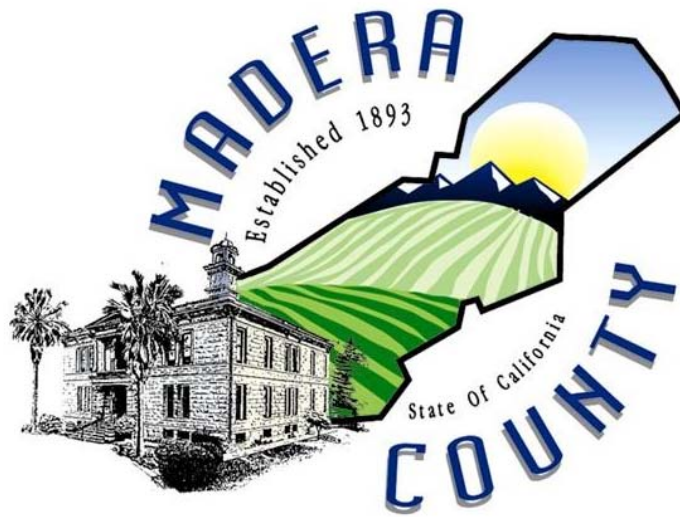


County of Madera, California
Comprehensive Annual Financial Report
For the Year Ended June 30, 2018

TODD E. MILLER, CPA
AUDITOR-CONTROLLER







County of Madera, California
Comprehensive Annual Financial Report
Year Ended June 30, 2018

Prepared under the Supervision of

Todd E. Miller, CPA
AUDITOR-CONTROLLER

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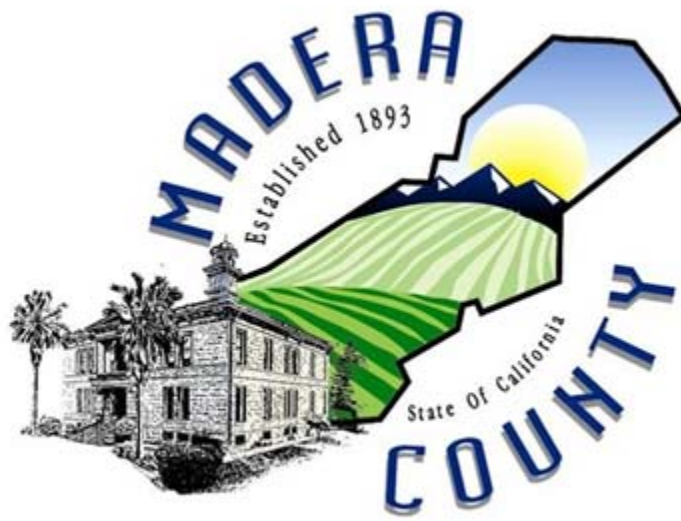
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INTRODUCTORY SECTION





December 31, 2018

To the Honorable Members of the Board of Supervisors,
Citizens of Madera County:

The Comprehensive Annual Financial Report (CAFR) of the County of Madera (County) for fiscal year ended June 30, 2018, is hereby submitted in compliance with Sections 25250 and 25253 of the Government Code of the State of California. These statutes require that the County publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

Management assumes full responsibility for the completeness, accuracy, and reliability of the information contained in this report, based upon a comprehensive internal control framework it established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The independent auditor's report is located at the front of the financial section of this report. Clifton Larson Allen LLP, a registered public accounting firm, rendered an unmodified opinion on the County's financial statements for the year ended June 30, 2018. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the County of Madera

Madera County is located at the geographical center of California and includes the rich, fertile farm lands of the great Central Valley as well as the foothills and mountains of the towering Sierra Nevada mountain range. Madera County was formed in 1893 from the portion of Fresno County north of the San Joaquin River, pursuant to a special election held on May 16, 1893.

Madera is Spanish for wood, and logging was the County's first industry. The County has a colorful heritage with logging, gold mining, cattle-raising, farming, and tourism as successive major industries. The County includes two incorporated cities, Madera and Chowchilla. The 2010 census counted 150,865 County residents with the current population estimated at 157,000.



As required by State and federal mandate, the County is responsible at the local level for activities involving public welfare, health, justice (including jails), and for the maintenance of public records. The County also provides services such as law enforcement and public works to the cities and the Chukchansi Gold Resort & Casino within the County on a cost-recovery basis. The County operates recreational and cultural facilities serving both the incorporated and unincorporated areas of the County.

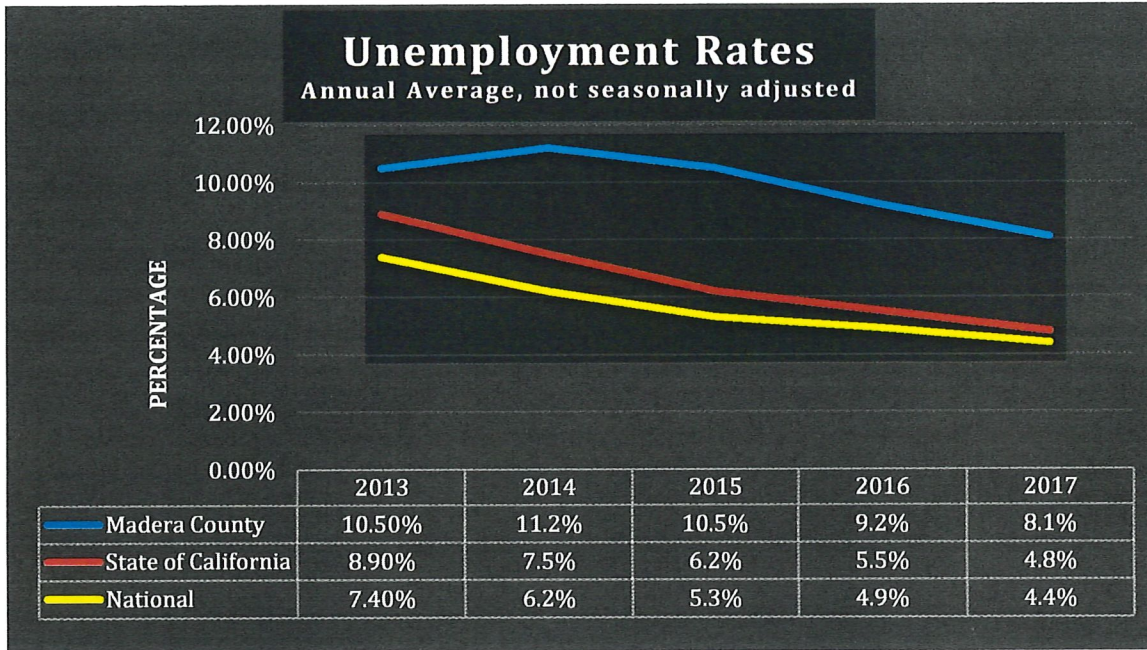
A five-member County Board of Supervisors is the legislative authority for governance of the County. Each supervisor is elected by district to a four year term on a non-partisan basis. The terms are staggered: two supervisors being elected, alternating with three supervisors being elected in the following election year. The Board is responsible for, among other things, establishing County ordinances, adopting the budget, appointing committees, and hiring the County Administrative Office and non-elected department heads. The County Administrative Officer is responsible for carrying out the policies and ordinances of the Board and for overseeing the day-to-day operations of the County. In addition to the five supervisors, the County elects six department heads to four year terms, who are responsible for the offices of Assessor, Auditor-Controller, Clerk-Registrar of Voters, District Attorney, Sheriff-Coroner, and Treasurer-Tax Collector.

State law requires the County to adopt a final budget each year. The annual budget serves as the foundation for the County's financial planning and control. The County Budget Act, as presented in California Government Code sections 29000 and 30200, establishes the general provisions and requirements for preparing and approving the County budget. All County departments are required to submit budget requests to the County Administrative Office where they are compiled into a proposed budget. The budgets are then submitted for approval by the Board with a recommendation by the County Administrative Officer. Public hearings are set in June with the Board adopting the budget for the next fiscal year. During the year department heads may transfer appropriations within a division with the approval of the County Administrative Officer and Auditor-Controller. Transfers of appropriations between departments or increases in the budget from new revenue sources, reserves and/or contingencies require Board of Supervisors approval.

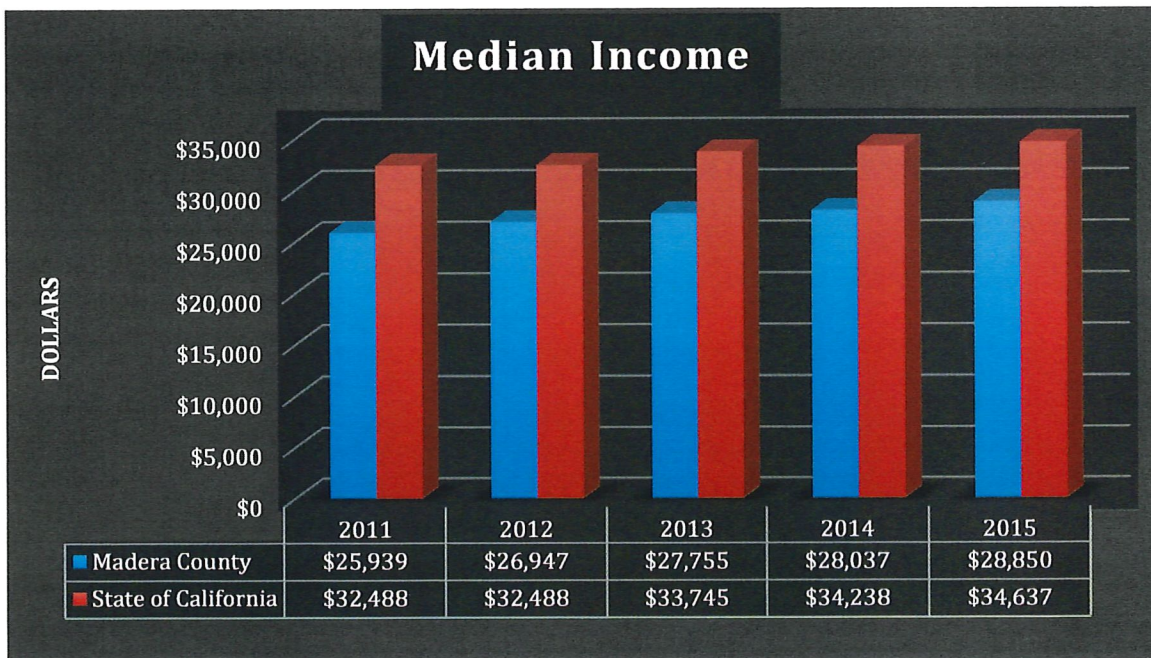
Economic and Financial Overview

As the nation and California continue to recover from the recession, so does Madera County. Revenues from Governmental Activities increased by 11.7 percent. Operating Grants and Contributions led the way with a year over year increase of 18.2 percent.

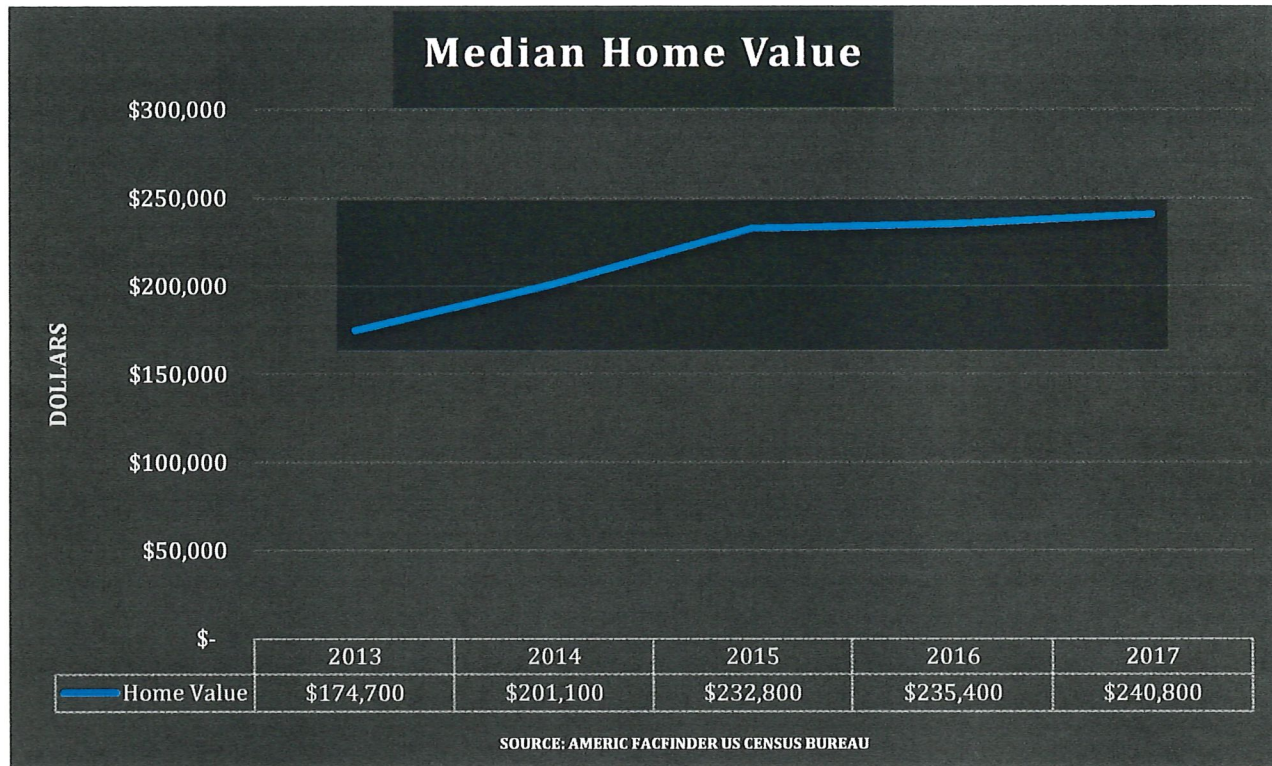
Unemployment rates continued to improve, showing a 13 percent decline in 2017.



Median incomes in the County improved by 1.5 percent from 2015 to 2016, while over the same period California median incomes increased by 5.0 percent.



The median home value in the County (an indicator of economic recovery) is recovering since the recession, though it remains below levels attained prior to the recent recession.



The County expects to see gains in all sectors of the economy, with continued improvements in new housing and commercial units coming online in 2018 and beyond. The effect on County revenues should be positive, generating anticipated increases in available Fund Balances, departmental spending, and contingency savings.

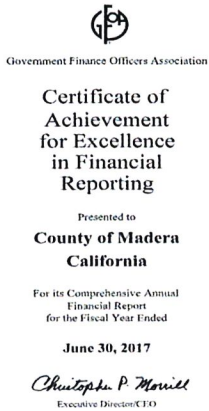
Property taxes, at \$42.7 million, remain the single largest source of discretionary revenue for Madera County government. The Assessor projects modest gains in the assessed values of properties within the County over the near term, extending the recent trend toward recovery of property tax revenues to the pre-recession highs.

Long-Term Financial Planning and Major Initiatives

The recent economic recession severely impacted County revenues, necessitating significant reductions of personnel and spending to maintain a balanced budget. The County has resolved, as revenues improve, to increase contingency savings to better weather a future downturn in the economy.

The County also has embarked on a plan to upgrade its financial accounting systems and modernize the accounting processes throughout the County. The goal is to provide accurate, timely, and informative financial information to management and citizens.

Awards and Acknowledgments



Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Madera for its comprehensive financial report for the fiscal year ended June 30, 2017. This was the first year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of the Comprehensive Annual Financial report would not have been possible without the dedication of the staff in the Auditor-Controller's office. We also acknowledge the timely assistance of County departments providing information employed in the preparation of this report.

Additionally, we would like to thank the Board of Supervisors, The County Administrative Officer and staff, and the County departments for their continued efforts in planning and conducting the County's financial operations in a responsible and conservative manner.

Respectfully submitted,



Todd E. Miller, CPA

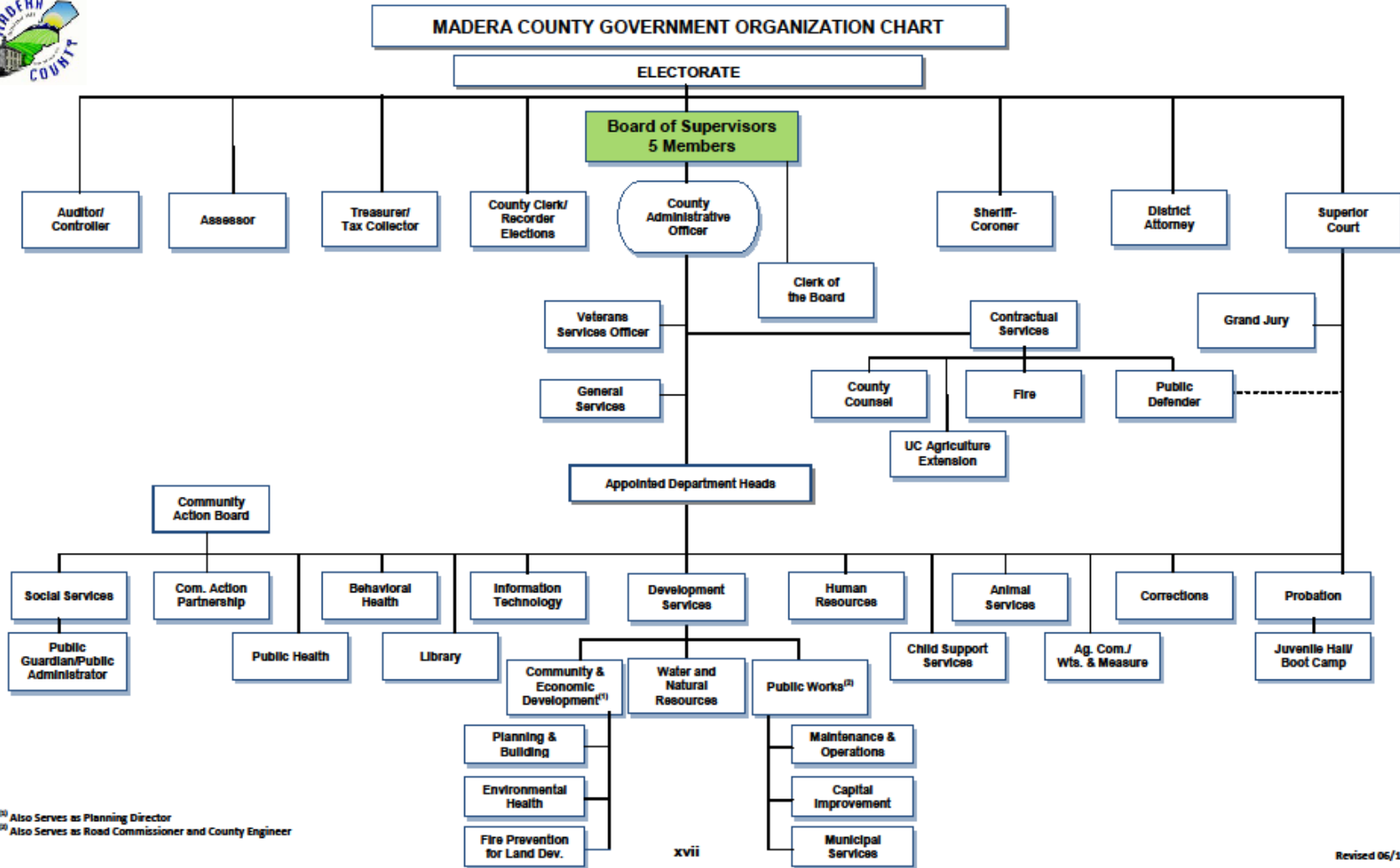
Auditor-Controller



Adrienne Calip

Deputy County Administrative Officer

**COUNTY OF MADERA, CALIFORNIA
ORGANIZATIONAL CHART
AS OF JUNE 30, 2018**



**COUNTY OF MADERA, CALIFORNIA
COUNTY OFFICIALS
AS OF JUNE 30, 2018**

OFFICIALS

Brett F. Frazier

David Rogers

Robert L. Poythress

Max Rodriquez

Worley T. Wheeler

Gary L. Svanda

Todd E. Miller

Rebecca Martinez

David A. Linn

Jay A. Varney

Tracy K. Desmond

Eric D. Fleming

POSITION

Supervisor, District 1

Supervisor, District 2

Supervisor, District 3

Supervisor, District 4

Supervisor, District 5

Assessor

Auditor-Controller

County Clerk-Recorder

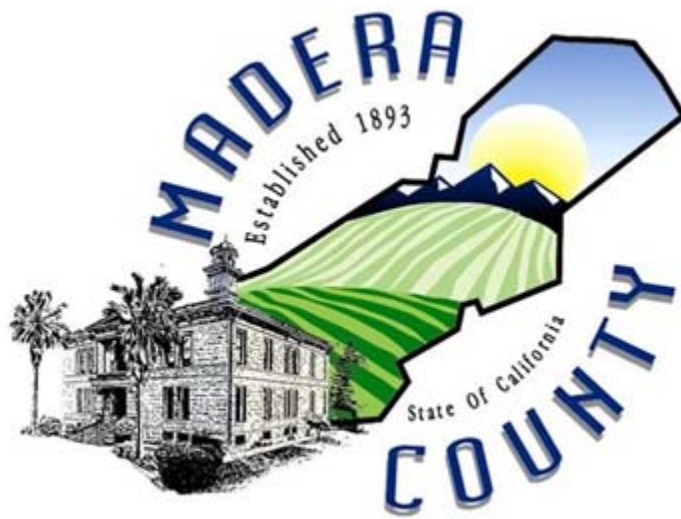
District Attorney

Sherriff

Treasurer-Tax Collector

County Administrative Officer





FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Honorable Board of Supervisors
County of Madera, California
Madera, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Madera, California (the County), as of and for the year ended June 30, 2018, and the related notes to the basic financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Community Action Partnership (Partnership) of Madera County and Madera County Workforce Investment Corporation (Corporation), which represent 100 percent of the assets, net position, revenue and expenses of the County's discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Partnership and Corporation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2018, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of A Matter

As disclosed in Note 10 to the financial statements, prior period adjustments were recorded for the correction of errors in the prior year financial statements. Our opinion is not modified with respect to this matter.

Implementation of New Accounting Standards

As disclosed in Note 10 of the financial statements, the County implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, during fiscal year 2018. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the County's proportionate share of the net pension liability, schedule of contributions, schedule of changes in OPEB liability and related ratios and budgetary comparison information, 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 introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting

Honorable Board of Supervisors
County of Madera, California

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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

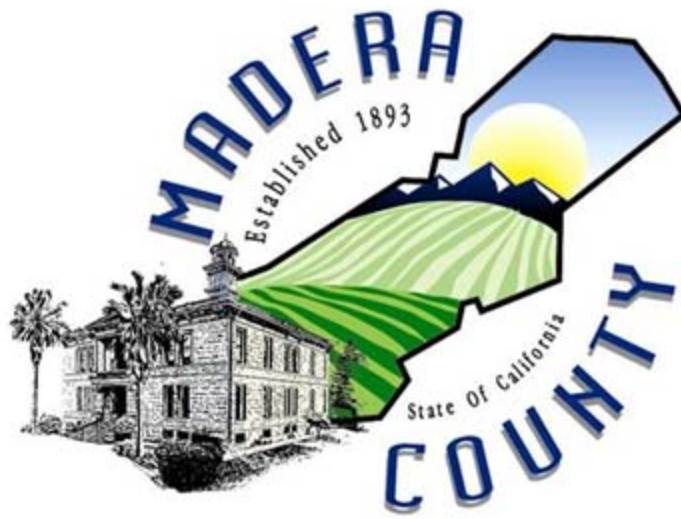
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2018, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.

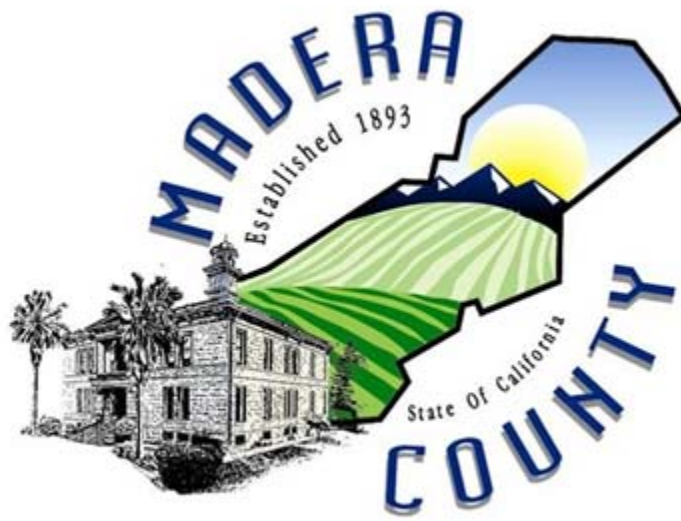


CliftonLarsonAllen LLP

Roseville, California
December 31, 2018



MANAGEMENT'S DISCUSSION AND ANALYSIS



**COUNTY OF MADERA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

Within this section of Madera County's annual financial report, the County's management provides narrative discussion and analysis of the financial activities of the County for the fiscal year ended June 30, 2018. Readers are encouraged to consider the information presented here in conjunction with accompanying financial statements and disclosures following this section. The discussion focuses on the County's primary government and, unless otherwise noted, does not include discretely reported component units.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded liabilities at the close of the most recent fiscal year by \$120,278,155 (net position). Of this amount, \$(286,249,719) (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors in accordance with the County's fund designation and fiscal policies. The unrestricted net position is negative, indicating that the County's assets spendable for other than restricted purposes are insufficient to meet its current and long-term obligations. The remaining net position, \$109,757,153 is restricted for specific purposes (restricted net position), and \$296,770,721, net investment in capital assets, is not spendable.
- The County's net position, net investment in capital assets increased by \$3,570,955 as asset additions exceeded combined asset retirements and depreciation.
- The County's governmental funds reported combined fund balances of \$135,293,979, an increase of \$9,715,444 compared to the prior year, because actual revenues exceeded budget estimates.
- The County's unrestricted and spendable fund balance for the governmental funds was \$22,684,226, or 10% of total governmental funds expenditures.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

- The *statement of net position* presents information on all County assets and deferred outflows of resources less liabilities and deferred inflows of resources, with the resulting difference reported as *net position*.

$$\text{Net Position} = (\text{Assets} + \text{Deferred Outflows of Resources}) - (\text{Liabilities} + \text{Deferred Inflows of Resources})$$

Over time, increases or decreases in *net position* are a useful indicator of an improving or deteriorating County financial condition.

- The *statement of activities* presents the most recent fiscal year changes in the County's net position. 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) as revenues and expenses.

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 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, recreation, and interest expense. The business-type activities of the County include the County Landfill, as well as County Maintenance Districts and County Service Areas that provide water and sewer services. Fiduciary activities are not included in the government-wide statements, since

COUNTY OF MADERA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

these assets are not available to fund County programs.

The County's financial reporting includes the funds of the County (primary government) and organizations for which the County is accountable (component units). These organizations are blended into the primary government for financial reporting purposes and include: County special revenue funds, County Flood Control district, lighting districts, road maintenance districts, County service areas and maintenance districts, and the Madera County Public Financing Authority.

Component units are included in the financial statements and are legally separate entities for which the County is financially accountable. The Madera Community Action Agency and Workforce Development Agency are included in the County's overall reporting entity but are reported separately from the primary government. More complete information about the County's component units can be found in Note 1.

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

Governmental funds 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* of the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Road Fund, and the Special Revenue – Public Protection Programs Fund. The other governmental funds are combined into a single aggregated column.

Proprietary funds are maintained in two ways. *Enterprise funds* report the same functions presented as *business-type activities* in the government-wide financial statements. The County's enterprise funds account for the water and sewer operations and the landfill. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses three internal service funds to account for its fleet maintenance, risk management, and microwave radio functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Special Districts Water/Sewer and County Landfill are considered to be major funds of the County and are separately presented with combined internal service funds in the proprietary funds financial statements.

**COUNTY OF MADERA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

Fiduciary funds account for resources held for the benefit of parties outside the government. Fiduciary funds are not included in the government-wide financial statements, because the resources of those funds are not available to support the County's own programs.

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.

Required Supplementary Information provides the schedule of funding progress for the County Employees Retirement Plan and Other Post-Employment Benefits. Also presented are the County's General Fund and Major Special Revenue Funds budgetary schedules. The County adopts an annual appropriated budget for each fiscal year. A budgetary comparison schedule has been provided for the General Fund, Road Fund, and the Special Revenue – Public Protection Programs Fund to demonstrate compliance with this budget.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial condition. In the case of the County, combined assets and deferred outflows exceeded liabilities and deferred inflows by \$120,278,155 at the close of the most recent fiscal year. Of these, combined net position 151% reflects the County's net investment in capital assets. The percentage exceeds 100%, indicating that the County's *net investment in capital assets* exceeds its *total net position* and its *total net position* is insufficient to meet its current and long-term obligations. Another 51% of the County's net position is subject to external restrictions on how it may be used. In addition, a portion of the remaining negative (101%), referred to as unrestricted, is dedicated to spending on specific programs or services.

The County's Net Position (in Thousands)

	Governmental Activities		Business-Type Activities		Total Activities	
	Fiscal Year		Fiscal Year		Fiscal Year	
	2018	2017	2018	2017	2018	2017
Current and Other Assets	\$ 176,682	\$ 164,944	\$ 36,713	\$ 38,318	\$ 213,395	\$ 203,262
Capital Assets	285,722	280,211	67,790	61,453	353,512	341,664
Total Assets	462,404	445,154	104,503	99,771	566,908	544,925
Deferred Outflows - OPEB	3,981	--	--	--	3,981	--
Deferred Outflows - Pensions	48,214	38,386	--	--	48,214	38,386
	52,195	38,386	--	--	52,195	38,386
Current and Other Liabilities	17,915	14,481	3,177	3,295	21,091	17,776
Long-Term Liabilities	426,738	339,266	26,664	26,803	453,402	366,069
Total Liabilities	444,653	353,747	29,841	30,098	474,494	383,845
Deferred Inflows - OPEB	21,568	--	--	--	21,568	--
Deferred Inflows - Pensions	2,763	4,708	--	--	2,763	4,708
	24,331	4,708	--	--	24,331	4,708
Net Investment in Capital Assets	250,429	247,343	46,342	45,856	296,771	293,199
Restricted	109,757	99,023	--	--	109,757	99,023
Unrestricted	(314,570)	(221,281)	28,321	23,817	(286,250)	(197,464)
Total Net Position	\$ 45,616	\$ 125,085	\$ 74,662	\$ 69,673	\$ 120,278	\$ 194,758

A significant portion of the County's net position, \$296,770,721, reflects the amount invested in capital assets (e.g., land and easements, structures and improvements, infrastructure, and equipment), less any related 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 capital assets is reported

**COUNTY OF MADERA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

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.

The restricted portion of the County's net position, \$109,757,153, represents resources that are subject to external restrictions on how they may be used. At the end of the current fiscal year the County reported positive balances in all three categories of net position for its separate business-type activities only. For its governmental type activities and for the County as a whole, only the County's net investment in capital assets and restricted net position reported positive balances. For governmental type activities and for the County as a whole the County reported a negative balance of unrestricted net position, indicating that the restricted balance of net position exceeded the actual restricted balances of net position reported as available to meet the County's ongoing obligations to citizens and creditors.

During the current fiscal year the County's net position decreased by \$74,481,059. The decrease in net position represents the degree to which ongoing expenses exceeded ongoing revenues. Governmental Activities account for the entire decrease in net position, declining \$79,469,984. The principal causes of the decrease are the escalating costs of the County's defined benefit pension and health insurance benefits provided to employees upon retirement. Governmental Accounting Standards for reporting Other Post-Employment Benefits (OPEB), which represent the County's liability for employee health insurance benefits, changed, requiring for the first time that the County recognize the entire OPEB liability in its financial statements. The increased OPEB liability was recognized through a prior period adjustment that reduced the beginning Net Position of Governmental Activities by \$69,924,000. Increased costs of providing general government, public protection, health and sanitation, and public assistance to County residents exceeded revenues during the 2017-18 fiscal year by \$9,545,986.

The net position of the County's Business –Type Activities increased by \$4,988,925. Of this increase \$2,386,782 increased was the result of increased charges to customers receiving water and sewer, landfill, and transit services in County-operated maintenance districts and service areas, Landfill, and transit system. The remainder of the increase was the result of increased operating and capital grants, \$2,813,250.

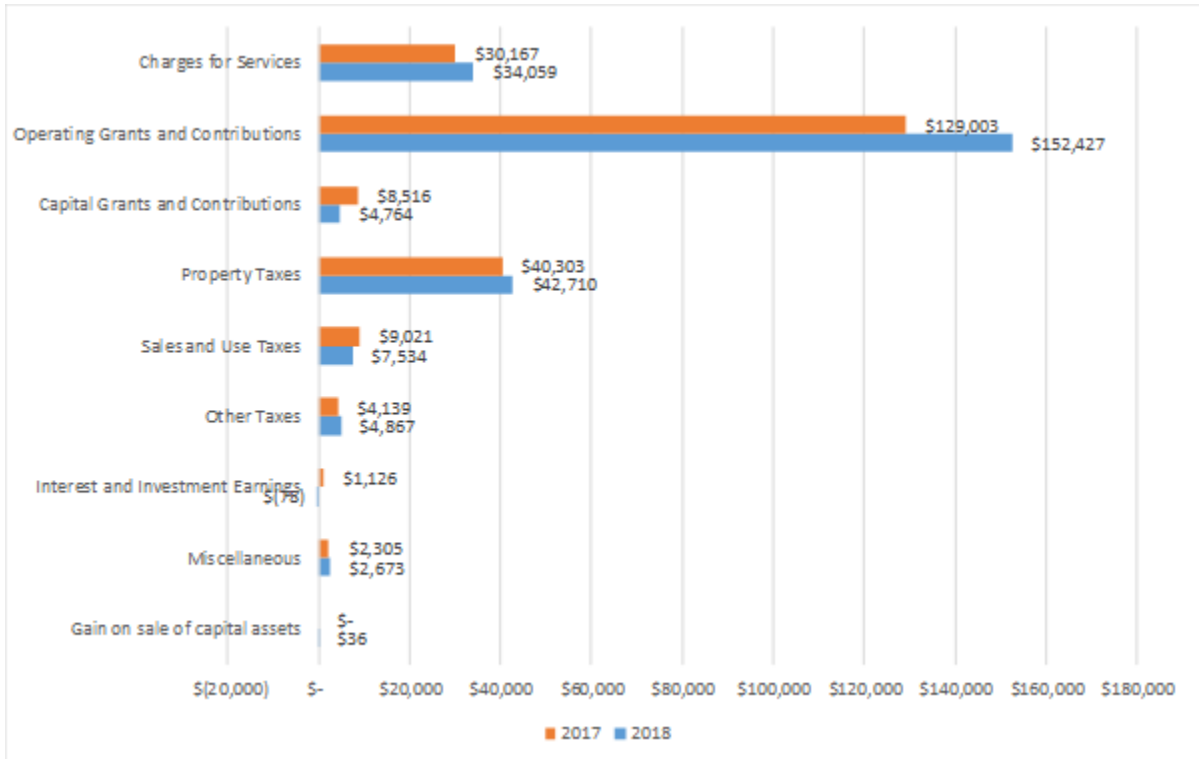
**COUNTY OF MADERA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

The County's Changes in Net Position (in Thousands)

	Governmental Activities		Business-Type Activities		Total Activities	
	Fiscal Year		Fiscal Year		Fiscal Year	
	2018	2017	2018	2017	2018	2017
REVENUES						
Program Revenues:						
Fees, Fines, and Charges						
for Services	\$ 34,059	\$ 30,167	\$ 15,226	\$ 12,840	\$ 49,285	\$ 43,007
Operating Grants/Contribution	152,427	129,003	2,279	--	154,706	129,003
Capital grants/contributions	4,764	8,516	2,044	1,510	6,808	10,026
General Revenues						
Property Taxes	42,710	40,303	401	576	43,111	40,879
Sales and Use Taxes	7,534	9,021	--	--	7,534	9,021
Other Taxes	4,867	4,139	--	--	4,867	4,139
Interest and Investment earnings	(78)	1,126	37	272	(41)	1,398
Miscellaneous	2,673	2,305	39	82	2,712	2,387
Sale of Capital Assets	36	--	--	--	36	--
Total Revenues	<u>248,992</u>	<u>224,580</u>	<u>20,027</u>	<u>15,280</u>	<u>269,019</u>	<u>239,860</u>
EXPENSES						
General Government	36,789	34,641	--	--	36,789	34,641
Public Protection	90,429	78,768	--	--	90,429	78,768
Public Ways and Facilities	18,863	20,731	--	--	18,863	20,731
Health and Sanitation	37,552	32,321	--	--	37,552	32,321
Public Assistance	73,628	69,491	--	--	73,628	69,491
Education	2,078	1,621	--	--	2,078	1,621
Recreation	1,313	1,251	--	--	1,313	1,251
Interest on Debt	1,131	1,214	--	--	1,131	1,214
Special Districts - Water/Sewer	--	--	8,493	10,323	8,493	10,323
County Landfill	--	--	5,764	(407)	5,764	(407)
Transit	--	--	1,454	--	1,454	--
Total Expenses	<u>261,784</u>	<u>240,038</u>	<u>15,711</u>	<u>9,916</u>	<u>277,495</u>	<u>249,954</u>
Excess (Deficiency) Before Transfers	(12,792)	(15,458)	4,316	5,364	(8,476)	(10,094)
Transfers	106	70	(106)	(70)	--	--
CHANGE IN POSITION	<u>(12,686)</u>	<u>(15,388)</u>	<u>4,210</u>	<u>5,294</u>	<u>(8,476)</u>	<u>(10,094)</u>
Net Position - Beginning	125,086	130,117	69,673	74,653	194,759	204,770
Restatement	(66,784)	10,357	779	(10,274)	(66,005)	83
Restated Net Position	<u>58,302</u>	<u>140,474</u>	<u>70,452</u>	<u>64,379</u>	<u>128,755</u>	<u>204,853</u>
NET POSITION - ENDING	<u>\$ 45,616</u>	<u>\$ 125,086</u>	<u>\$ 74,662</u>	<u>\$ 69,673</u>	<u>\$ 120,278</u>	<u>\$ 194,759</u>

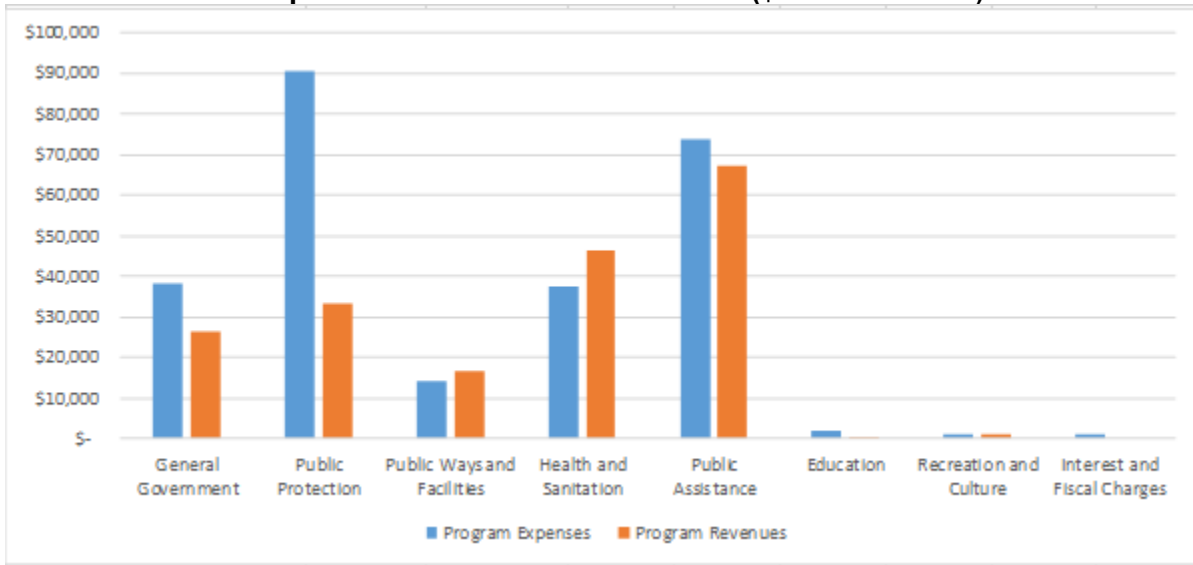
**COUNTY OF MADERA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

Revenue by Source – Governmental Activities (\$ in Thousands)



**COUNTY OF MADERA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

Program Revenue and Expense – Governmental Activities (\$ in Thousands)



Program Revenue and Expense – Business-Type Activities (\$ in Thousands)



**COUNTY OF MADERA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As described 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, and Capital Project Funds. Included in these funds are the special districts governed by the Board of Supervisors. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

**Net Change in Fund Balance
Governmental Funds**

	2018	2017	Net Change	
			Amount	Percent
Fund Balance - Beginning	\$ 125,578,535	\$ 128,911,810	\$ (3,333,275)	(2.65)%
Revenues	249,064,395	227,436,717	21,627,678	8.68 %
Expenditures	(244,488,995)	(231,178,752)	(13,310,243)	5.44 %
Other Financing Sources (Uses)	5,140,044	408,760	4,731,284	92.05 %
Fund Balance - Ending	<u>\$ 135,293,979</u>	<u>\$ 125,578,535</u>	<u>\$ 9,715,444</u>	

At June 30, 2018 the County's governmental funds reported combined fund balances of \$135,293,979. Of these combined fund balances \$22,684,226 constitutes unrestricted fund balance of the General, Special Revenue, and Capital Projects Funds, which is available to meet the County's current and future needs.

- Non-spendable fund balance, \$8,217,316, represents amounts that are not in spendable form or are legally or contractually required to remain intact. These are amounts that are not spendable in form or are legally or contractually required to be maintained intact, including inventories and prepaid amounts of \$5,593,894 and General Fund advances of \$2,623,422.
- Restricted fund balance, \$103,450,551, consists of amounts with constraints put on their use by externally imposed creditors, grantors, laws, regulations, or enabling legislation.
- The committed fund balance, \$941,886 consists of amounts reserved for specific purposes determined by the Board of Supervisors to cover the County's future contractual obligations.
- Assigned fund balance, \$14,887,760, consists of \$500,000 set aside for future fire assets replacement, \$2,024,213 for capital projects under way, and \$12,863,547 and appropriation in the General Fund of fund balance for subsequent years.
- Unassigned fund balance, \$7,804,185, of the General Fund represents the residual classification of fund balance.

The General Fund is the chief operating fund of the County. At June 30, 2018 unrestricted General Fund balance was \$20,667,732, while total fund balance was \$72,099,031. As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted and total General Fund balance to total General Fund expenditures. Unrestricted General Fund balance represents 10% of total General Fund expenditures.

The County's management also assigns (earmarks) unrestricted General Fund balance to a particular function, project, or activity. Fund balance may also be assigned for purposes beyond the current year. However, assigned fund balance is available for appropriation at any time. Of the \$20,667,732 General Fund unrestricted fund balance, 62% is assigned.

**COUNTY OF MADERA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

Total governmental funds Fund Balance increased by \$9,715,444 compared to the prior year. The major governmental funds had changes in fund balance as follows:

- **General Fund** decreased \$2,160,119, as revenues slightly underperformed budgeted estimates;
- **Roads Fund** increased \$1,034,933, as revenues exceeded costs of scheduled roadwork to maintain County roads;
- **Special Revenue – Public Protection** fund also increased \$2,092,354, primarily because revenues received from the State during the fiscal year exceeded expenditures on probation services funded by realignment funding from the State;
- **Capital Projects Funds** increased \$5,504,314, as the County initiated projects with funding that exceeded actual expenditures;
- **Non-major Governmental Funds** increased \$3,243,962, despite the presentation of Capital Project Funds as a major fund separate from non-major funds, as the County decreased expenditures of Road Mitigation funds to improve County roads feeding into State Route 41 to meet increased traffic resulting from a large-scale housing development in the area.

Revenues

Total governmental fund revenues increased \$21,627,678, or 9.51%, to \$249,064,395. Significant variances in governmental fund revenues are as follows:

- Fines, Forfeitures, and Penalties decreased \$967,617, or 19.9%, primarily from decreased collection of penalties assessed on delinquent property taxes;
- Intergovernmental revenues, consisting of aid from other governments, increased \$15,070,572, or 10.6%, as all Social Services aid programs funded by the Federal and state governments increased;
- Charges for services increased by \$5,627,325, or 29.9%, as an improving economy generated additional charges for county services, especially for development related services.

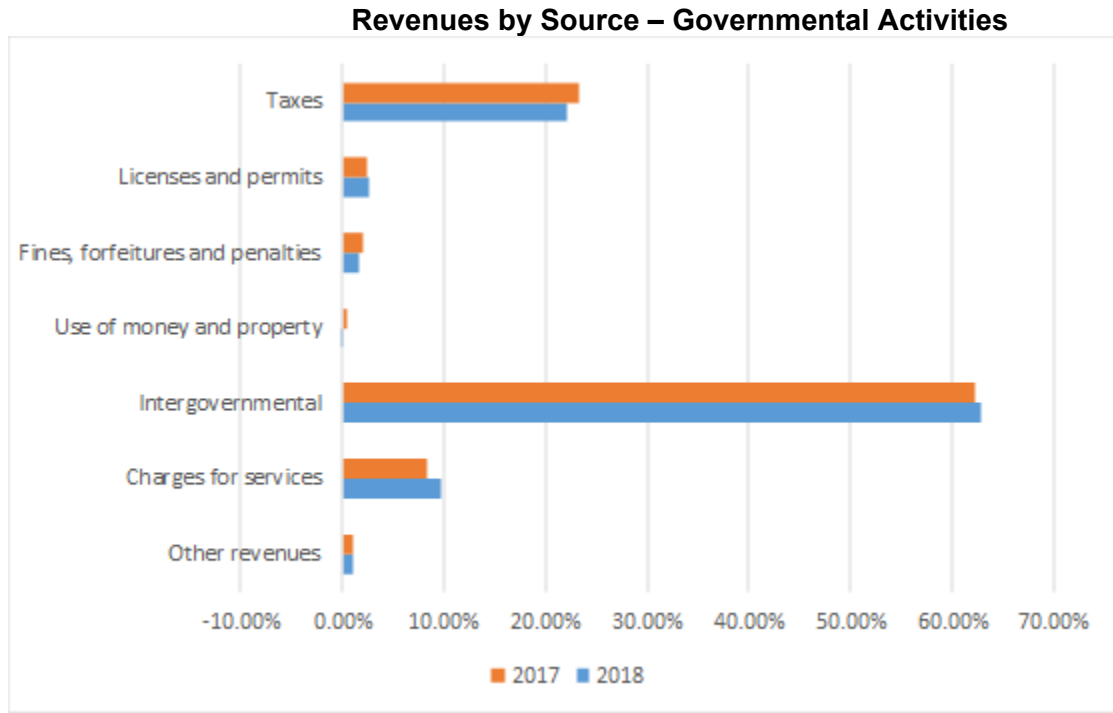
The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year:

**Revenues Classified by Source
Governmental Funds**

	2018		2017		Increase (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes	\$ 54,881,908	22.04 %	\$ 53,082,101	23.34 %	\$ 1,799,807	3.39 %
Licenses and Permits	6,559,816	2.63	5,712,361	2.51	847,455	14.84 %
Fines, Forfeitures, and Penalties	3,897,936	1.57	4,865,553	2.14	(967,617)	(19.89)%
Use of Money and Property	(67,906)	(0.03)	1,050,134	0.46	(1,118,040)	(106.47)%
Intergovernmental	156,687,153	62.91	141,616,581	62.27	15,070,572	10.64 %
Charges for Services	24,432,290	9.81	18,804,965	8.27	5,627,325	29.92 %
Other Revenues	2,673,198	1.07	2,305,022	1.01	368,176	15.97 %
Total Revenue by Source	<u>\$ 249,064,395</u>	<u>100.00 %</u>	<u>\$ 227,436,717</u>	<u>100.00 %</u>	<u>\$ 21,627,678</u>	

**COUNTY OF MADERA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

The following graph illustrates where the County funds come from:



Expenditures

Significant changes in the governmental funds expenditures are summarized as follows:

- Public Protection expenditures increased \$5,205,774, or 7.1%, as the county maintained police and fire services and increased expenditures on fire equipment serving the unincorporated areas of the county;
- Public Assistance expenditures increased \$4,000,953, or 13.1%, reflecting increasing County expenditures on administration of health programs and on mental health and alcohol services;
- Public Ways and Facilities expenditures decreased \$3,125,145, as the County complete road projects related to housing developments in the County.

**COUNTY OF MADERA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

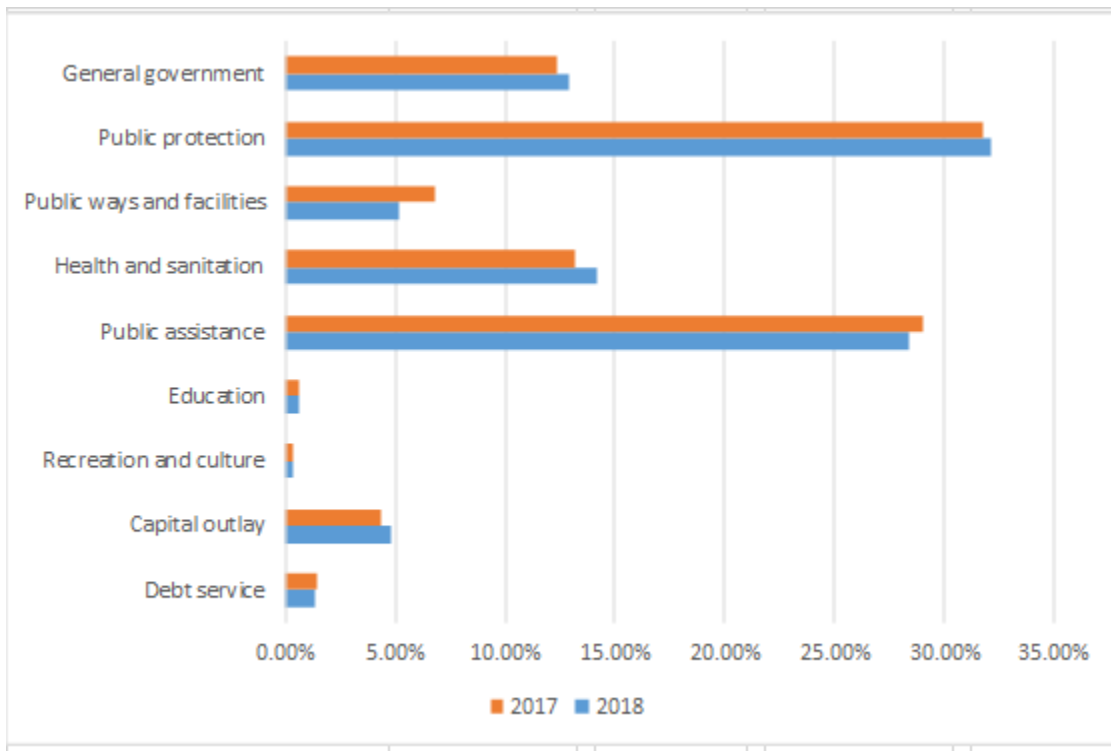
The following table presents expenditures by function compared to prior year amounts:

**Expenditures Classified by Function
Governmental Funds**

	2018		2017		Increase (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
General Government	\$ 31,555,758	12.91 %	\$ 28,582,361	12.36 %	\$ 2,973,397	10.40 %
Public Protection	78,636,632	32.16	73,430,858	31.76	5,205,774	7.09 %
Public Ways and Facilities	12,588,393	5.15	15,713,538	6.80	(3,125,145)	(19.89)%
Health and Sanitation	34,582,299	14.14	30,581,346	13.23	4,000,953	13.08 %
Public Assistance	69,532,400	28.44	67,205,855	29.07	2,326,545	3.46 %
Education	1,510,232	0.62	1,439,876	0.62	70,356	4.89 %
Recreation	912,993	0.37	857,206	0.37	55,787	6.51 %
Capital Outlay	11,833,132	4.84	10,046,710	4.35	1,786,422	17.78 %
Debt Service	3,337,156	1.36	3,321,002	1.44	16,154	0.49 %
Total by Function	\$ 244,488,995	100.00 %	\$ 231,178,752	100.00 %	\$ 13,310,243	

The following graph illustrates how County funds were spent:

Expenditures by Function – Governmental Activities



**COUNTY OF MADERA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

Other financing sources and uses are presented below to illustrate changes from the prior year:

**Other Financing Sources (Uses)
Governmental Funds**

	2018	2017	Increase (Decrease)	
			Amount	Percent
Transfers In	\$ 26,110,947	\$ 22,963,151	\$ 3,147,796	13.71 %
Transfers Out	(26,066,888)	(22,768,151)	(3,298,737)	14.49
Capital Leases	4,388,403	143,487	4,244,916	2958.40
Sales of Capital Assets	707,582	70,273	637,309	906.90
Insurance Recoveries	-	-	-	n/a
Net Financing Sources (Uses)	<u>\$ 5,140,044</u>	<u>\$ 408,760</u>	<u>\$ 4,731,284</u>	

Proceeds from Sale of Capital Assets are the result of sale transactions involving property that was not needed for public use by the County.

Proprietary funds reporting focuses on determining operating income, changes in net position (or costs recovery), financial position, and cash flows using the full accrual basis of accounting.

**COUNTY OF MADERA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

Enterprise funds report the business-type activities of the County. Enterprise funds are used to account for its landfill and special district water and sewer operations.

**Net Change in Net Position
Enterprise Funds**

	2018	2017	Increase (Decrease)	
			Amount	Percent
Total Net Position - Beginning	\$ 69,673,373	\$ 74,652,671	\$ (4,979,298)	(6.67)%
Prior Period Adjustment	779,103	(10,273,334)	11,052,437	(107.58)
Operating Revenues	15,265,294	12,921,871	2,343,423	18.14
Operating Expenses	(14,942,070)	(8,799,723)	(6,142,347)	69.80
Nonoperating Income (Expense)	1,949,041	(267,672)	2,216,713	(828.15)
Capital Contributions	3,032,251	1,509,560	1,522,691	100.87
Transfers In	440,542	-	440,542	n/a
Transfers Out	(1,535,236)	(70,000)	(1,465,236)	2093.19
Total Net Position - Ending	<u>\$ 74,662,298</u>	<u>\$ 69,673,373</u>	<u>\$ 4,988,925</u>	

Net position for net investment in capital assets at fiscal yearend was \$46,341,539. Unrestricted net position of the enterprise funds at fiscal year-end was \$28,320,759.

The net position of the enterprise funds increased \$4,988,925 from prior fiscal year; Increased fees and charges for services and reduced landfill closure/post closure care costs accounted for all of the increase in enterprise funds net position from operations.

Internal service funds are an accounting device to accumulate and allocate costs internally among the County's various functions. Internal service funds are used to account the County's self-insurance, central garage, and microwave radio functions.

**Net Change in Net Position
Internal Service Funds**

	2018	2017	Increase (Decrease)	
			Amount	Percent
Total Net Position - Beginning	\$ 1,432,594	\$ 1,285,400	\$ 147,194	11.45 %
Prior Period Adjustments	(494,106)	-	(494,106)	n/a
Operating Revenues	9,574,832	7,768,625	1,806,207	23.25
Operating Expenses	(8,479,189)	(7,542,573)	(936,616)	12.42
Nonoperating Revenues	11,045	46,142	(35,097)	(76.06)
Transfers Out	-	(125,000)	125,000	(100.00)
Total Net Position - Ending	<u>\$ 2,045,176</u>	<u>\$ 1,432,594</u>	<u>\$ 612,582</u>	

Total net position of the internal service funds at fiscal year-end was \$2,045,176 and includes \$5,648,896 invested in capital assets.

The net position of the internal service funds, as restated, as of June 30, 2017 increased \$612,582 over the prior fiscal year. Operating revenues increased 23.25% and operating expenses also increased 12.42%. Increased insurance charges to fund the Self Insurance program and mileage charges of the Central Garage accounted for the increase in the internal service funds' net position.

**COUNTY OF MADERA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year the Board of Supervisors revised the County's budget many times. Each time a grant or specific revenue enhancement is made available to a County program new appropriations and budget amendments are required.

The mid-year review is a formal process by which each department is analyzed for expense and revenue trends. Adjustments are recommended where indicated and monitored for the remainder of the year. Unless there is some unforeseen and unusual circumstance that causes a budget overrun, a draw on the Contingency Reserve is not recommended.

Differences between the original budget and the final amended budget increased appropriations \$6,616,340. The components of appropriations variance are briefly summarized as follows: \$2,487,757 increase in general government; \$3,771,568 increase in public protection; \$965,515 increase in health and sanitation; \$398,288 decrease in public assistance; \$2,981 decrease in education; \$2,091,157 increase in capital outlay; and \$441,475 decrease in debt service.

Differences between the original budget and the final amended budget are summarized in the table below:

**Budgetary Comparison
General Fund**

	Original Budget	Final Budget	Net Change	
			Amount	Percent
Total Revenues	\$ 203,577,116	\$ 213,997,135	\$ 10,420,019	5.1 %
Total Expenditures	(233,029,835)	(239,346,175)	(6,316,340)	2.7 %
Other Financing Sources (Uses)	19,670,236	11,576,004	(8,094,232)	(41.1)%
Net Change in Fund Balances	<u>\$ (9,782,483)</u>	<u>\$ (13,773,036)</u>	<u>\$ 3,990,553</u>	

Differences between the final amended budget and actual amounts are summarized in the table below:

**Budgetary Comparison
General Fund**

	Final Budget	Actual Amounts	Net Change	
			Amount	Percent
Total Revenues	\$ 213,997,135	\$ 191,269,550	\$ (22,727,585)	(10.6)%
Total Expenditures	(239,346,175)	(217,266,225)	22,079,950	(9.2)%
Other Financing Sources (Uses)	11,576,004	15,612,818	4,036,814	34.9 %
Total Net Position - Ending	<u>\$ (13,773,036)</u>	<u>\$ (10,383,857)</u>	<u>\$ (3,389,179)</u>	

**COUNTY OF MADERA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

CAPITAL ASSETS

The County' investment in capital assets for its governmental and business-type activities as of June 30, 2018 amounted to \$353,512,144 (net of accumulated depreciation). This investment in capital assets includes land, structures and improvements, leasehold improvements, equipment, and infrastructure (roads and bridges). The County's total investment in capital assets increased \$8,070,610 during the current fiscal year, or 2%.

Madera County's Capital Assets (net of depreciation):

	Governmental Activities		Business-Type Activities		Total		Dollar Change	Percent Change
	2018	2017	2018	2017	2018	2017		
Land	\$ 15,173,588	\$ 15,867,223	\$ 3,631,807	\$ 3,631,807	\$ 18,805,395	\$ 19,499,030	\$ (693,635)	-3.6%
Infrastructure (non-depreciable)	58,173,720	58,173,720	418,355	418,355	58,592,075	58,592,075	-	0.0%
Construction-in-progress	11,862,238	5,813,676	12,022,117	8,762,260	23,884,355	14,575,936	9,308,419	63.9%
Capital assets, not being depreciated	85,209,546	79,854,619	16,072,279	12,812,422	101,281,825	92,667,041	8,614,784	9.3%
Infrastructure (depreciable)	50,073,567	53,415,105	-	-	50,073,567	53,415,105	(3,341,538)	-6.3%
Buildings and improvements	123,728,299	125,185,576	50,801,674	48,235,604	174,529,973	173,421,180	1,108,793	0.6%
Equipment	26,710,748	24,918,040	916,029	1,020,167	27,626,777	25,938,207	1,688,570	6.5%
Capital assets, net of accumulated depreciation	200,512,614	203,518,721	51,717,703	49,255,771	252,230,317	252,774,492	(544,175)	-0.2%
	<u>\$ 285,722,160</u>	<u>\$ 283,373,340</u>	<u>\$ 67,789,982</u>	<u>\$ 62,068,193</u>	<u>\$ 353,512,142</u>	<u>\$ 345,441,533</u>	<u>\$ 8,070,609</u>	2.3%

Components of the change in net capital assets are as follows:

	Additions	Retirements	Transfers & Adjustments	Depreciation	Net Change
		(Net of Accum Depreciation)			
General Government	3,235,733	(690,159)	-	1,714,265	831,309
Public Protection	6,078,792	(84,292)	-	2,886,993	3,107,507
Public Ways and Facilities	3,159,850	(130,312)	-	4,618,144	(1,588,606)
Health and Sanitation	46,219	(9,351)	-	206,643	(169,775)
Public Assistance	158,796	(3,302)	-	188,477	(32,983)
Education	8,525	(3,334)	-	87,308	(82,117)
Recreation and Culture	-	-	-	403,377	(403,377)
Internal Service Funds	1,341,804	(2,532)	-	652,408	686,864
Enterprise Funds	8,048,920	-	-	2,327,132	5,721,788
	<u>22,078,639</u>	<u>(923,282)</u>	<u>-</u>	<u>13,084,747</u>	<u>8,070,610</u>

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

- Various road and bridge projects at a cost of \$2,908,034;
- Expansion of the County Jail facility at a cost of \$3,364,920;
- Fire engines and water tender trucks of \$2,015,363;
- ONESolution upgrade of \$534,570;
- Mine resistant vehicle of \$733,000;
- Dominion ImageCast Democracy Suite of \$320,000;
- Central garage vehicle leases and purchases of \$1,341,804;
- A major sewer improvement project at Bass Lake at a cost of \$7,281,150.

Additional information regarding capital assets may be found in note 5 in the Notes to the Financial Statements.

**COUNTY OF MADERA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

DEBT ADMINISTRATION

At the end of the current fiscal year, the County had total debt obligations outstanding of \$57,140,614. Of this amount \$10,079,876 consists of Revenue Bonds, for which the County has pledged a portion of special assessment revenues to debt service the bonds, secured by property subject to the assessments. \$5,119,016 consists of loans payable of special districts of the County, for which the County has pledged a portion of special assessment revenues to service the loans.

The following table shows the composition of the County's debt obligations outstanding for governmental and proprietary funds:

	Long-Term Debt Obligations					
	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Capital Lease Obligations	\$ 23,721,988	\$ 20,159,072	\$ -	\$ -	\$ 23,721,988	\$ 20,159,072
Improvement District						
1915 Act Bonds	-	-	10,079,876	10,301,706	10,079,876	10,301,706
Revenue Bonds	-	-	6,671,700	6,851,800	6,671,700	6,851,800
Loans Payable	11,400,737	12,708,199	5,119,016	5,247,589	16,519,753	17,955,788
Litigation Judgment	147,297	178,302				
Total	<u>\$ 35,270,022</u>	<u>\$ 33,045,573</u>	<u>\$ 21,870,592</u>	<u>\$ 22,401,095</u>	<u>\$ 57,140,614</u>	<u>\$ 55,446,668</u>

Reductions of the County's total outstanding debt included principal payments of \$3,010,107 and amortization of bond discount of \$3,117. Principal payments of 2,476,970, with \$1,073,341 interest expense for governmental activities and principal payments of \$533,137 with \$883,647 interest expense for business-type activities.

Other obligations include compensated absences (accrued vacation and sick leave), workers' compensation and general liability claims liability, and the landfill closure/post-closure care costs liability. More detailed information about the County's long-term debt may be found in note 7 in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The County's fiscal year 2018-19 budget takes into consideration the overall financial health of the County and related impacts of the California State Budget. The County Executive Officer monitors the State's spending plan and advises the Board of Supervisors of any negative impact on the County's budget and the public we serve. Department heads and their fiscal managers are to be commended for their willingness to manage spending within available resources, while continuing to meet the needs of our community.

**COUNTY OF MADERA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

California Economic Indicators

The fiscal year 2018-19 Adopted Budget anticipates the State taking back revenues from the County if State revenues fall short of projections and depending on changes in funding of Federal entitlements and awards that may affect the State and County. The 2018-19 budget also incorporates reduced funding of food stamps, CalWorks, and IHSS programs.

The Governor's 2018-19 Budget assumes continued but slowing growth through 2019, anticipating an eventual recession in the near term. While the budget continues prior commitments to pay down the State's substantial burden of debt, invest in education and health care, priority is given to maximizing the "Rainy Day Fund" to soften the impact of the inevitable economic downturn. Despite recent increases in gasoline and diesel fuel taxes the State still faces a challenge to address deferred maintenance of infrastructure that could impact future budgets, unless alternate financing sources (issuance of additional long-term bonded debt or increased taxes) can be found.

The State Controller's November 2018 Cash Update reported revenues through the fifth month of Fiscal Year 2018-19 exceeded Budget Act estimates by a healthy \$2.289 billion, or 5.4 percent, after four months of consistent though smaller excess of revenues over projections.

The California Department of Finance Bulletin, November 2018 reports that California's labor market improved, adding 13,200 non-farm jobs in September, following a monthly average job gain of 32,800. California's unemployment rate dropped to 3.7 percent September and remained at that level in October 2018, the lowest unemployment rate since 1969. Building activity declined as residential permit issuance declined 7.3 percent in September, although total residential permits for the first nine months of 2018 averaged 120,000 compared to 112,000 for the same period last year. Nonresidential valuation increased by a healthy 12.1 percent through September 2018 over the same period of the prior year, reflecting improving commercial and agricultural property values.

Madera County Budget

The adopted 2018-19 General Fund Budget is \$276.8 million, which represents a \$21 million increase over the fiscal year 2017-18 budget. The 2018-19 budget increased the County's "Reserve for Future Budgetary Needs" from the \$4.9 million established in the 2016-17 fiscal year to \$7.4 million.

LONG-RANGE PLANNING

The County is experiencing modest improvement to revenues, and the County continues to follow a conservative approach to spending due to the sensitivity of future revenues to a generally modest economic recovery from the recession. Declining agricultural property values are anticipated to be a probable damper on property tax revenues that have been increasing since the 2012-13 fiscal year. The County remained solvent through the worst of the recession, continued to monitor revenues closely, and implemented spending reductions wherever feasible.

Balancing service delivery with available resources will continue to challenge the County for the foreseeable future.

**COUNTY OF MADERA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

DISCRETIONARY REVENUE

The national, state, and local economic downturn resulted in a decline of property values, lagging sales of consumer goods and services, and a steep decline in interest rates. Madera County has suffered from relatively depressed discretionary revenue compared to revenue prior to the economic downturn, but in recent years the County's revenues have recovered. Fiscal year 2018-19 recommended discretionary revenue is expected to reach \$80.0 million, an increase of \$3.1 million over fiscal year 2017-18.

NONDISCRETIONARY REVENUE

In addition to discretionary sales tax revenues, sales taxes dedicated to public health, mental health, social services, and public safety have declined since the economic downturn but have recovered in recent years.

1991 Realignment (Health and Human Services) sales tax and vehicle license fees (VLF) are dedicated to public health, mental health, and social services and provide the majority of matching funds for numerous state and federal funding sources. After decreasing for several years, VLF reached its base allocation in fiscal year 2012-13 with strong growth, which was received in fiscal year 2013-14 for public health and mental health. However, under AB85, beginning in fiscal year 2013-14, a portion of health realignment and growth has been redirected to support the State's share of cost for CalWORKS payments as well as state and county costs associated with increases to the CalWORKS maximum assistance payment (MAP). This redirection of funding significantly limits the amount of public health growth received in the future. The growth formula in 1991 health realignment has also been changed, since the State has assumed responsibility for much of the indigent health care population through the Medi-Cal expansion implemented January 1, 2015. This change in funding has reduced future VLF and significantly limited its growth potential. Sales tax realignment revenue increased marginally in fiscal year 2017-18 after a modest decline in 2016-17.

2011 Realignment (Health and Human Services) revenues are being received as anticipated. Under 2011 realignment, social services programs receive payments for costs previously paid by the state general fund, with the majority of sales tax collected in excess of base allocations directed to a \$200 million statewide restoration of funding for child welfare services. Restoration was completed in fiscal year 2014-15, with growth payments thereafter distributed between protective services and behavioral health. The 2011 realignment structure includes preferential treatment of behavioral health, intended to compensate for financial treatment that favored health and social services under the 1991 realignment mechanism.

2011 Realignment (Public Safety) included a major realignment of public safety programs from the state to local governments. The intent of the Community Corrections Partnership Program authorized by AB 109 is to end the revolving door of lower-level offenders and parole violators through the state's prisons.

The County's Community Corrections Partnership Committee, chaired by the Chief Probation Officer, approved its 2018-19 budget at the May 2, 2018 meeting and included it in its respective 2018-19 budget requests. Funding for fiscal year 2018-19 is expected to be \$6.2 million and appropriations are requested at \$6.2 million.

Receipts from Public Safety Augmentation (Proposition 172) sales tax have shown only modest growth in recent years; receipts year to date are marginally larger than the prior year to date. The County's pro-rata share of this sales tax has declined slightly from the prior fiscal year to 0.975227.

**COUNTY OF MADERA, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

EMPLOYEE BENEFITS

The cost of worker's compensation insurance, CalPERS retirement, health insurance rate increases, and retiree health care continue to impact the County. The County maintains a minimum confidence level of 80 percent for its self-insured worker's compensation and general liability insurance programs.

The County's employer share of CalPERS retirement has experienced volatility, because of investment losses PERS suffered during the downturn in the financial markets. Since April 2012 PERS has implemented a series of changes in assumptions in discount rates and other actuarial assumptions that are driving employer contribution rates up significantly in future periods. New pension law effective in 2013 reduced retirement benefits for new hires. However, the County will not realize immediate savings from the reduced benefits.

On the local level, the County successfully negotiated with represented and unrepresented bargaining units for benefit concessions. All active employees, except elected officials and department heads, now pay the employee share of PERS retirement; new hires will be working longer (to age 62 for miscellaneous and 57 for public safety), and their retirement will be based on the average of the three highest years instead of the highest year.

Beginning in fiscal year 2014-15 the County's financial statements incorporated changes to pension liability reporting and recognition mandated by the Governmental Accounting Standards Board (GASB) statements No. 67 and 68. The County's June 30, 2018 Net Pension Liability of \$183.4 million represents the actuarially determined future cost of pension benefits the County must fund over the future funding period. See Note 11 of the financial statements for complete details.

The County of Madera provides post-retirement medical benefits (OPEB) to eligible employees who retire directly from the County. Eligible retirees pay a portion of the medical premium based on the PEHMCA (CalPERS medical program) "unequal method." The remaining premium is shared by the County and active employees in accordance with bargaining agreements. Like most governmental agencies, the County pays for these post-retirement benefits on a "pay-as-you-go" basis. This means that OPEB costs are ignored while an employee renders service and are recognized only after the employee retires.

GASB statement No. 45 requires that governmental agencies conduct an actuarial valuation of the liability for OPEB and report them on their financial statements. Beginning in fiscal year 2017-18 GASB Statement No. 75 requires recognition of the County's total actuarially determined OPEB liability. Prior to GASB Statement No. 75 recognized an Annual Required Contribution amount that recognized the normal cost and amortized any unfunded actuarial liabilities (or funding excess) over a maximum of thirty years. This change in accounting for OPEB increases the County's OPEB Liability as of July 1, 2017 by \$69.9 million. The County's OPEB Liability as of June 30, 2018 is \$181.1 million. The County has not pre-funded its OPEB liability and has no plans to pre-fund in the foreseeable future.

REQUEST FOR INFORMATION

This financial report is designed to demonstrate accountability of the Madera County government by providing both long-term and near-term view of the County's finances. Questions or comments regarding the information presented in this report or requests for additional financial information should be addressed to the Auditor-Controller, 200 West Fourth Street, Madera, CA 93637.



BASIC FINANCIAL STATEMENTS

COUNTY OF MADERA, CALIFORNIA
STATEMENT OF NET POSITION
JUNE 30, 2018

	Primary Government			Component Units	
	Governmental	Business-Type	Totals	CAPMC	MCWIC
	Activities	Activities			
ASSETS					
Cash and Investments	\$ 130,055,113	\$ 18,539,653	\$ 148,594,766	\$ 2,015,309	\$ 208,383
Restricted Assets:					
Cash and Investments	22,222	7,241,880	7,264,102	-	-
Cash with Fiscal Agent	-	1,003,997	1,003,997	-	-
Receivables (net of allowance for uncollectibles):					
Accounts	5,854,625	2,177,456	8,032,081	39,530	36,466
Interest	527,449	125,302	652,751	-	-
Taxes	8,427,914	279,667	8,707,581	-	-
Loans	6,612,053	-	6,612,053	-	-
Special Assessments	-	10,192,998	10,192,998	-	-
Due from Other Governments	15,523,358	1,117,182	16,640,540	1,684,528	181,030
Internal Balances	3,964,896	(3,964,896)	-	-	-
Prepaid Expenses	5,229,816	-	5,229,816	173,271	3,757
Inventories	464,792	-	464,792	23,516	-
Deposits with others	-	-	-	126,428	-
Capital Assets:					
Nondepreciable	85,209,546	16,072,279	101,281,825	59,005	-
Depreciable, Net	200,512,617	51,717,702	252,230,319	1,643,734	26,950
Total assets	<u>462,404,401</u>	<u>104,503,220</u>	<u>566,907,621</u>	<u>5,765,321</u>	<u>456,586</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows - OPEB	3,981,000	-	3,981,000	-	-
Deferred Outflows - Pensions	48,213,741	-	48,213,741	-	-
Total deferred outflows of resources	<u>52,194,741</u>	<u>-</u>	<u>52,194,741</u>	<u>-</u>	<u>-</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	7,062,238	1,889,321	8,951,559	3,282,524	75,451
Salaries and Benefits Payable	3,508,830	-	3,508,830	-	101,389
Retention Payable	170,256	581,847	752,103	-	-
Interest Payable	294,584	283,426	578,010	-	-
Due to Other Governments	3,003,896	257,876	3,261,772	-	-
Deposits Payable	2,089,396	99,040	2,188,436	-	-
Unearned Revenue	1,785,364	65,161	1,850,525	62,537	-
Long-Term Liabilities, Due Within One Year	12,923,841	685,029	13,608,870	10,379	-
Long-term Liabilities, Due in More Than One Year	413,814,264	25,979,222	439,793,486	840	-
Total Liabilities	<u>444,652,669</u>	<u>29,840,922</u>	<u>474,493,591</u>	<u>3,356,280</u>	<u>176,840</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MADERA, CALIFORNIA
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2018**

	Primary Government			Component Units	
	Governmental	Business-Type	Totals	CAPMC	MCWIC
	Activities	Activities			
DEFERRED INFLOWS					
Deferred Inflows - OPEB	21,568,000	-	21,568,000	-	-
Deferred Inflows - Pensions	2,762,616	-	2,762,616	-	-
Total deferred inflows of resources	24,330,616	-	24,330,616	-	-
NET POSITION					
Net Investment in Capital Assets	250,429,182	46,341,539	296,770,721	1,608,030	-
Restricted for:					
Public Protection	19,059,885	-	19,059,885	-	-
Public Ways and Facilities	30,739,081	-	30,739,081	-	-
Public Health and Sanitation	50,441,202	-	50,441,202	-	-
Public Assistance	7,820,349	-	7,820,349	-	-
Education	191,529	-	191,529	-	-
Recreation and Cultural Services	270,370	-	270,370	-	-
Capital Projects	28,223	-	28,223	-	-
Other Programs	1,206,514	-	1,206,514	-	24,103
Unrestricted	(314,570,478)	28,320,759	(286,249,719)	801,011	255,643
Total Net Position	<u>\$ 45,615,857</u>	<u>\$ 74,662,298</u>	<u>\$ 120,278,155</u>	<u>\$ 2,409,041</u>	<u>\$ 279,746</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MADERA, CALIFORNIA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018**

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	\$ 36,789,404	\$ 13,830,647	\$ 11,869,060	\$ 854,783
Public Protection	90,428,985	10,954,097	22,166,608	249,487
Public Ways and Facilities	18,862,911	5,194,028	8,378,446	3,006,945
Health and Sanitation	37,552,258	2,700,269	43,702,740	-
Public Assistance	73,628,165	231,303	66,299,232	653,061
Education	2,078,333	159,783	10,843	-
Recreation and Cultural Services	1,313,027	988,629	-	-
Interest and Fiscal Charges	1,130,742	-	-	-
Total Governmental Activities	<u>261,783,825</u>	<u>34,058,756</u>	<u>152,426,929</u>	<u>4,764,276</u>
Business-Type Activities:				
Special Districts - Water/Sewer	8,493,314	7,709,652	-	1,958,164
County Landfill	5,764,115	7,473,621	-	-
Transit	1,453,635	43,170	2,279,239	85,407
Total Business-Type Activities	<u>15,711,064</u>	<u>15,226,443</u>	<u>2,279,239</u>	<u>2,043,571</u>
Total Madera County	<u>\$ 277,494,889</u>	<u>\$ 49,285,199</u>	<u>\$ 154,706,168</u>	<u>\$ 6,807,847</u>
Component Units:				
Community Action Partnership of Madera County (CAPMC)	\$ 27,734,060	\$ 157,524	\$ 27,196,178	\$ -
Madera County Workforce Investment Corporation (MCWIC)	2,637,935	346,648	2,306,099	4,608
Total Component Units	<u>\$ 30,371,995</u>	<u>\$ 504,172</u>	<u>\$ 29,502,277</u>	<u>\$ 4,608</u>

General Revenues:

Taxes:

Property Taxes
Sales and Use Taxes
Other

Interest and Investment Earnings

Sale of capital assets

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year, Restated

Net Position - End of Year

See accompanying Notes to Basic Financial Statements.

Net (Expense) Revenue and
Changes in Net Position

Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	CAPMC	MCWIC
\$ (10,234,914)	\$ -	\$ (10,234,914)		
(57,058,793)	-	(57,058,793)		
(2,283,492)	-	(2,283,492)		
8,850,751	-	8,850,751		
(6,444,569)	-	(6,444,569)		
(1,907,707)	-	(1,907,707)		
(324,398)	-	(324,398)		
(1,130,742)	-	(1,130,742)		
(70,533,864)	-	(70,533,864)		
-	1,174,502	1,174,502		
-	1,709,506	1,709,506		
-	954,181	954,181		
-	3,838,189	3,838,189		
(70,533,864)	3,838,189	(66,695,675)		
			\$ (380,358)	
			(380,358)	19,420
				19,420
42,709,600	401,330	43,110,930	-	-
7,533,713	-	7,533,713	-	-
4,867,233	-	4,867,233	-	-
(78,091)	37,466	(40,625)	1,452	-
35,988	-	35,988	-	-
2,673,198	38,851	2,712,049	86,846	-
106,014	(106,014)	-	-	-
57,847,655	371,633	58,219,288	88,298	-
(12,686,209)	4,209,822	(8,476,387)	(292,060)	19,420
58,302,066	70,452,476	128,754,542	2,701,101	260,326
\$ 45,615,857	\$ 74,662,298	\$ 120,278,155	\$ 2,409,041	\$ 279,746

**COUNTY OF MADERA, CALIFORNIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018**

	General	Road	Special Revenue - Public Protection	Capital Projects	Other Governmental Funds	Total
ASSETS						
Cash and Investments	\$ 62,358,753	\$ 14,141,471	\$ 18,305,814	\$ 3,051,861	\$ 23,202,915	\$ 121,060,814
Imprest Cash	6,672	400	-	-	-	7,072
Receivables:						
Accounts	1,896,289	56,945	6,087	3,390,000	349,501	5,698,822
Interest	294,263	57,294	19,565	40,411	76,480	488,013
Due from Other Governments	7,372,667	3,934,063	2,478,187	-	1,738,441	15,523,358
Due from Other Funds	12,337,185	171,496	14,308	130,633	324,333	12,977,955
Prepays and Other Assets	586,434	-	-	4,604,857	-	5,191,291
Inventories	-	402,603	-	-	-	402,603
Restricted assets:						
Restricted cash and investments	-	-	-	-	22,222	22,222
Taxes Receivable	8,341,110	-	43,887	-	42,917	8,427,914
Loans Receivable	-	-	-	-	6,612,053	6,612,053
Advances to Other Funds	2,623,422	-	227,231	60,949	694,701	3,606,303
Total Assets	\$ 95,816,795	\$ 18,764,272	\$ 21,095,079	\$ 11,278,711	\$ 33,063,563	\$ 180,018,420
LIABILITIES						
Accounts Payable	\$ 4,099,037	\$ 1,235,229	\$ 207,828	\$ 794,195	\$ 512,357	\$ 6,848,646
Salaries and Benefits Payable	3,208,974	254,161	25,755	-	-	3,488,890
Deposits from Others	1,356,480	732,166	-	-	750	2,089,396
Due to Other Funds	508,748	260,524	4,939,327	3,000,000	2,479,048	11,187,647
Due to Other Governments	2,138,790	5,464	213,351	855	640,249	2,998,709
Unearned Revenue	1,785,038	326	-	-	-	1,785,364
Advances from Other Funds	160,949	-	200,000	854,591	-	1,215,540
Total Liabilities	13,258,016	2,487,870	5,586,261	4,649,641	3,632,404	29,614,192
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue	10,459,748	3,678,523	926,785	-	45,193	15,110,249
FUND BALANCES						
Nonspendable	3,209,856	402,603	-	4,604,857	-	8,217,316
Restricted	47,279,557	12,195,276	14,582,033	-	29,393,685	103,450,551
Committed	941,886	-	-	-	-	941,886
Assigned	12,863,547	-	-	2,024,213	-	14,887,760
Unassigned	7,804,185	-	-	-	(7,719)	7,796,466
Total Fund Balances	72,099,031	12,597,879	14,582,033	6,629,070	29,385,966	135,293,979
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 95,816,795	\$ 18,764,272	\$ 21,095,079	\$ 11,278,711	\$ 33,063,563	\$ 180,018,420

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MADERA, CALIFORNIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION –
GOVERNMENTAL ACTIVITIES
JUNE 30, 2018**

Fund Balance - Total Governmental Funds	\$ 135,293,979
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.</p>	279,668,307
<p>Unavailable revenues represent amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds.</p>	15,110,249
<p>Deferred outflows of resources reported in the statement of net position</p>	52,020,232
<p>Long-term liabilities, including capital leases, are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>	
<p>Litigation Settlement Obligation</p>	(147,297)
<p>Capital Leases</p>	(23,317,028)
<p>Accrued Interest</p>	(294,584)
<p>Loans payable</p>	(11,400,737)
<p>Compensated Absences</p>	(16,337,042)
<p>Total Other Postemployment Benefits (OPEB) Liability</p>	(180,079,234)
<p>Net Pension Liability</p>	(182,730,070)
<p>Deferred inflows of resources reported in the statement of net position</p>	(24,216,094)
<p>Internal service funds are used by the County to charge the cost of its central garage, microwave radio services and insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.</p>	<u>2,045,176</u>
<p>Net Position of Governmental Activities</p>	<u><u>\$ 45,615,857</u></u>

See accompanying Notes to Basic Financial Statements.

COUNTY OF MADERA, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	General	Road	Special Revenue - Public Protection	Capital Projects	Other Governmental Funds	Total
REVENUES						
Taxes	\$ 53,407,701	\$ -	\$ 193,335	\$ -	\$ 1,280,872	\$ 54,881,908
Licenses and Permits	6,261,539	298,277	-	-	-	6,559,816
Fines, Forfeitures, and Penalties	3,414,505	-	281,903	-	201,528	3,897,936
Use of Money and Property	122,339	1,813	(182,786)	32,915	(42,187)	(67,906)
Intergovernmental	117,130,386	11,925,020	13,957,861	-	13,673,886	156,687,153
Charges for Services	16,935,620	2,326,936	937,816	-	4,231,918	24,432,290
Other Revenues	2,398,202	119,569	200	154,137	1,090	2,673,198
Total Revenues	<u>199,670,292</u>	<u>14,671,615</u>	<u>15,188,329</u>	<u>187,052</u>	<u>19,347,107</u>	<u>249,064,395</u>
EXPENDITURES						
Current:						
General Government	31,552,320	-	-	-	3,438	31,555,758
Public Protection	73,007,684	-	5,581,574	47,374	-	78,636,632
Public Ways and Facilities	-	10,459,009	-	-	2,129,384	12,588,393
Health and Sanitation	34,379,098	-	-	1,681	201,520	34,582,299
Public Assistance	68,800,621	-	-	9,303	722,476	69,532,400
Education	1,510,232	-	-	-	-	1,510,232
Recreation and Cultural Services	-	-	-	47,203	865,790	912,993
Capital Outlay	4,876,628	3,146,841	11,898	3,797,765	-	11,833,132
Debt Service:						
Principal	2,218,451	-	-	-	19,320	2,237,771
Interest	1,098,195	-	-	-	1,190	1,099,385
Total Expenditures	<u>217,443,229</u>	<u>13,605,850</u>	<u>5,593,472</u>	<u>3,903,326</u>	<u>3,943,118</u>	<u>244,488,995</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(17,772,937)</u>	<u>1,065,765</u>	<u>9,594,857</u>	<u>(3,716,274)</u>	<u>15,403,989</u>	<u>4,575,400</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	19,387,568	354,601	-	6,150,935	217,843	26,110,947
Transfers out	(5,775,882)	(410,633)	(7,502,503)	-	(12,377,870)	(26,066,888)
Capital Leases	1,878,750	-	-	2,509,653	-	4,388,403
Sale of Capital Assets	122,382	25,200	-	560,000	-	707,582
Total Other Financing Sources (Uses)	<u>15,612,818</u>	<u>(30,832)</u>	<u>(7,502,503)</u>	<u>9,220,588</u>	<u>(12,160,027)</u>	<u>5,140,044</u>
NET CHANGES IN FUND BALANCES	(2,160,119)	1,034,933	2,092,354	5,504,314	3,243,962	9,715,444
Fund Balances - Beginning of Year	74,259,150	11,562,946	12,489,679	1,124,756	26,142,004	125,578,535
FUND BALANCES - END OF YEAR	<u>\$ 72,099,031</u>	<u>\$ 12,597,879</u>	<u>\$ 14,582,033</u>	<u>\$ 6,629,070</u>	<u>\$ 29,385,966</u>	<u>\$ 135,293,979</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MADERA, CALIFORNIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2018**

Net Change to Fund Balance - Total Governmental Funds \$ 9,715,444

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

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

Expenditures for General Capital Assets, Infrastructure, and Other Related Capital Assets Adjustments	\$ 11,162,889	
Less: Current Year Depreciation	(10,105,209)	1,057,680

The net effect of various miscellaneous transactions involving capital assets (i.e. sales and donations) is to decrease net position	(65,967)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	(953,379)
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Some capital additions were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net position the lease obligation is reported as a liability.	(4,388,403)
--	-------------

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.

Change in Compensated Absences	(471,711)
Change in OPEB Liability	(12,202,881)
Change in Interest Payable	(16,599)
Change in Litigation Settlement Obligation	31,005
Change in Net Pension Liability	(8,735,857)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Capital Leases and Loans Payable	2,237,771
----------------------------------	-----------

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain activities of the internal service funds is reported with governmental activities.	1,106,688
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Change in Net Position of Governmental Activities	\$ (12,686,209)
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See accompanying Notes to Basic Financial Statements.

**COUNTY OF MADERA, CALIFORNIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018**

	Business-Type Activities - Enterprise Funds				Governmental
	Special Districts Water/Sewer	County Landfill	Transit	Total Enterprise Funds	Internal Service Funds
ASSETS					
Current Assets:					
Cash and Investments	\$ 14,432,684	\$ 3,753,245	\$ 353,724	\$ 18,539,653	\$ 8,987,227
Receivables:					
Accounts	681,321	1,496,135	-	2,177,456	155,803
Interest	86,187	39,115	-	125,302	39,436
Taxes	279,667	-	-	279,667	-
Due from Other Funds	36,015	-	-	36,015	17,941
Advances to other funds	-	-	-	-	-
Due from Other Governments	238,507	-	878,675	1,117,182	-
Prepaid Expenses	-	-	-	-	38,525
Inventories	-	-	-	-	62,189
Total Current Assets	<u>15,754,381</u>	<u>5,288,495</u>	<u>1,232,399</u>	<u>22,275,275</u>	<u>9,301,121</u>
Noncurrent Assets:					
Restricted Cash and Investments	2,142,281	5,099,599	-	7,241,880	-
Cash with Fiscal Agents	1,003,997	-	-	1,003,997	-
Long-Term Receivables	10,192,998	-	-	10,192,998	-
Capital Assets:					
Nondepreciable	14,801,748	1,268,259	2,272	16,072,279	293,563
Depreciable, Net	<u>41,897,074</u>	<u>8,813,552</u>	<u>1,007,076</u>	<u>51,717,702</u>	<u>5,760,293</u>
Total Noncurrent Assets	<u>70,038,098</u>	<u>15,181,410</u>	<u>1,009,348</u>	<u>86,228,856</u>	<u>6,053,856</u>
Total Assets	<u>85,792,479</u>	<u>20,469,905</u>	<u>2,241,747</u>	<u>108,504,131</u>	<u>15,354,977</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows - OPEB	-	-	-	-	25,205
Deferred Outflows - Pensions	-	-	-	-	149,304
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>174,509</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	1,049,716	1,341,216	80,236	2,471,168	383,848
Accrued Salaries and Benefits	-	-	-	-	19,940
Interest Payable	283,426	-	-	283,426	-
Due to Other Funds	1,483,222	115,425	11,501	1,610,148	234,116
Due to Other Governments	33,468	72,855	151,553	257,876	5,187
Deposits from Others	99,040	-	-	99,040	-
Unearned Revenues	65,161	-	-	65,161	-
Claims Payable	-	-	-	-	2,495,540
Compensated Absences	-	-	-	-	27,247
Long-Term Debt, Due in One Year	<u>685,029</u>	<u>-</u>	<u>-</u>	<u>685,029</u>	<u>145,642</u>
Total Current Liabilities	<u>3,699,062</u>	<u>1,529,496</u>	<u>243,290</u>	<u>5,471,848</u>	<u>3,311,520</u>
Noncurrent Liabilities:					
Advances from Other Funds	2,390,763	-	-	2,390,763	-
Compensated Absences	-	-	-	-	16,863
Long-Term Debt, Due in More than One Year	21,185,563	-	-	21,185,563	259,318
Liability for Post Employment Benefits	-	-	-	-	1,032,766
Claims Payable	-	-	-	-	8,053,460
Closure/Postclosure Liability	-	4,793,659	-	4,793,659	-
Net Pension Liability	-	-	-	-	695,861
Total Noncurrent Liabilities	<u>23,576,326</u>	<u>4,793,659</u>	<u>-</u>	<u>28,369,985</u>	<u>10,058,268</u>
Total Liabilities	<u>27,275,388</u>	<u>6,323,155</u>	<u>243,290</u>	<u>33,841,833</u>	<u>13,369,788</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred OPEB	-	-	-	-	106,611
Deferred Pension	-	-	-	-	7,911
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>114,522</u>
NET POSITION					
Net Investment in Capital Assets	35,250,380	10,081,811	1,009,348	46,341,539	5,648,896
Unrestricted	<u>23,266,711</u>	<u>4,064,939</u>	<u>989,109</u>	<u>28,320,759</u>	<u>(3,603,720)</u>
Total Net Position	<u>\$ 58,517,091</u>	<u>\$ 14,146,750</u>	<u>\$ 1,998,457</u>	<u>\$ 74,662,298</u>	<u>\$ 2,045,176</u>

See accompanying Notes to Basic Financial Statements.

COUNTY OF MADERA, CALIFORNIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Special Districts Water/Sewer	County Landfill	Transit	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES					
Charges for Services	\$ 7,709,652	\$ 7,473,621	\$ 43,170	\$ 15,226,443	\$ 9,574,832
Other Revenues	32,303	6,050	498	38,851	-
Total Operating Revenues	<u>7,741,955</u>	<u>7,479,671</u>	<u>43,668</u>	<u>15,265,294</u>	<u>9,574,832</u>
OPERATING EXPENSES					
Salaries and Benefits	-	-	-	-	651,422
Services and Supplies	1,534,571	4,697,028	1,373,319	7,604,918	3,242,215
Maintenance	2,946,560	143	5,761	2,952,464	306,998
Insurance	101,763	52,524	-	154,287	2,407,594
Utilities	1,484,342	26,030	1,035	1,511,407	12,831
Claims	-	-	-	-	1,204,908
Depreciation	1,657,084	596,527	73,520	2,327,131	652,408
Landfill Closure/Postclosure Care Costs	-	391,863	-	391,863	-
Other Operating Expense	-	-	-	-	813
Total Operating Expenses	<u>7,724,320</u>	<u>5,764,115</u>	<u>1,453,635</u>	<u>14,942,070</u>	<u>8,479,189</u>
OPERATING INCOME (LOSS)	17,635	1,715,556	(1,409,967)	323,224	1,095,643
NONOPERATING REVENUE (EXPENSES)					
Taxes	401,330	-	-	401,330	-
Aid From Other Governmental Agencies	-	-	2,279,239	2,279,239	-
Investment Income	26,403	11,996	(933)	37,466	(10,185)
Interest and Fiscal Charges	(768,994)	-	-	(768,994)	(14,758)
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	35,988
Total Nonoperating Revenue (Expenses)	<u>(341,261)</u>	<u>11,996</u>	<u>2,278,306</u>	<u>1,949,041</u>	<u>11,045</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(323,626)	1,727,552	868,339	2,272,265	1,106,688
Capital Contributions	1,958,164	-	1,074,087	3,032,251	-
Transfers in	29,909	-	410,633	440,542	-
Transfers out	<u>(1,110,634)</u>	<u>(70,000)</u>	<u>(354,602)</u>	<u>(1,535,236)</u>	<u>-</u>
CHANGE IN NET POSITION	553,813	1,657,552	1,998,457	4,209,822	1,106,688
Net Position - Beginning of Year, Restated	<u>57,963,278</u>	<u>12,489,198</u>	<u>-</u>	<u>70,452,476</u>	<u>938,488</u>
NET POSITION - END OF YEAR	<u>\$ 58,517,091</u>	<u>\$ 14,146,750</u>	<u>\$ 1,998,457</u>	<u>\$ 74,662,298</u>	<u>\$ 2,045,176</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MADERA, CALIFORNIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018**

	Business-type Activities - Enterprise Funds				Governmental Activities
	Special Districts	County	Transit	Total Enterprise Funds	Internal Service Funds
	Water/Sewer	Landfill			
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Receipts from Customers and Users	\$ 7,831,847	\$ 6,737,638	\$ 43,668	\$ 14,613,153	\$ -
Cash Receipts from Interfund Services	-	-	-	-	9,568,700
Cash Paid to Suppliers	(6,483,723)	(4,142,223)	(1,148,326)	(11,774,272)	(7,436,313)
Cash Paid to Employees	-	-	-	-	(514,460)
Net Cash Provided (Used) by Operating Activities	1,348,124	2,595,415	(1,104,658)	2,838,881	1,617,927
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating Grants	-	-	1,400,564	1,400,564	-
Taxes	468,371	-	-	468,371	-
Interfund Loans	(1,205,604)	(1,489,635)	11,502	(2,683,737)	(90,565)
Transfers in	-	-	410,633	410,633	-
Transfers out	(839,103)	(70,000)	(354,602)	(1,263,705)	-
Advance repayments	(104,295)	-	-	(104,295)	-
Advances from other funds	961,519	-	-	961,519	-
Net Cash Provided (Used) by Noncapital Financing Activities	(719,112)	(1,559,635)	1,468,097	(810,650)	(90,565)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of Capital Assets	(6,832,048)	(343,581)	(94,188)	(7,269,817)	(989,242)
Proceeds from Sale of Capital Assets	-	8,723	-	8,723	38,520
Proceeds from Capital Contributions	2,045,336	-	85,406	2,130,742	-
Principal Payments on Debt	(903,794)	-	-	(903,794)	(208,194)
Interest Payments	(904,576)	-	-	(904,576)	(14,758)
Net Cash Provided (Used) by Capital and Related Financing Activities	(6,595,082)	(334,858)	(8,782)	(6,938,722)	(1,173,674)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received	(6,749)	(4,614)	(933)	(12,296)	(25,972)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,972,819)	696,308	353,724	(4,922,787)	327,716
Cash and Cash Equivalents - Beginning of Year	23,551,781	8,156,536	-	31,708,317	8,659,511
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 17,578,962</u>	<u>\$ 8,852,844</u>	<u>\$ 353,724</u>	<u>\$ 26,785,530</u>	<u>\$ 8,987,227</u>
Reconciliation of Cash and Cash Equivalents					
Cash and Investments	\$ 14,432,684	\$ 3,753,245	\$ 353,724	\$ 18,539,653	\$ 8,987,227
Restricted cash and Investments	2,142,281	5,099,599	-	7,241,880	-
Cash with Fiscal Agent	1,003,997	-	-	1,003,997	-
	<u>\$ 17,578,962</u>	<u>\$ 8,852,844</u>	<u>\$ 353,724</u>	<u>\$ 26,785,530</u>	<u>\$ 8,987,227</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MADERA, CALIFORNIA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018**

	Business-type Activities - Enterprise Funds				Governmental Activities
	Special Districts	County	Transit	Total Enterprise Funds	Internal Service Funds
	Water/Sewer	Landfill		Funds	Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 17,635	\$ 1,715,556	\$ (1,409,967)	\$ 323,224	\$ 1,095,643
Adjustments to Reconcile Operating Income (Loss) to Net Cash					
Provided (Used) by Operating Activities:					
Abandoned construction costs	-	-	-	-	-
Depreciation	1,657,084	596,527	73,520	2,327,131	652,408
Changes in Assets and Liabilities:					
(Increase) Decrease in:					
Accounts Receivable	(205,215)	(742,033)	-	(947,248)	(6,132)
Prepaid Expenses	-	-	-	-	14,526
Inventories	-	-	-	-	(18,552)
Long-term Assessment Receivables	259,540	-	-	259,540	-
Deferred Outflows of Resources - Pension	-	-	-	-	(26,176)
Deferred Outflows of Resources - OPEB	-	-	-	-	6,391
Increase (Decrease) in:					
Accounts Payable	(430,441)	560,782	80,236	210,577	133,721
Salaries and Benefits Payable	-	-	-	-	14,179
Due to Other Governments	13,953	72,720	151,553	238,226	4,351
Deposits from Others	23,779	-	-	23,779	-
Unearned Revenue	11,789	-	-	11,789	-
Compensated Absences	-	-	-	-	2,611
Other Postemployment Benefits Obligation	-	-	-	-	(18,883)
Claims Payable	-	-	-	-	(395,000)
Closure/Postclosure Liability	-	391,863	-	391,863	-
Net Pension Liability	-	-	-	-	59,476
Deferred Inflows of Resources - Pension	-	-	-	-	(7,247)
Deferred Inflows of Resources - OPEB	-	-	-	-	106,611
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,348,124</u>	<u>\$ 2,595,415</u>	<u>\$ (1,104,658)</u>	<u>\$ 2,838,881</u>	<u>\$ 1,617,927</u>
SCHEDULE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of Machinery, Equipment & Vehicles on Account	\$ -	\$ -	\$ -	\$ -	\$ 313,019

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MADERA, CALIFORNIA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018**

	Investment Trust Fund	Private Purpose Trust	Agency Funds
ASSETS			
Cash and Investments	\$ 298,717,554	\$ 1,819,529	\$ 8,544,633
Receivables:			
Accounts Receivable	-	-	390
Interest Receivable	-	-	17,280
Taxes	-	-	518,542
Due from Other Governments			5,840
Total Assets	298,717,554	1,819,529	\$ 9,086,685
LIABILITIES			
Accounts Payable	-	-	\$ 623,954
Due to Other Governments	-	-	695,112
Agency Obligations	-	-	7,767,619
Total Liabilities	-	-	\$ 9,086,685
NET POSITION			
Net Position Held in Trust for Investment Pool Participants and Other Purposes	298,717,554	1,819,529	
Total Net Position	\$ 298,717,554	\$ 1,819,529	

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MADERA, CALIFORNIA
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2018**

	Investment Trust Fund	Private Purpose Trust
ADDITIONS		
Contributions to Pooled Investments	\$ 515,050,681	\$ 2,456,586
Net Investment Income:		
Investment Income	(274,452)	(1,220)
Total Additions	514,776,229	2,455,366
DEDUCTIONS		
Distributions from Pooled Investments	521,699,633	2,362,945
CHANGE IN NET POSITION	(6,923,404)	92,421
Net Position - Beginning of Year	305,640,958	1,727,108
NET POSITION - END OF YEAR	\$ 298,717,554	\$ 1,819,529

See accompanying Notes to Basic Financial Statements.



NOTES TO BASIC FINANCIAL STATEMENTS



COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the County of Madera, California (the County) have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

A. Reporting Entity

The County is a General Law county established as a political subdivision of the state of California and as such can exercise the powers specified by the Constitution and laws of the State of California. The County is governed by an elected, five member Board of Supervisors.

As required by generally accepted accounting principles (GAAP) in the United States of America, the accompanying basic financial statements present the activities of the County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships.

Component Units

Component units are legally separate organizations for which the elected officials of the County are either financially accountable or for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading. Each blended and discretely presented component unit has a June 30 fiscal year-end. Following is information on the blended and discretely presented component units of the County.

Blended Component Units

Blended component units, although legally separate entities, are, in substance part of the County's operations. Therefore, data from these blended component units are integrated into the appropriate funds for reporting purposes.

Madera County Industrial Development Authority

The Madera County Industrial Development Authority (MCIDA) was established on March 9, 1981, by Madera County Ordinance No. 460 pursuant to the California Development Financing Act (Title 10 of the Government Code). MCIDA serves to promote and solicit industrial and economic development projects. The County Board of Supervisors acts in the capacity of the MCIDA governing board and have control over the day-to-day operations of MCIDA through budget approvals. The MDICA has no employees, and its daily operation is conducted by County employees. Because its financial and operational relationship with the County is closely integrated, the MCIDA is reported as a nonmajor governmental fund in the County's basic financial statements.

COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Reporting Entity (Continued)

Blended Component Units (Continued)

Madera County Public Financing Authority

The Madera County Public Financing Authority (MCPFA), which is legally separate from the County, was established through a Joint Exercise of Powers Agreement between the County and the County Industrial Development Authority dated December 2013. The County Board serves as the governing board of the MCPFA. The MCPFA has no employees, and its daily operation is conducted by County employees. The MCPFA acts as an accommodation party in certain tax-exempt financings for the sole (exclusive) benefit of the County. For financial reporting purposes, MCPFA is reported as if it were part of the County's operations as it serves to assist the County through borrowings, which are used for the acquisition and construction of public capital improvements and the repair and maintenance, thereof. The MCPFA's financial information is included in the General Fund and the Special District/Water Sewer enterprise fund in the County's basic financial statements.

In-Home Supportive Services (IHSS) Public Authority of Madera County

The IHSS Public Authority (IHSS) was established to act as employer of record for IHSS individual providers and to assist IHSS clients in finding qualified caregivers. Though a legally separate entity, the IHSS Public Authority is programmatically integrated into the County service system for seniors and persons with disabilities. The County Board serves as its governing body and has control over the day-to-day operations of MCIDA through budget approvals. The County is financially accountable for the IHSS Public Authority because the County holds a voting majority and may impose its will on the Authority. The IHSS Public Authority has no employees, and its daily operation is conducted by County employees. Because its financial and operational relationship with the County is closely integrated, the IHSS Public Authority is reported as a nonmajor governmental fund in the County's basic financial statements.

County Service Areas, Maintenance Districts, and Other Special Districts

There are in excess of 100 Maintenance Districts and Service Areas located throughout Madera County. They were formed for the purpose of providing one or more specialized service(s) to the residents. Services provided may include water, sewer, road maintenance, lighting, drainage, etc. The County Board of Supervisors acts as the Board of Directors for, and on behalf of each property owner in the district. The County's Road Department oversees districts providing road maintenance, the County's Engineering Department oversees the daily operations of sewer and water districts. The County Board of Supervisors, review and approves budget, special assessments, and service charges for each special districts. Each of these special districts is, in substance, and integral part of the County and are reported as nonmajor special revenue fund and as Special District Water/Sewer enterprise fund in the County's basic financial statements. Complete financial statements of each special district can be obtained by contacting the County of Madera, Auditor-Controller, 200 W. 4th Street, Madera, CA 93637-3548.

COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Units (Continued)

Madera County Flood Control and Water Conservation Agency

The Madera County Flood Control and Water Conservation Agency (MCFCWCA) was established to govern County-wide conservation, development of water resources, control of drainage, storm, flood and other waters. The members of the governing board of the MCFCWCA are members of the County's Board and have control over the day-to-day operations of MCFCWCA through budget approvals. The MCFCWCA has no employees, and its daily operations are conducted by the County's Engineering Department. Because its financial and operational relationship with the County is closely integrated, the MCFCWCA's financial information is included as a special revenue fund, accounting for reimbursement for flood control related services and projects within the County.

Separate reports are not issued for the Madera County Industrial Development Authority, Madera County Public Financing Authority, In-Home Supportive Services (IHSS) Public Authority of Madera County, and the Madera County Flood Control and Water Conservation Agency.

Discretely Presented Component Units

The discretely presented component units are legally separate from the primary government and usually provide services to entities and individuals outside the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County.

Community Action Partnership of Madera County

The Community Action Partnership of Madera County (CAPMC) is a private, non-profit 501(c)(3) organization provide help to an array of people; from low to moderate income individuals and families who are experiencing a crisis, to those seeking assistance finding or paying for child care, to victims of crime. MCPMC was created in 1965 by the County of Madera Board of Supervisors to administer programs authorized by the federal government under the Equal Opportunity Act of 1964. The Board of Supervisors has designated the governance and fiduciary responsibility to a 15 member tripartite Board of Directors. The Board's consists of five elected public officials, five members from private sector, and five members from the low-income target areas of community. The County is involved in the day-to-day operations of CAPMC, by the assignments of a County employee as the agency's executive director. In addition, the economic resources received by CAPMC are held almost entirely for the direct benefit of the County's constituents. CAPMC issues a separate financial report that can be obtained by writing to Community Action Partnership of Madera County at 1225 Gill Ave., Madera, California 93637.

COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

Madera County Workforce Investment Corporation

The Madera County Workforce Investment Corporation (MCWIC) is a private, non-profit 501(c)(3) organization serving as the administrator/operator of primarily federally-funded workforce development grants and programs, and links employers with employees to improve the quality, competitiveness, and productivity of the local workforce. The County Board of Supervisors appoints the Workforce Development Board of Madera County (WDB) Board of Directors to oversee the Workforce Innovation and Opportunity Act (WIOA) program, which is the primary funding for the MCWIC. In addition the economic resources received by MCWIC are held almost entirely for the direct benefit of the County's constituents. The MCWIC is reported as a discretely presented component unit in the County's basic financial statements. MCWIC issues a separate financial report that can be obtained by writing to Madera County Workforce Investment Corporation at 2037 W. Cleveland Avenue, Madera, California 93637.

B. Basis of Accounting and Measurement Focus

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements

The County's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental and business-type activities for the County accompanied by a total column. Fiduciary activities of the County are not included in these statements.

These basic financial statements are presented on an "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all of the County's assets and liabilities, including capital assets, as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the County in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Accounting and Measurement Focus (Continued)

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds
- Advances to/from other funds
- Transfers in/out

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.

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 general government, public protection, public ways and facilities, health and sanitation, public assistance, education and recreation services.
- The *Road Fund* is used to account for the planning, design, construction, maintenance, and administration of the County's roads and infrastructure.
- The *Public Protection Programs Fund* is used to account for various grants and taxes received from the federal, state, and local governments for the enhancement of public protection activities.
- The *Capital Projects Fund* is used to account for the planning, design and construction of various capital projects.

The County reports the following major proprietary funds:

- The *Special Districts – Water/Sewer* accounts for specialized services such as water, sewer, road maintenance, lighting, and drainage provided to the residents of the County.
- The *County Landfill Fund* accounts for the County's landfill sites, which provide a dumping site for the disposal of solid waste. Revenues are derived from fees generated for the disposal of waste at the site.

COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Accounting and Measurement Focus (Continued)

- The Transit Fund accounts for the administration and delivery of public transit services in Madera County.

The County reports the following additional fund types:

- *Internal Service Funds* are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis. These funds include central garage, self-insurance, and microwave radio services.
- *Investment Trust Fund* accounts for the assets of legally separate entities that deposit cash with the County Treasurer. These entities include school and community college districts, other special districts governed by local boards, regional boards and authorities and pass through funds for tax collections for other governments. These funds represent the assets, primarily cash and investments, and the related liabilities of the County to disburse these monies on demand.
- *Private Purpose Trust Fund* accounts for the assets of the Public Guardian and the Public Administrator.
- *Agency Funds* account for assets held by the County as an agent for various local governments.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balance as presented in these statements to the net position presented in the government-wide financial statements. The County has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except for those revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the County, are property tax, sales tax, intergovernmental revenues, and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

Unavailable revenues arise when potential revenues do not meet both the “*measurable*” and “*available*” criteria for recognition in the current period. Unearned revenues arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, the unavailable revenue is removed from the Balance Sheet and revenue is recognized.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows for each major proprietary fund.

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the government-wide financial statements.

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position and a Statement of Changes in Net Position. The County's fiduciary funds represent an Investment Trust Fund, a Private Purpose Trust Fund, and Agency Funds. Agency funds, which are custodial in nature (assets equal liabilities), do not involve measurement of results of operations. The Investment Trust Fund accounts for the external portion of the County's Investment Pool which commingles resources of legally separate local governments within the County in an investment portfolio for the benefit of all participants. These entities include school and community college districts, other special districts governed by local boards, regional boards, and authorities. These funds represent the assets, primarily cash and investments, and the related liabilities of the County to disburse these monies on demand.

COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the County's policy is to apply restricted net position first.

D. Cash, Cash Equivalents, and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The County participates in an investment pool managed by the State of California titled *Local Agency Investment Fund* (LAIF) which has invested a portion of the pool funds in structured notes and asset-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the state of California collateralizing these investments. In addition, these structured notes and asset-backed securities are subject to market risk as well as to change in interest rates.

E. Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (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 business-type activities are reported in the governmental-wide financial statements as "internal balances."

Advances between funds, reported in the fund financial statements, are offset by a corresponding nonspendable portion of fund balance to indicate that they are not available for appropriation and are not available financial resources.

F. Inventories and Prepaid Items

Inventories for both governmental and proprietary funds, consisting principally of materials and supplies held for consumption, are valued at cost, approximating market value, using the first-in, first-out (FIFO) method. The costs of governmental funds inventories are recorded as expenditures when consumed, rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. The inventories and prepaid items recorded in the governmental funds do not reflect current appropriable resources and, thus, an equivalent portion of fund balance is reported as nonspendable.

COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Note 1 Summary of Significant Accounting Policies (Continued)

G. Capital Assets

Government-Wide Financial Statements

Capital assets, which include land, construction-in-progress, buildings and improvements, improvements other than buildings, machinery and equipment, autos and trucks, equipment under capitalized lease, and infrastructure assets (e.g., roads, bridges, traffic signals, and similar items), are reported in the applicable governmental or business-type activities in the Government-Wide Financial Statements. County policy has set the capitalization threshold for reporting capital assets at \$5,000 for machinery and equipment and \$10,000 for the other categories of capital assets. If purchased or constructed, the capital assets are reported at historical or estimated historical cost. Capital assets received by the County in a service concession arrangement and donated capital assets, including works of art and historical treasures, are recorded at the estimated acquisition value of the date of donation.

Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Water and Sewer System	15-65 Years
Buildings and Improvements	30-50 Years
Machinery and Equipment	3-20 Years
Infrastructure	20-50 Years

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, which requires the inclusion of infrastructure capital assets in local governments' basic financial statements. In accordance with Statement No. 34, the County has included the value of all infrastructure in the Basic Financial Statements.

The County defines infrastructure as the basic physical assets that allow the County to function. The assets include the streets, sewer collection and treatment system, park and recreation lands and improvement system, storm water conveyance system, and buildings combined with the site amenities such as parking and landscaped areas used by the County in the conduct of its business. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, traffic control devices (signs, signals, and pavement markings), landscaping, and land. These subsystems were not delineated in the basic financial statements. The appropriate operating department maintains information regarding the subsystems.

For all infrastructure systems, the County elected to use the Basic Approach as defined by GASB Statement No. 34 for infrastructure reporting. The County commissioned an appraisal of County owned infrastructure and property as of June 30, 2002. This appraisal determined the estimated historical cost, which is defined as the actual cost to acquire new property in accordance with market prices at the time of first construction/acquisition. Estimated historical costs were developed in one of three ways: (1) historical records; (2) standard unit costs appropriate for the construction/acquisition date; or

COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

(3) present cost indexed by a reciprocal factor of the price increase from the construction/acquisition date to the current date. The accumulated depreciation, defined as the total depreciation from the date of construction/acquisition to the current date on a straight line, unrecovered cost method was computed using industry accepted life expectancies for each infrastructure subsystem. The book value was then computed by deducting the accumulated depreciation from the estimated historical cost.

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element, deferred outflows or resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has deferred outflows of resources related to pensions and other postemployment benefits in its proprietary and government-wide statements.

In addition to liabilities, the statement of financial position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has deferred inflows of resources related to unavailable revenues reported under the modified accrual basis of accounting in the governmental funds balance sheet and related to pensions and other postemployment benefits in its proprietary and government-wide statements. The governmental funds report unavailable revenues for receivables that have not been received within the modified accrual period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

I. Long-Term Debt

Government-Wide Financial Statements

Long-term debt and other financed obligations are reported as liabilities in the proprietary fund financial statements and government-wide financial statements.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable premium or discount.

Fund Financial Statements

The governmental fund financial statements do not present long-term debt. As such, long-term debt is shown as a reconciling item in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

J. Compensated Absences

Government-Wide Financial Statements

For governmental and business-type activities, compensated absences are recorded as incurred and the related expenses and liabilities are reported.

COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Compensated Absences (Continued)

Fund Financial Statements

In governmental funds, compensated absences are recorded as expenditures in the year paid, as it is the County's policy to liquidate any unpaid compensated absences at June 30 from future resources, rather than currently available financial resources. In proprietary funds, compensated absences are expensed to the various funds in the period they are earned, and such fund's share of the unpaid liability is recorded as a long-term liability of the fund. Vested or accumulated compensated absences in proprietary funds are recorded as an expense and liability of those funds as the benefits accrue to employees. The compensated absences liability will generally be liquidated through individual funds.

K. Claims Payable

The County records a liability to reflect an actuarial estimate of ultimate uninsured losses for both general liability claims (including property damage claims) and workers' compensation claims. The estimated liability for workers' compensation claims and general liability claims includes "incurred but not reported" (IBNR) claims. There is no fixed payment schedule to pay these liabilities.

L. Net Position and Fund Balances

Government-Wide Financial Statements

In the government-wide financial statements, net position is classified in the following:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position – These amounts are restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Position – All other net position that do not meet the definition of "net investment in capital assets" or "restricted net position."

Fund Financial Statements

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances for governmental funds consist of the following categories:

- *Nonspendable Fund Balance* – includes amounts that are not in a spendable form (such as inventories or prepaid amounts) or are legally or contractually required to be maintained intact.
- *Restricted Fund Balance* – includes amounts that can be spent only for specific purposes stipulated by external parties (such as creditors, grant providers, or contributors) or by law.

COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Net Position and Fund Balances (Continued)

- *Committed Fund Balance* –includes amounts that can be used only for the specific purpose determined by the County’s highest level of decision-making authority (the Board of Supervisors). Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action. 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* – is comprised of amounts intended to be used by the government entity for specific purposes that are neither restricted nor committed. Intent can be expressed by the Board of Supervisors or by an official or body to which the Board delegates the authority. Assigned fund balance can be used to eliminate a projected budgetary deficit in the subsequent year’s budget.
- *Unassigned Fund Balance* – is the residual classification for the County’s General Fund that includes amounts not contained in other classifications. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance. Unassigned amounts are technically available for any purposes.

The Board of Supervisors establishes, modifies, or rescinds fund balance commitments and assignments by passage of a resolution or an ordinance.

When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, followed by the committed, assigned and unassigned resources as they are needed.

M. Property Tax Levy, Collection, and Maximum Rates

The State of California Constitution, Article XIII A provides that the combined maximum property tax rate on any given property may not exceed 1% of its assessed value unless an additional amount for general obligation debt has been approved by the voters. Assessed value is calculated at 100% of market value as defined by Article XIII A and may be increased by no more than 2% per year unless the property is sold or transferred. These general property tax rates do not apply to taxes levied to pay the interest and redemption charges on any indebtedness incurred prior to June 6, 1978, or subsequently approved by the voters. Supplemental property taxes are levied on a pro rata basis when changes in assessed valuation occur due to sales transactions or the completion of construction. The State Legislature has determined the method of distribution among the counties, cities, school districts, and other districts for receipts from the 1% property tax levy.

**COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Property Tax Levy, Collection, and Maximum Rates (Continued)

The County assesses properties, bills for, and collects taxes as follows:

	<u>Secured</u>	<u>Unsecured</u>
Levy Dates	July 1	July 1
Lien Dates	January 1	January 1
Due Dates	November 1 and February 1	August 1
Delinquent After	December 10 and April 10	August 31
Tax Rate per \$100		
Full Cash Value	\$1	\$1
Late Penalty	10%	10%
Delinquent Interest	1-1.5% per month	1-1.5% per month

These taxes are secured by liens on the property being taxed. The Board annually sets the rates of the County and district taxes and levies State, County, and district taxes as provided by law. The term "secured" refers to taxes on land and buildings, while "unsecured" refers to taxes on personal property other than land and buildings. During fiscal year 1993-1994, the Board adopted the Alternative Method of Tax Apportionment (the Teeter Plan). Under this method, the County allocates to all taxing jurisdictions under the County, 100% of the secured property taxes billed, even if it has not yet been collected. In return, the County retains the subsequent delinquent payments and associated penalties and interest. The penalties and interest are accumulated in an Agency Fund. The County may transfer to the General Fund any excess over the reserve required by the Board and the State.

Delinquent property taxes receivable are shown on the balance sheet of the property tax trust funds. Under California law, real property is not subject to sale for reasons of delinquent taxes until the end of the fifth year of delinquency, and the taxpayer may arrange to repay the delinquent taxes over a five-year period and any time within the five-year period, although the property is subject to a cash redemption up to the time of the sale.

Secured property taxes are recorded as revenue when apportioned, in the fiscal year of the levy. The County apportions secured property tax revenue in accordance with the alternate method of distribution prescribed by ¶4705 of the State of California Revenue and Taxation Code. This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll.

Under the alternate apportionment method, specified amounts of penalties and interest collected on delinquent secured taxes are held in trust in the secured tax losses reserve fund-to-fund specified tax redemption short falls. This reserve is used to fund the apportionment of secured taxes.

COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Use of Estimates

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and the disclosure of contingent assets and liabilities at the date of the basic financial statements and the related reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management believes that the estimates are reasonable.

O. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the County's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. Other Postemployment Benefits (OPEB)

The County has not established a trust that meets paragraph 4 of GASB Statement No. 75 to fund its other post employment benefits.

COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. New Accounting Pronouncements

The following Governmental Accounting Standards Board (GASB) Statements have been implemented in the current financial statements:

Statement No. 75	<i>Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans</i>	The provisions of this statement are effective for financial statement periods beginning after June 15, 2017.
Statement No. 81	<i>Irrevocable Split-Interest Agreements</i>	The provisions of this statement are effective for financial statement periods beginning after December 15, 2016. The requirements of this statement were considered but had no effect on the County's current fiscal year.
Statement No. 85	<i>Omnibus 2017</i>	The provisions of this statement are effective for financial statement periods beginning after June 15, 2017. The requirements of this statement were considered but had no effect on the County's current fiscal year.
Statement No. 86	<i>Certain Debt Extinguishment Issues</i>	The provisions of this statement are effective for financial statement periods beginning after June 15, 2017. The requirements of this statement were considered but had no effect on the County's current fiscal year.
Statement No. 89	<i>Accounting for Interest Cost Incurred Before the End of a Construction Period</i>	<p>The provisions of this statement are effective for financial statement periods beginning after December 15, 2019. (FY 20/21)</p> <p>The County elected to early adopt the provisions of this standard which had minimal impact on the financial statements.</p>

**COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Future Accounting Pronouncements

The following Governmental Accounting Standards Board (GASB) Statements will be implemented in future financial statements.

Statement No. 83	<i>Certain Asset Retirement Obligations</i>	The provisions of this statement are effective for financial statement periods beginning after June 15, 2018. (FY 18/19)
Statement No. 84	<i>Fiduciary Activities</i>	The provisions of this statement are effective for financial statement periods beginning after December 15, 2018 (FY 19/20)
Statement No. 87	<i>Leases</i>	The provisions of this statement are effective for financial statement periods beginning after December 15, 2019. (FY 20/21)
Statement No. 88	<i>Certain Disclosures Related to Debt including Direct Borrowings and Direct Placements</i>	The provisions of this statement are effective for financial statement periods beginning after December 15, 2018. (FY 18/19)
Statement No. 90	<i>Majority Equity Interests - an amendment of GASB Statements No. 14 and 61</i>	The provisions of this statement are effective for financial statement periods beginning after December 15, 2018. (FY 18/19)

Management has not yet completed its assessments on the implementation of these accounting pronouncements.

NOTE 2 CASH AND INVESTMENTS

The following is a summary of cash and investments at June 30, 2018:

	Government-Wide Statement of Net Assets		Total Primary Government	Fiduciary Funds	Discretely Presented Component Units	Total
	Governmental Activities	Business-Type Activities				
Cash and Investments	\$ 130,055,113	\$ 18,539,653	\$ 148,594,766	\$ 309,081,716	\$ 2,223,692	\$ 459,900,174
Restricted Assets:						
Cash and Investments	22,222	7,241,880	7,264,102	-	-	7,264,102
Cash with Fiscal Agents	-	1,003,997	1,003,997	-	-	1,003,997
Total	\$ 130,077,335	\$ 26,785,530	\$ 156,862,865	\$ 309,081,716	\$ 2,223,692	\$ 468,168,273

**COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Cash deposits and investments consisted as follows at June 30, 2018:

County of Madera:

Cash and Investments:

Imprest Cash	\$	7,572
Cash in Banks-Department Administered		90,217
Total Cash		97,789

In Custody of Treasurer:

Cash on Hand		12,000
Cash in Banks		25,197,874
Total in Custody of Treasurer		25,209,874

Investments Held by Treasurer:

Certificates of Deposit		1,000,000
LAIF		15,906,087
CAMP		10,250,502
U.S. Government-Sponsored Enterprise Sec.		316,142,641
Medium Term Corporate Notes		85,722,660
Depository Accounts		2,021,111
Municipal Bonds		8,589,920
Total Investments Held by Treasurer		439,632,921

Cash Held With Fiscal Agent and Other Deposits

Government Money Market		241,208
Enterprise - Maintenance Districts & Service Areas		762,789
Total Cash Held with Fiscal Agent and Other Deposits		1,003,997

Total Cash and Investments 465,944,581

Discretely Presented Component Units:

Cash and Cash Equivalents -		
Community Action Partnership of Madera County		2,015,309
Madera County Workforce Investment Corporation		208,383
Total Cash and Investments		\$ 468,168,273

A. Cash Deposits

The carrying amounts of the County's cash deposits were \$30,144,599 at June 30, 2018. Bank balances at June 30, 2018 were fully insured or collateralized with securities held by the pledging financial institutions in the County's name.

COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

B. Investments

The County sponsors an investment pool that is managed by the County Treasurer for the purpose of increasing interest earnings through investment activities. Cash and investments for most County activities are included in the investment pool.

The Board exercises primary oversight responsibility for the County's investments. In addition, a Madera County Treasury Oversight Committee, which consists of the County Treasurer, the Auditor-Controller and a third member representing the County schools (the primary external pool participant) was established to monitor the Treasury's investments on a regular basis. No regulatory agency outside the County exercises any regulatory responsibilities over the County's investments. The County's pool is not registered with the SEC as an investment company.

School districts and special districts within the County are required to deposit funds with the County Treasurer and participate in the pool. The schools and special districts are not component units of the County and therefore are participants in the County's external investment pool.

The pool values participants' shares on an amortized cost basis. Specifically, the pool distributes income to participants on a quarterly basis based on their relative participation during the quarter that is calculated based on:

1. Realized investment gains and losses calculated on an amortized cost basis,
2. Interest income based on stated rates (both paid and accrued),
3. Amortization of discounts and premiums on a straight-line basis, and
4. Investment and administrative expenses.

This method differs from the fair value method because the amortized cost method is not designed to distribute to participants all unrealized gains and losses in the fair values of the pool's investments.

Under the provisions of the County's investment policy, and in accordance with California Government Code, the County is authorized to invest or deposit in the following:

- Local agency bonds
- US Treasury obligations
- State obligations
- California local agency obligations
- Obligations of the U.S. agency, U.S. government sponsored enterprise, participations, and instrumentalities
- Banker's acceptances
- Commercial paper rated A-1 by Standard & Poor's or P-1 by Moody's
- Negotiable certificates of deposit and non-negotiable time certificates of deposits
- Repurchase agreements
- Medium-term corporate notes rated "A" or its equivalent, or better
- Mutual funds and money market mutual funds
- State of California Local Agency Investment Fund
- Joint powers authority pool

COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

C. Risk Disclosures

The following is a summary of the concentration of credit risk, average maturities, and credit quality distribution by investment type as a percentage of the County Investment Pool's fair value at June 30, 2018:

Investment Type	Fair Value	Percentage of Portfolio	Average Maturity (in years)	Credit Rating (Moody's)
LAIF	\$ 15,906,087	3.57 %	-	N/A
CAMP	10,250,502	2.30	-	N/A
Certificates of Deposits	1,000,000	0.22	0.44	N/A
Depository Accounts	2,021,111	0.45	0.79	N/A
Federal Agency Coupon Securities	316,142,641	71.99	1.86	AAA
Municipal Bonds				
University of CA	1,984,920	0.45	1.60	AA2
Public Fin Auth (Bass Lake)	6,605,000	1.48	3.45	NA
Medium Term Corporate Notes:				
Apple Inc.	2,943,870	0.67	1.62	AA1
Apple Inc.	3,875,840	0.89	2.22	AA1
Bank of New York Mellon	2,987,700	0.68	1.63	A1
Bank of New York Mellon	2,991,990	0.67	1.78	A1
Cisco Systems	2,864,010	0.67	2.07	A1
Citibank, NA	4,896,900	1.12	2.03	A1
Coca Cola	2,968,560	0.67	1.83	AA3
HSBC Bank USA	4,918,400	1.12	2.07	AA3
HSBC Bank USA	4,773,550	1.12	2.70	AA3
IBM Corp	3,908,240	0.90	1.69	A1
J P Morgan	4,924,300	1.12	1.50	AA3
Microsoft Corp	3,045,180	0.69	1.43	AAA
Microsoft Corp	2,876,730	0.66	2.14	AAA
Microsoft Corp	3,936,920	0.89	2.07	AAA
Pepsico Inc.	2,924,880	0.67	1.97	A1
Toyota	2,999,100	0.67	1.40	AA3
Toyota	3,943,760	0.90	1.47	AA3
Toyota	4,053,520	0.89	2.88	AA3
US Bancorp	2,993,640	0.67	1.74	A1
WalMart	2,991,420	0.67	1.38	AA2
WalMart	3,035,280	0.70	1.72	AA2
Wells Fargo	2,983,080	0.67	2.27	A2
Wells Fargo	4,888,400	1.13	2.12	A2
Wells Fargo	2,997,390	0.67	1.97	A2
Total Investments Held by Treasurer	<u>\$ 439,632,921</u>	<u>100.00 %</u>		

**COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

C. Risk Disclosures (Continued)

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits investments to a maximum maturity of five years. Maturities are selected to anticipate cash need, thereby reducing the possibility of the need for future investment liquidation. The County is in compliance with this provision of the Policy.

Credit Risk

The County's Policy limits investments in commercial paper to the highest grade of stand alone or enhanced (prime) commercial paper as rated by Moody's Investor Service, Standard & Poor's Corporation, or Fitch Financial Services and requires that the management company of mutual funds must have attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.

Concentration of Credit Risk

At June 30, 2018, in accordance with State law and the County's Investment Policy, the County did not have 10% or more of its net investment in commercial paper, corporate bonds, or medium term notes of a single organization, nor did it have 15% or more of its net investment in any one money market mutual fund. Investments in obligations of the U.S. government, U.S. government agencies, or government-sponsored enterprises are exempt from these limitations. At June 30, 2018, the County had the following investments in any one issuer that represent 5% or more of the total investments.

	<u>% of Portfolio</u>	<u>Amount</u>
Federal Farm Credit	19.28%	\$ 85,994,475
Federal Home Loan Bank	28.82%	119,617,828
Federal Home Loan Mortgage Corp.	18.04%	80,452,529
Federal National Mortgage Association	7.84%	34,967,015

Custodial Credit Risk

The California Government Code requires California banks and savings and loan associations to secure the County's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the County's name.

**COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

C. Risk Disclosures (Continued)

Custodial Credit Risk (Continued)

The market value of pledged securities must equal at least 110% of the County's cash deposits. California law also allows institutions to secure County deposits by pledging first trust deed mortgage notes having a value of 150% of the County's total cash deposits. The County may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The County, however, has not waived the collateralization requirements.

D. Local Agency Investment Fund

The County is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the state of California. The County's investments with LAIF at June 30, 2018, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities:

Structured Notes: debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or have embedded forwards or options. They are issued by corporations and by government-sponsored enterprises such as the Federal National Mortgage Association and the Federal Home Loan Bank System or an international agency such as the World Bank.

Asset-Backed Securities: entitle the purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables (such as asset-backed commercial securities).

As of June 30, 2018, the County had \$15,906,807 invested in LAIF, which had invested 2.67% of the pool investment funds in Structured Notes and Asset-Backed Securities.

LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with state statute.

COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

E. County Investment Pool Summary

The following represents a summary of net assets and changes in net assets for the Treasurer's investment pool as of June 30, 2018:

Statement of Net Position:

Net Position Held for Pool Participants	<u>\$ 464,842,810</u>
Equity of Internal Pool Participants	\$ 166,125,256
Equity of External Pool Participants	298,717,554
Total Net Assets	<u>\$ 464,842,810</u>

Statement of Changes in Net Position:

Net Position at July 1, 2017	\$ 464,441,382
Net Change in Investments by Pool Participants	401,428
Net Position at June 30, 2018	<u>\$ 464,842,810</u>

F. Fair Value Measurements

The Pool categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy, as follows:

Level 1 – Investments reflect prices quoted in active markets;

Level 2 – Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and,

Level 3 – Investments reflect prices based upon unobservable sources.

**COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

F. Fair Value Measurements (Continued)

The pool has the following recurring fair value measurements as of June 30, 2018:

Investments by Fair Value Level	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Observable Inputs (Level 3)
Medium Term Corporate Notes	\$ 85,722,660	\$ -	\$ 85,722,660	\$ -
Federal Agency Coupon Securities	316,142,641	-	316,142,641	-
Municipal Bonds	8,589,920	-	8,589,920	-
Total Investments Measured at Fair Value	410,455,221	\$ -	\$ 410,455,221	\$ -
Investments Measured at Amortized Cost				
LAIF	15,906,087			
CAMP	10,250,502			
Depository Accounts	2,021,111			
Non-Negotiable CDs	1,000,000			
Total Pooled and Directed Investments	\$ 439,632,921			

G. Restricted Cash and Investments

Cash and investments at June 30, 2018 that are restricted by legal or contractual requirements are comprised of the following:

Governmental Activities:

Nonmajor Governmental Funds	
Debt service reserves	\$ 22,222

Business-type Activities:

Special Districts - Water Sewer	
Debt service reserves	2,383,490
CSA 2A&B Wastewater projects	762,788
County Landfill	
Funds for landfill site closure and maintenance costs	<u>5,099,599</u>
Total	\$ <u>8,268,099</u>

**COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 3 RECEIVABLES

A. Accounts Receivable

Accounts receivable balance for the Special Districts - Water/Sewer, an enterprise fund, is stated net of allowances for uncollectible accounts. At June 30, 2018, allowances for uncollectible accounts is \$569,429.

B. Loans Receivable

North Fork Community Development Council

The County entered into a loan agreement with the North Fork Community Development Council (NFCDC) on September 22, 2015. The loan amount was \$771,690 with a \$200,000 discount netting to \$571,690. The loan has a 10-year term beginning July 1, 2011 with a 1 percent interest rate. All principal and interest is due on June 30, 2021. Under the Promissory Note, the NFCDC will make monthly payments of at least \$2,000 and those payments will be augmented by additional payments NFCDC will make as they sell parcels at the Mill Site, as parcels are leased (generating lease income) and from income derived from the operation of a proposed new power plant at the site. A loan receivable of \$596,358 was recorded under the General Government nonmajor special revenue fund at June 30, 2018. Based on the payment schedule for loan receivable, \$572,358 of the amount reported is not expected to be collected within the next year.

Housing Loans

A total of \$6,015,695 was recorded as loans receivable under Housing nonmajor special revenue fund at June 30, 2018. This represent low or no interest mortgage notes to finance single family construction and rehabilitation projects, as well as homebuyer assistance for low income families, as part of the County's affordable program. The County's primary sources of funding for these loans come from grants from the federal Community Development Development Block Grant (CDBG) program, HOME Investment Partnership (HOME), Neighborhood Stabilization Program (NSP), and Economic Development Commission (EDC).

At June 30, 2018, the County Housing fund has the following loans receivable:

<u>Loan Type</u>	<u>Loan Term</u>	<u>Interest rates</u>	<u>Outstanding at June 30, 2018</u>
CDBG loans	30 years	0%	\$ 3,405,807
HOME loans	30 years	0%	1,726,750
NSP-3 Loans	30 years	0%	673,683
EDC small business loans	5-10 years	3% - 5%	209,455
			<u>\$ 6,015,695</u>

The entire loans receivable balance of \$6,015,695 is not expected to be collected within the next year.

**COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 3 RECEIVABLES (CONTINUED)

C. Long-term Assessments Receivable

Several maintenance districts and county service area within the County have issued capital improvement special assessment debts and the County is obligated in some manner for these debts. These special assessment debts and corresponding special assessment receivables are recorded in the Special District - Water/Sewer fund. Long-term assessments receivable as of June 30, 2018 is \$10,192,998. Based on the payment schedule for assessment receivables, \$9,956,474 of the amount reported in the Special District - Water/Sewer fund is not expected to be collected within the next year.

NOTE 4 INTERFUND TRANSACTIONS

A. Fund Financial Statements

Due to and Due from Other Funds

The County had the following due to/from other funds as of June 30, 2018:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Road Fund	\$ 260,524	Charges for interfund services
	Special Revenue - Public Protection	4,897,279	Cost recovery from Realignment fund
	Capital Projects	3,000,000	Advance for capital projects
			Cost recovery from Realignment fund/ fund reclassification
	Nonmajor Governmental Funds	2,342,754	
	Special Districts - Water/Sewer	1,477,815	Charges for interfund services
	County Landfill	113,196	Charges for interfund services
	Transit	11,501	Charges for interfund services
	Internal Service Fund	234,116	Charges for interfund services
		<u>12,337,185</u>	
Road Fund	General Fund	13,519	Charges for interfund services
	Special Revenue - Public Protection	42,047	Charges for interfund services
	Nonmajor Governmental Funds	108,294	Charges for interfund services
	County Landfill	2,229	Charges for interfund services
	Special Districts - Water/Sewer	5,407	Charges for interfund services
	<u>171,496</u>		
Special Revenue - Public Protection	General Fund	<u>14,308</u>	Charges for interfund services
Capital Projects	General Fund	<u>130,633</u>	Fund reclassification
Nonmajor Governmental Funds	General Fund	<u>324,333</u>	Cost recovery from Realignment Fund
Special Districts - Water/Sewer	General Fund	8,015	Charges for interfund services, advance payback
	Nonmajor Governmental Funds	<u>28,000</u>	Advance
		36,015	
Internal Service Fund	General Fund	<u>17,941</u>	Charges for interfund services
Total		<u>\$ 13,031,911</u>	

The interfund balances resulted from the time lag between the dates that interfund goods/services are provided or reimbursable expenditures occur and the dates payments between funds are made.

**COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 4 INTERFUND TRANSACTIONS (CONTINUED)

B. Fund Financial Statements (Continued)

Advances to and Advances from Other Funds

The County had the following advances to/from other funds as of June 30, 2018:

Advances to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue - Public Protection	\$ 200,000
	Capital Projects	827,360
	Special Districts - Water/Sewer	<u>1,596,062</u>
		<u>2,623,422</u>
Special Revenue - Public Protection	General Fund	100,000
	Capital Projects	27,231
	Special Districts - Water/Sewer	<u>100,000</u>
		<u>227,231</u>
Capital Projects	General Fund	<u>60,949</u>
Nonmajor Governmental Funds	Special Districts - Water/Sewer	<u>694,701</u>
Total		<u>\$ 3,606,303</u>

Advances are used to record transactions between funds that are representative of lending and borrowing arrangements outstanding at the end of the fiscal year. The General Fund, Capital Projects Fund, Special Revenue – Public Protection, Special Districts – Water/Sewer Enterprise Fund, and Nonmajor Governmental loans were incurred primarily for the acquisition of capital assets.

Transfers in and Transfers out

Transfers are used primarily to fund capital projects and debt service payments, move revenues from funds required by statute or budget and finance various programs accounted for in other funds.

**COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 4 INTERFUND TRANSACTIONS (CONTINUED)

B. Fund Financial Statements (Continued)

Interfund transfers to/from other funds for the year ended June 30, 2018 were as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Capital Projects	\$ 5,745,973	Jail HVAC & security upgrade projects, PH and DSS building, morgue project, Ag Commissioner's building, Rancho library and Sheriff substation.
	Special Districts/Water Sewer	29,909	Loan forgiveness to MD 95
		<u>5,775,882</u>	
Road Fund	Transit	<u>410,633</u>	Transit activities
Special Revenue - Public Protection	General Fund	7,097,541	Fund fire truck, realignment transfers Jail Security Upgrade, probation
	Capital projects	404,962	bootcamp projects, morgue project
		<u>7,502,503</u>	
Nonmajor Governmental Funds	General Fund	12,160,027	Realignment transfers, funding for MOE for SUD program, tobacco programs, fire equipment
	Nonmajor Governmental Funds	217,843	InHome Supportive Services Fund Reclassification
		<u>12,377,870</u>	
Special Districts - Water/Sewer	General Fund	<u>60,000</u>	Fire service
County Landfill	General Fund	<u>70,000</u>	LEA service
Transit	Road Fund	<u>354,602</u>	Transit activities
Total		<u>\$ 25,893,105</u>	

In addition to the transfers listed above, the County transferred capital assets in the amount of \$1,050,635 from the Special Districts – Water/Sewer proprietary funds to the Governmental Activities during the year.

**COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 5 CAPITAL ASSETS

A. Government-Wide Financial Statements

The following is a summary of capital assets for governmental activities:

	Restated Balance July 1, 2017	Additions	Retirements	Transfers and Adjustments	Balance June 30, 2018
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 15,867,223	\$ -	\$ (693,635)	\$ -	\$ 15,173,588
Construction-in-Progress	5,813,676	8,343,426	(129,342)	(2,165,522)	11,862,238
Infrastructure (Nondepreciable)	58,173,720	-	-	-	58,173,720
Total Capital Assets, Not Being Depreciated	79,854,619	8,343,426	(822,977)	(2,165,522)	85,209,546
Capital Assets, Being Depreciated:					
Infrastructure (Depreciable)	193,229,472	547,014	-	-	193,776,486
Buildings and Improvements	164,202,364	-	(80,397)	2,165,522	166,287,489
Equipment	53,127,447	5,139,279	(2,174,684)	-	56,092,042
Total Capital Assets, Being Depreciated	410,559,283	5,686,293	(2,255,081)	2,165,522	416,156,017
Less Accumulated Depreciation:					
Infrastructure (Depreciable)	(139,814,367)	(3,888,552)	-	-	(143,702,919)
Structures and Improvements	(39,016,788)	(3,582,631)	40,229	-	(42,559,190)
Equipment	(28,209,407)	(3,286,434)	2,114,547	-	(29,381,294)
Total Accumulated Depreciation	(207,040,562)	(10,757,617)	2,154,776	-	(215,643,403)
Total Capital Assets, Being Depreciated	203,518,721	(5,071,324)	(100,305)	2,165,522	200,512,614
Total Governmental Activities	<u>\$ 283,373,340</u>	<u>\$ 3,272,102</u>	<u>\$ (923,282)</u>	<u>\$ -</u>	<u>\$ 285,722,160</u>

**COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 5 CAPITAL ASSETS (CONTINUED)

A. Government-Wide Financial Statements (Continued)

Depreciation expense was charged to governmental functions as follows:

<u>Governmental Activities</u>	<u>Total</u>
General Government	\$ 1,714,266
Public Protection	2,886,993
Public Ways and Facilities	4,618,144
Health and Sanitation	206,643
Public Assistance	188,477
Education	87,308
Recreation and Culture	403,377
Capital Assets Held by the Government's Internal Service Funds are Charged to the Various Functions Based on their Usage of the Assets	652,408
Total	<u>\$ 10,757,616</u>

The following is a summary of capital assets for business-type activities:

	Restated Balance July 1, 2017	Additions	Retirements	Transfers and Adjustments	Balance June 30, 2018
Business-Type Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 3,631,807	\$ -	\$ -	\$ -	\$ 3,631,807
Land under Roads	418,355	-	-	-	418,355
Construction-in-Progress	8,762,260	7,553,111	-	(4,293,254)	12,022,117
Total Capital Assets, Not Being Depreciated	12,812,422	7,553,111	-	(4,293,254)	16,072,279
Capital Assets, Being Depreciated:					
Infrastructure (Depreciable)	269,516	-	-	-	269,516
Structures and Improvements	78,911,429	449,468	-	4,293,254	83,654,151
Equipment	2,036,627	46,341	-	-	2,082,968
Total Capital Assets, Being Depreciated	81,217,572	495,809	-	4,293,254	86,006,635
Less Accumulated Depreciation:					
Infrastructure (Depreciable)	(269,516)	-	-	-	(269,516)
Structures and Improvements	(30,675,825)	(2,176,652)	-	-	(32,852,477)
Equipment	(1,016,460)	(150,479)	-	-	(1,166,939)
Total Accumulated Depreciation	(31,961,801)	(2,327,131)	-	-	(34,288,932)
Total Capital Assets, Being Depreciated	49,255,771	(1,831,322)	-	4,293,254	51,717,703
Total Business-Type Activities	<u>\$ 62,068,193</u>	<u>\$ 5,721,789</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,789,982</u>

**COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 5 CAPITAL ASSETS (CONTINUED)

A. Government-Wide Financial Statements (Continued)

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

<u>Business-Type Activities</u>	<u>Total</u>
Special Districts - Watr/Sewer	\$ 1,657,084
County Landfill	596,527
Transit	73,520
Total	<u>\$ 2,327,131</u>

NOTE 6 LEASES

Operating Leases

The County has commitments under long-term real property operating lease agreements for facilities used for operations. Total rental expense for these real property operating leases for the year ended June 30, 2018 was approximately \$1,646,946. The following is a schedule of future minimum rental payments required under operating leases entered into by the County that have initial or remaining noncancelable terms in excess of one year as of June 30, 2018:

<u>Year Ending June 30.</u>	<u>Amount</u>
2019	\$ 1,360,024
2020	534,014
2021	434,660
2022	358,390
2023	278,758
2024-2027	489,312
Total	<u>\$ 3,455,158</u>

The County has also entered into leases for personal property, the majority of which are for equipment maintenance. These lease agreements provide for cancellation in the event the Board of Supervisors does not appropriate funding in subsequent fiscal years; therefor, the County is not obligated beyond the end of any fiscal year.

**COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 6 LEASES (CONTINUED)

Capital Leases

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

The following is a summary of equipment leased under capital lease agreements by the County as of June 30, 2018:

	<u>Stated Interest Rate</u>	<u>Present Value of Remaining Payment as of June 30, 2018</u>
Dell Computer Equipment	4 % - 7.338 %	\$ 490,197
Solar Equipment	3.49 %	9,627,000
New Sheriff Facility	2.44 %	9,122,485
DOC Computer Equipment	4.00 %	43,399
IT Cubicles	4.77 %	85,967
Fire truck equipment	3.92 %	1,438,327
Jail HVAC	3.21 %	2,509,653
Microwave/radio Equipment	3.02 %	100,995
Central Garage Vehicles	7.26% - 8.48%	303,965
Total		<u>\$ 23,721,988</u>

The cost of buildings and equipment under capital leases are as follows:

	<u>Amount</u>
Dell Computer Equipment	\$ 801,872
Solar Equipment	9,722,175
New Sheriff Facility	9,750,000
DOC Computer Equipment	164,297
IT Cubicles	157,166
Fire truck equipment	1,448,327
Jail HVAC	2,509,653
Microwave/radio Equipment	1,609,396
Central Garage Vehicles	313,019
Less: Accumulated Depreciation	<u>(2,388,130)</u>
Total	<u>\$ 24,087,775</u>

COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 6 LEASES (CONTINUED)

As of June 30, 2018, future minimum lease payments under capital leases were as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 2,491,579
2020	2,343,727
2021	2,151,211
2022	2,149,184
2023	2,171,527
2024 - 2028	12,701,592
2029 - 2033	3,253,860
2034 - 2038	4,268,630
Total Future Minimum Lease Payments	<u>31,531,310</u>
Less: Interest	<u>(7,809,322)</u>
Present Value Minimum Lease Payments	<u><u>\$ 23,721,988</u></u>

NOTE 7 LONG-TERM LIABILITIES

The following is a summary of long-term liabilities transactions for the year ended June 30, 2018:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Amounts Due Within One Year
Governmental Activities					
Capital lease obligations	\$ 20,159,069	\$ 4,701,422	\$ (1,138,503)	\$ 23,721,988	\$ 1,576,061
Loans payable	12,708,199	-	(1,307,462)	11,400,737	1,325,468
Compensated Absences	15,906,830	8,873,511	(8,399,189)	16,381,152	7,493,596
Litigation Judgment	178,302	-	(31,005)	147,297	33,176
Liability for Unpaid Claims	10,944,000	1,968,186	(2,363,186)	10,549,000	2,495,540
Total other postemployment benefits liability	190,528,000	-	(9,416,000)	181,112,000	-
Net Pension Liability	162,891,181	79,328,809	(58,794,059)	183,425,931	-
Total Governmental Activities Long-Term Liabilities	<u>\$ 413,315,581</u>	<u>\$ 94,871,928</u>	<u>\$ (81,449,404)</u>	<u>\$ 426,738,105</u>	<u>\$ 12,923,841</u>
Business-Type Activities					
Improvement District 1915 Act Bonds	\$ 10,367,167	\$ -	\$ (224,947)	\$ 10,142,220	\$ 234,930
Unamortized Discount	(65,461)	-	3,117	(62,344)	(3,117)
	10,301,706	-	(221,830)	10,079,876	231,813
Revenue Bonds	6,851,800	-	(180,100)	6,671,700	320,300
Loans Payable	5,247,589	-	(128,573)	5,119,016	132,916
Liability for landfill closure	4,401,796	391,863	-	4,793,659	-
Total Business-Type Activities Long-Term Liabilities	<u>\$ 26,802,891</u>	<u>\$ 391,863</u>	<u>\$ (530,503)</u>	<u>\$ 26,664,251</u>	<u>\$ 685,029</u>

*The total other postemployment benefits liability replaces the OPEB obligation reported at June 30, 2017 as a result of the implementation of GASB Statement No. 75. Net position has been restated to reflect the cumulative effect of GASB Statement No. 75 implementation as noted at Note 10.

Compensated absences are generally liquidated with resources by the General fund, Road fund and the Central Garage internal services fund as follows: 96.7 percent, 3.0 percent and 0.3 percent,

COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

respectively. The General Fund liquidates the litigation judgement while the claims liability reported in the risk management internal service fund is liquidated by the internal service fund.

The liability for the majority of the total other postemployment benefits liability and net pension liability are liquidated by the General Fund (approximately 99.5 percent), and the remaining 0.5 percent is liquidated by the Central Garage internal service fund.

As of June 30, 2018, annual debt service requirements of governmental activities to maturity are as follows:

Loans Payable		
Year Ending		
June 30,	Principal	Interest
2019	\$ 1,325,468	\$ 236,364
2020	1,346,089	206,849
2021	1,376,032	176,906
2022	1,406,641	146,296
2023	1,437,932	115,006
2024 - 2028	4,508,575	150,239
Total	<u>\$ 11,400,737</u>	<u>\$ 1,031,660</u>

As of June 30, 2018, annual debt service requirements of business-type activities to maturity are as follows:

Improvement District 1915 Act Bonds		
Year Ending		
June 30,	Principal	Interest
2019	\$ 234,930	\$ 483,230
2020	246,780	472,002
2021	259,960	460,185
2022	272,560	447,647
2023	278,370	434,570
2024 - 2028	1,597,630	1,893,780
2029 - 2033	2,014,780	1,462,615
2034 - 2038	2,574,460	921,316
2039 - 2043	2,232,750	336,861
2043+	430,000	9,673
Total	<u>10,142,220</u>	<u>\$ 6,921,879</u>
Less Discount	<u>(62,344)</u>	
Total	<u>\$ 10,079,876</u>	

**COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Revenue Bonds		
Year Ending June 30,	Principal	Interest
2019	\$ 320,300	\$ 228,864
2020	330,600	217,392
2021	340,900	205,555
2022	356,400	193,268
2023	366,400	180,530
2024 - 2028	2,042,100	695,313
2029 - 2033	2,385,000	307,213
2034 - 2038	530,000	9,275
Total	<u>\$ 6,671,700</u>	<u>\$ 2,037,410</u>

Loans Payable		
Year Ending June 30,	Principal	Interest
2019	\$ 132,916	\$ 167,470
2020	138,941	162,234
2021	137,790	156,784
2022	132,740	151,233
2023	126,890	146,542
2024 - 2028	704,790	661,585
2029 - 2033	840,060	525,090
2034 - 2038	1,002,460	359,702
2039 - 2043	840,430	177,093
2044 - 2048	450,000	99,675
2049 - 2053	504,000	46,665
2054+	107,999	2,430
Total	<u>\$ 5,119,016</u>	<u>\$ 2,656,503</u>

Long-term liabilities at June 30, 2018 consisted of the following:

Governmental Activities

Loans Payable

Maintenance District 32 had contracted with various State and Federal agencies for loans to reimburse dependent special districts for construction costs. Principal and interest are repaid by charging property owners within the geographical boundaries of the district.

The County entered into a financial contract with the Bank of the West for refunding the 2005 Certificates of Participation related to the government center building.

**COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

	<u>Date of Issue</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2018</u>
Maintenance District 32	10/24/2000	10/24/2018	5.125%	\$5,404 - \$19,320	\$ 344,445	\$ 8,671
Government Center Building	9/30/2015	8/1/2025	2.200%	\$1,260,112 - \$1,536,041	13,940,320	11,392,066
						<u>\$ 11,400,737</u>

Business-Type Activities

Revenue Bonds

The County issued the Maintenance District 08A Special Tax Bonds to expand the wastewater treatment plant. The County has pledged a portion of special assessments revenue to repay the Maintenance District 08A Revenue Bonds.

The County also issued the County Service Area 2A/2B Wastewater Revenue Bonds to finance the Bass Lake wastewater treatment plant and lift system construction costs and to pay costs of issuing such Bonds. The County has pledged a portion of special assessments revenue to repay the County Service Area 2A/2B Revenue Bonds.

	<u>Date of Issue</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2018</u>
Maintenance District 08A	3/15/1988	7/1/2027	5.00%	\$1,300 -\$7,900	\$ 147,000	\$ 66,700
County Service Area 02	4/5/2017	9/1/2033	3.50%	\$175,000 -\$530,000	6,780,000	6,605,000
						<u>\$ 6,671,700</u>

**COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities (Continued)

Improvement District 1915 Act Bonds

The County assists various dependent special districts to issue improvement bonds which are supported by assessments for principal, interest, and handling charges placed as direct charges on current secured tax bills for property within the assessment/improvement area.

	<u>Date of Issue</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2018</u>
County Service Area 01	9/23/2003	9/6/2042	4.25%	\$6,600-\$29,200	\$ 632,140	\$ 462,320
County Service Area 05	3/3/1982	7/2/2021	5.00%	\$1,000 - \$7,000	125,200	26,000
County Service Area 19	9/4/2008	9/2/2038	3.00% - 5.875%	\$50,677 - \$225,000	3,410,677	2,845,000
Maintenance District 22A	3/24/2004	9/2/2043	4.50%	\$68,506 - \$365,100	6,956,106	5,593,500
Maintenance District 22A	3/24/2004	9/2/2043	4.50%	\$14,858 - \$79,500	1,514,958	1,215,400
Total						\$ 10,142,220

Loans Payable

The County has contracted with various State and Federal agencies for loans to reimburse dependent special districts for construction costs. Principal and interest are repaid by charging property owners within the geographical boundaries of the district. The County has pledged a portion of special assessments revenue to repay the loans payable.

	<u>Date of Issue</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2018</u>
Maintenance District 01	7/1/1993	12/1/2021	7.125%	\$2,844 - \$18,830	\$ 249,191	\$ 62,676
Maintenance District 08	10/1/1994	3/31/2020	2.965%	\$3,144 -\$6,382	114,450	12,560
Maintenance District 27	12/9/1999	6/29/2040	3.25%	\$2,200 - \$7,600	175,190	122,500
County Service Area 01	9/23/2003	9/6/2042	4.25%	\$1,930 - \$9,410	185,000	149,050
Maintenance District 22A	3/24/2004	8/7/2040	4.50%	\$30,382 - \$136,100	3,091,782	2,072,230
Maintenance District 22A	6/17/2014	6/1/2054	2.25%	\$45,000 - \$108,000	2,886,000	2,700,000
Total						\$ 5,119,016

COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Compensated Absences

The total of the earned compensated absences and early retirement incentive as of June 30, 2018 for the Governmental Activities (including the Internal Service funds) is \$16,381,152.

The above amount includes \$14,576,769, which covers the earned compensated absences due for vacation, holiday compensation, and overtime. According to County policy and appropriate laws, this amount must be paid in full whether the County's employees take it as leave time while still employed or at the time their employment is terminated. The remaining \$1,804,384 covers the earned compensated absences due for sick leave. According to County policy, this amount is payable in full when the County's employees use it as leave time while still employed. However, at termination, the amount payable may be an amount, which is less than the full amount earned. Sick leave has been valued according to the sick vesting schedule based on bargaining units and the years of services.

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years. The County has hired a consultant to perform calculations of excess investment earnings on various bonds and financings, and found that the County had no rebateable arbitrage liability at June 30, 2018.

NOTE 8 LANDFILL CLOSURE AND POST-CLOSURE COSTS

The County operates a solid waste landfill which is currently operating, the Fairmead Landfill. The Fairmead Landfill consists of three waste management units (WMU). On December 31, 1995, WMU 1 ceased receiving wastes, and reached final refuse capacity and final refuse grades. A vertical expansion of 48 feet from 322 feet to 370 feet above mean sea level to WMU 1 was approved in the Solid Waste Permit (SWP) on November 15, 2011. WMU 2 is an existing lined unit and WMU is the current fill area that is split into five cells. The Fairmead Landfill is in the process of developing remaining three cells in WMU 3 and WMU4. CalRecycle approved the entire footprint of the Fairmead Landfill in June 2017 for refuse disposal.

State and federal laws and regulation require the County to place a final cover on these landfill sites when they stop accepting waste and to perform certain maintenance and monitoring functions at each site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the respective landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 8 LANDFILL CLOSURE AND POST-CLOSURE COSTS (CONTINUED)

The \$4,793,658 reported a landfill closure and post-closure liability at June 30, 2018, represents the cumulative amount reported to date based on the landfill capacity used to date. The County will recognize the remaining estimated cost of closure and post-closure care of \$8,352,553 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all remaining closure and post-closure care as of June 30, 2018. Total current cost of landfill closure and post-closure care is an estimate and subject to changes resulting from inflation, deflation, technology, or changes in applicable laws and regulations. As of June 30, 2018, the capacity of the Fairmead Landfill used to date was 36% and the estimated remaining landfill life is 26 years.

In addition, the County is required by state and federal laws and regulations to make annual contributions to finance closure and post-closure care. The County is in compliance with these requirements, and at June 30, 2018, restricted cash and investments of \$5,099,599 are held for these purposes. These are reported as restricted assets on the statement of net position. The County expects that any increase to future closure and post-closure costs (due to changes in technology or applicable laws or regulations, for example), will be paid from charges to future users.

NOTE 9 DEFICIT NET POSITION

The Madera County Tourism Bid Special Revenue Fund reported a deficit fund balance at June 30, 2018 of (\$7,719). This deficit will be financed through future charges of the fund.

The Self Insurance Internal Service Fund reported a deficit net position at June 30, 2018 of (\$3,106,140). This deficit will be financed through future charges of the fund.

**COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 10 NET POSITION/FUND BALANCE

Classification

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned. A detailed schedule of fund balances at June 30, 2018 is as follows:

	General Fund	Road Fund	Special Revenue - Public Protection	Capital Projects	Other Governmental Funds	Total
Nonspendable:						
Long-term interfund advances	\$ 2,623,422	\$ -	\$ -	\$ -	\$ -	\$ 2,623,422
Prepays and inventory	586,434	402,603	-	4,604,857	-	5,593,894
Total Nonspendable	<u>3,209,856</u>	<u>402,603</u>	<u>-</u>	<u>4,604,857</u>	<u>-</u>	<u>8,217,316</u>
Committed for:						
District attorney program	38,137	-	-	-	-	38,137
Development impact fee program	555,158	-	-	-	-	555,158
Enhanced economic development	300,000	-	-	-	-	300,000
Environmental health program	48,591	-	-	-	-	48,591
Total Committed	<u>941,886</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>941,886</u>
Restricted for:						
General government	368,917	-	-	-	834,377	1,203,294
Public protection	2,942,923	-	14,582,033	-	-	17,524,956
Public ways and facilities	-	12,195,276	-	-	15,657,323	27,852,599
Health and sanitation	43,893,450	-	-	-	4,714,253	48,607,703
Public assistance	-	-	-	-	7,777,385	7,777,385
Education	69	-	-	-	188,923	188,992
Recreation and culture	45,975	-	-	-	221,424	267,399
Capital projects	28,223	-	-	-	-	28,223
Total Restricted	<u>47,279,557</u>	<u>12,195,276</u>	<u>14,582,033</u>	<u>-</u>	<u>29,393,685</u>	<u>103,450,551</u>
Assigned to:						
Capital projects	-	-	-	2,024,213	-	2,024,213
Purchases on order	2,612,956	-	-	-	-	2,612,956
Fire assets replacement	1,000,000	-	-	-	-	1,000,000
Fire department training program	5,750	-	-	-	-	5,750
Peace officer memorial program	3,737	-	-	-	-	3,737
Subsequent year's budget appropriation of fund balance	9,241,104	-	-	-	-	9,241,104
Total Assigned	<u>12,863,547</u>	<u>-</u>	<u>-</u>	<u>2,024,213</u>	<u>-</u>	<u>14,887,760</u>
Unassigned	<u>7,804,185</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,719)</u>	<u>7,796,466</u>
Total Fund Balance	<u>\$ 72,099,031</u>	<u>\$ 12,597,879</u>	<u>\$ 14,582,033</u>	<u>\$ 6,629,070</u>	<u>\$ 29,385,966</u>	<u>\$ 135,293,979</u>

**COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 10 NET POSITION/FUND BALANCE (CONTINUED)

Restatement of Beginning Fund Balance/Net Position

Adjustments resulting from errors or a change to comply with the provisions of the accounting standards are treated as adjustments to prior periods. Accordingly, the County reports these changes as restatements of beginning net positions or fund balances.

The restatement of beginning net position of the governmental activities and business-type activities are summarized as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Net position at July 1, as previously reported	\$ 125,085,841	\$ 69,673,373
Capital assets adjustments	3,140,225	779,103
GASB 75 implementation - OPEB	<u>(69,924,000)</u>	<u>-</u>
Net position at July 1, as restated	<u>\$ 58,302,066</u>	<u>\$ 70,452,476</u>

Restatements for Central Garage and Special Districts - Water/Sewer are shown below:

	<u>Central Garage</u>	<u>Special Districts Water/Sewer</u>
Fund balance at July 1, as previously reported	\$ 3,970,391	\$ 57,184,175
GASB 75 implementation - OPEB	<u>(494,106)</u>	<u>779,103</u>
Fund balance at July 1, as restated	<u>\$ 3,476,285</u>	<u>\$ 57,963,278</u>

**COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 11 PENSION PLANS

A. General Information about the Pension Plans

Plan Descriptions – The County’s defined benefit pension plans, the County’s Safety and Miscellaneous Plans, provide retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The County’s Safety and Miscellaneous Plans (Plans) are part of the Public Agency portion of the California Public Employees’ Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. The Madera County Superior Court are included as part of the County’s Miscellaneous Plan. However, for financial reporting purpose, the liabilities and related pension amounts have been excluded from the County’s amounts. A menu of benefit provisions as well as other requirements is established by State statutes within the Public Employees’ Retirement Law. The County selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through County ordinance. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website at:

<http://www.calpers.ca.gov/index.jsp?bc=/about/forms-pubs/calpers-reports/actuarial-reports/home.xml>.

Benefits Provided – CalPERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Public Employees' Pension Reform Act of 2013 (PEPRA) requires new benefits and member contributions for new members as defined by PEPRA, that are hired after January 1, 2013. Pursuant to PEPRA, the Miscellaneous and Safety "Classic" plans are closed to new entrants as of January 1, 2013.

The rate plan provisions and benefits in effect at June 30, 2018 are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date		
Benefit Formula	2.7% @ 55	2.0% at 62
Benefit Vesting Schedule	5 Years Service	5 Years Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50 - 55	52 - 67
Monthly Benefits, as a % of Eligible Compensation	2.000% to 2.700%	1.000% to 2.500%
Required Employee Contribution Rates	8.000%	6.250%
Required Employer Contribution Rates	9.852%	9.852%

**COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 11 PENSION PLANS (CONTINUED)

A. General Information about the Pension Plans (Continued)

	Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date		
Benefit Formula	3.0% @ 55	2.7% at 57
Benefit Vesting Schedule	5 Years Service	5 Years Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50 - 55	50 - 57
Monthly Benefits, as a % of Eligible Compensation	2.400% to 3.000%	2.000% to 2.700%
Required Employee Contribution Rates	9.000%	10.750%
Required Employer Contribution Rates	15.348%	15.348%

Beginning in fiscal year 2018, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis. The County's required contribution for the unfunded liability were \$696,499 and \$204,829 for the year for the Miscellaneous Plan and Safety Plan, respectively.

Employees Covered – At June 30, 2018, the following employees were covered by the benefit terms for the Miscellaneous and Safety Plans. Under the Miscellaneous Plan, the data includes Court employees. Currently, there are no reports available to exclude Court employees from the data.

	Miscellaneous	Safety
Inactive Employees or Beneficiaries Currently Receiving Benefits	1,097	172
Inactive Employees Entitled to But Not Yet Receiving Benefits	1,026	119
Active Employees	1,061	262
Total	<u>3,184</u>	<u>553</u>

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Misc. Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The County is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

**COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 11 PENSION PLANS (CONTINUED)

B. Net Pension Liability

The County's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plan is measured as of June 30, 2017, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

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

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2016	June 30, 2016
Measurement Date	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry Age Normal	
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.75%	2.75%
Payroll Growth	3.00%	3.00%
Projected Salary Increase	Varies by Entry Age and Service	
Investment Rate of Return	7.65% (1)	7.65% (1)
Mortality	Derived using CalPERS' Membership Data for all Funds (2)	

(1) Net of pension plan investment expenses, including inflation.

(2) The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality, and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Change of Assumptions – GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The accounting discount rate used in the most recent valuation was 7.15 percent reduced from 7.65 percent in the previous valuation.

COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 11 PENSION PLANS (CONTINUED)

B. Net Pension Liability (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (Public Employees’ Retirement Fund) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds’ asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 year) using a building-block approach. Using the expected nominal returns for both short-term and long-term the present values of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

**COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 11 PENSION PLANS (CONTINUED)

B. Net Pension Liability (Continued)

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2014.

Asset Class	Current Target Allocation	Real Return Years 1 - 10 ¹	Real Return Years 11+ ²
Global Equity	47.0 %	4.90 %	5.38 %
Global Fixed Income	19.0	0.80 %	2.27 %
Inflation Sensitive	6.0	0.60 %	1.39 %
Private Equity	12.0	6.60 %	6.63 %
Real Estate	11.0	2.80 %	5.21 %
Infrastructure and Forestland	3.0	3.90 %	5.36 %
Liquidity	2.0	(2.20)%	(2.70)%
Total	<u>100.0 %</u>		

¹ An expected inflation of 2.5% used for this period

² An expected inflation of 3.0% used for this period

C. Changes in the Net Pension Liability

The changes in Net Pension Liability for each Plan (excluding Courts) for the measurement date at June 30, 2017 are as follows:

<u>Miscellaneous</u>	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2017	\$ 346,716,403	\$ 226,257,941	\$ 120,458,462
Changes in the Year:			
Service Cost	9,137,288	-	9,137,288
Interest on the Total Pension Liability	26,139,799	-	26,139,799
Changes in Assumptions	21,759,332	-	21,759,332
Differences Between Actual and Expected Experience	(1,647,538)	-	(1,647,538)
Plan to Plan Resource Movement	-	(2,635)	2,635
Contributions - Employer	-	13,417,594	(13,417,594)
Contributions - Employee	-	4,302,807	(4,302,807)
Net Investment Income	-	25,632,269	(25,632,269)
Administrative Expenses	-	(337,408)	337,408
Benefit Payments, including Refunds of Employee Contributions	(17,617,872)	(17,617,872)	-
Net Changes	<u>37,771,009</u>	<u>25,394,755</u>	<u>12,376,254</u>
Balance at June 30, 2018	<u>\$ 384,487,412</u>	<u>\$ 251,652,696</u>	<u>\$ 132,834,716</u>

**COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 11 PENSION PLANS (CONTINUED)

C. Changes in the Net Pension Liability (Continued)

<u>Safety</u>	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2017	\$ 120,642,987	\$ 78,210,268	\$ 42,432,719
Changes in the Year:			
Service Cost	4,477,948	-	4,477,948
Interest on the Total Pension Liability	9,335,190	-	9,335,190
Changes in Assumptions	8,610,463		8,610,463
Differences Between Actual and Expected Experience	1,510,637	-	1,510,637
Plan to Plan Resource Movement	-	-	-
Contributions - Employer	-	5,316,998	(5,316,998)
Contributions - Employee	-	1,742,208	(1,742,208)
Net Investment Income	-	8,832,008	(8,832,008)
Administrative Expenses	-	(115,472)	115,472
Benefit Payments, including Refunds of Employee Contributions	(4,881,950)	(4,881,950)	-
Net Changes	19,052,288	10,893,792	8,158,496
Balance at June 30, 2018	\$ 139,695,275	\$ 89,104,060	\$ 50,591,215

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the County for the Plan, calculated using the discount rate for the Plan, as well as what the County’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease 6.15%	Discount Rate 7.15%	1% Increase 8.15%
Miscellaneous	\$ 185,409,789	\$ 132,834,716	\$ 89,572,212
Safety	72,108,460	50,591,215	33,072,218

D. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pension

For the year ended June 30, 2018, the County recognized pension expense of \$27,193,912. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

**COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 11 PENSION PLANS (CONTINUED)

**D. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pension
(Continued)**

At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension Contributions Subsequent to Measurement Date	\$ 13,158,233	\$ -
Change in Assumptions	14,959,540	(362,138)
Differences Between Actual and Expected Experience	400,283	(1,315,881)
Net Differences Between Projected and Actual Earnings on Plan Investments	3,150,598	-
Total	<u>\$ 31,668,654</u>	<u>\$ (1,678,019)</u>
Safety	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension Contributions Subsequent to Measurement Date	\$ 5,273,772	\$ -
Change in Assumptions	7,151,062	(1,070,396)
Differences Between Actual and Expected Experience	2,997,673	(14,201)
Net Differences Between Projected and Actual Earnings on Plan Investments	1,122,581	-
Total	<u>\$ 16,545,088</u>	<u>\$ (1,084,597)</u>

\$18,432,005 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ending June 30,</u>	<u>Miscellaneous</u>	<u>Safety</u>
2019	\$ 5,970,828	\$ 1,807,113
2020	10,126,606	3,085,096
2021	2,610,635	2,268,976
2022	(1,875,667)	1,481,639
2023	-	1,543,895
Thereafter	-	-
Total	<u>\$ 16,832,402</u>	<u>\$ 10,186,719</u>

E. Payable to the Pension Plan

The County did not have any outstanding contributions to the pension plan required for the year ended June 30, 2018.

**COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 12 OTHER POST-EMPLOYMENT HEALTH CARE BENEFITS (OPEB)

A. General Information about the OPEB Plan

Plan Description - The County of Madera Retiree Healthcare Plan (HC Plan) is a single-employer defined benefit healthcare plan administered by the County. The HC Plan provides healthcare benefits to eligible retirees and their dependents. No dental, vision, or life insurance benefits are provided. Benefit provisions are established and may be amended through agreements and memorandums of understanding between the County, its management employees, and the union representing County employees.

The County provides eligible employees who retire with a monthly retiree allowance, currently provided through the California Public Employees' Retirement System ("CalPERS") Health Benefits Program under the Public Employees' Medical and Hospital Care Act ("PEMHCA"). Employees are eligible for retiree health benefits if they retire from the County on or after age 50 and 5 years of CalPERS service or disability. The benefits are available only to employees who retire directly from the County.

Benefits Provided - County pays County employee retiree medical premium up to cap. Caps based on United Healthcare Other Southern CA premiums (95% single premium + 50% of excess dual premium)¹. Larger cap for family coverage (\$962.08 pre-Medicare in 2017), based on 50% of excess family premium. Surviving spouse coverage based on CalPERS retirement plan election.

	Pre/Post Medicare Cap	
	Single Coverage	Dual Coverage
2017	\$522.27 / \$308.00	\$797.15 / \$3,470.10
2018	\$552.83 / \$314.22	\$894.16 / \$479.60

- 1) Caps for court retirees that are County's responsibility based on 100% Kaiser for single coverage + 50% of excess dual premium

Employees Covered – As June 30, 2017, the measurement date, the following numbers of participants were covered by the benefit terms under the HC Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	569
Inactive Employees Entitled to But Not Yet Receiving Benefits	220
Active employees	1279
	2068

Contributions – There is no statutory requirement for the County to pre-fund its OPEB obligation. The County has currently chosen to pay plan benefits on a pay-as-you-go basis. There are no employee contributions. The County fixed dollar benefit cannot be less than PEMHCA minimum (unequal method) for PEMHCA retirees. The County pays this contribution directly to CalPERS. The County has not established a trust that meets paragraph 4 of GASB, Statement No. 75 to fund its other postemployment benefits.

**COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 12 OTHER POST-EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

B. Total OPEB Liability

At June 30, 2018, the County reported a total OPEB liability of \$181,112,000. The total OPEB liability was measured as of June 30, 2017 and was determined by an actuarial valuation as of June 30, 2017. Updated procedures were used to roll back the Total OPEB Liability from the valuation date (June 30, 2017 to the prior measurement date (June 30, 2016).

Actuarial Assumptions – The total OPEB liability measured as of June 30, 2017, was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date	June 30, 2017
Contribution Policy	No pre-funding
Actuarial Assumptions:	
	3.58% at June 30, 2017 Bond Buyer 20 Index
Discount Rate	2.85% at June 30, 2016 Bond Buyer 20 Index
Inflation	2.75% per annum
Mortality, Retirement, Disability	
Termination	CalPERS 1997-2015 Experience Study
Mortality Improvement	Projected fully generational with Scale MP-2017
Salary Increases	Aggregate 3%
Medical Trend	Non-Medicare - 7.5% for 2019, decreasing to 4% for 2076 and later
	Medicare - 6.5% for 2019, decreasing to 4% for 2076 and later
Medical Plan at Retirement	Currently covered, current election
	Not currently covered: assumed to have Other Southern CA United Healthcare coverage
Medical Participation at Retirement	Current Actives: covered - 100%; waived 80%
	Current retirees - covered - 100%; waived - retiree - re-election assumption
Change of Assumptions	The discount rate was changed from 2.85% to 3.58% for the measurement period ended June 30, 2017

**COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 12 OTHER POST-EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED))

C. Changes in Total OPEB Liability

The table below shows the changes in the Total OPEB Liability for the HC Plan during the measurement period ending June 30, 2017.

		Increase (Decrease) Total OPEB Liability
Balance at June 30, 2017 (Measurement Date June 30, 2016)	\$	190,528,000
Changes in the year:		
Service cost		13,609,000
Interest		5,759,000
Differences between actual and expected experience		-
Changes in assumptions		(24,658,000)
Changes in benefit terms		-
Benefit payments, including refunds*		(4,126,000)
Net changes		(9,416,000)
Balance at June 30, 2018 (Measurement Date June 30, 2017)	\$	181,112,000

* Includes \$2,987,000 in cash and \$1,139,000 in implied subsidy payments

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

1% Decrease	Current Discount Rate	1% Increase
2.58%	3.58%	4.58%
\$ 216,101,000	\$ 181,112,000	\$ 153,712,000

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rate – The following presents the total OPEB liability, as well as what the County's total OPEB liability would be if it were calculated using a health care cost trend rate that is 1-percentage point lower or 1-percentage point higher than the current health care cost trend rate:

1% Decrease	Current Discount Rate	1% Increase
6.5% Non-Medicare 5.5 % Medicare each decreasing to 3%	7.5% Non-Medicare 6.5 % Medicare each decreasing to 4%	8.5% Non-Medicare 7.5 % Medicare each decreasing to 5%
\$ 149,959,000	\$ 181,112,000	\$ 222,078,000

**COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 12 OTHER POST-EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED))

D. OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB.

For the year ended June 30, 2018, the County recognized OPEB expense of \$16,278,000. OPEB expense represents the change in the total OPEB liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in actuarial assumptions or method. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Outflows of Resources
County contributions subsequent to measurement date **	\$ 3,981,000	\$ -
Differences between expected and actual experience	-	-
Changes in assumptions	-	(21,568,000)
Total	3,981,000	(21,568,000)

** Contributions of \$3,336,000 cash benefit payments and \$645,000 in implied subsidy benefit payments by the County.

The \$3,981,000 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2017 measurement date will be recognized as a reduction of the total OPEB liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30,	Amount
2019	\$ (3,090,000)
2020	(3,090,000)
2021	(3,090,000)
2022	(3,090,000)
2023	(3,090,000)
Thereafter	(6,118,000)
	\$ (21,568,000)

NOTE 13 DEFERRED COMPENSATION PLAN

The County has maintained an IRS Section 457 deferred compensation plan for all full-time employees who elect to participate. Employees are allowed to designate a portion of their compensation up to a maximum of \$18,500 annually for deferral. For those over the age of 50, an additional \$6,000 each year is permitted. The deferred income is not taxable to the employee until retirement distributions begin. The employees' contributions are invested by a Trustee, ICMA.

At June 30, 2018, the Plan's assets are not presented in the accompanying financial statements as they are deposited with ICMA, the third-party administrator independent of the County.

COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 14 COMMITMENTS AND CONTINGENCIES

A. Litigation

There are several lawsuits and unresolved disputes involving the County or its employees in which the County is represented by the County counsel and outside counsel. However, in the opinion of the County counsel and outside counsel these actions will not, in the aggregate, have a material adverse effect upon the operations or financial position of the County.

B. Federal and State Grants

The County participates in a number of Federal and State grant programs subject to financial and compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. However, management does not believe that audit disallowances, if any, would have a significant effect on the financial position of the County.

C. Medicare and Medi-Cal Reimbursements

The County's Medicare and Medi-Cal cost reports for certain prior years are in various stages of review by the third-party intermediaries and have not been settled as a result of certain unresolved reimbursement issues. The County believes that it has adequately provided for any potential liabilities which may arise from the intermediaries' review.

**COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 14 COMMITMENTS AND CONTINGENCIES (CONTINUED)

D. Encumbrances

The County uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to contracts not yet performed and purchase orders not yet filled (executory contracts; and open purchase orders). Encumbrances still open at year-end are not accounted for as expenditures and liabilities but, rather, as restricted or committed governmental fund balance. As of June 30, 2018, total governmental fund encumbrance balances for the County are as follows:

General fund	\$ 3,237,653
Road fund	403,766
Special revenue - public protection	1,451,607
Capital Projects	1,490,726
Nonmajor governmental funds	186,383
Total	<u>\$ 6,770,135</u>

E. Construction Commitments

At June 30, 2018, the County had commitments for the following major construction projects:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
County Service Area 02 - sanitary sewer pump station improvements	\$ 3,466,682	\$ 123,584
County Service Area 02 - wastewater treatment plant improvements	5,839,026	547,920
County Service Area 02 - wastewater collection system	303,881	8,449
Maintenance District 01 - water system improvement	234,278	519,030
Maintenance District 08 - water system improvement	57,493	159,797
Maintenance District 46 - water system improvement	56,766	313,722
Maintenance District 19 - water system improvement	29,354	420,646
Maintenance District 10 - water system improvement	2,294	447,686
Maintenance District 24 - water system improvement	19,293	253,861
Oakhurst midtown connector project	209,200	659,700
Bridge replacement project	362,888	651,028
Various road projects	130,026	119,974
Ag Department Tenant Improvement	42,350	67,650
Hall of Justice	57,156	520,361
Health & Social Services buildings	40,317	567,603
Jail HVAC Replacement	3,408,313	1,363,282
Madera Ranchos Library/Sheriff	10,514	19,486
Oakhurst BHS Tenant Improvement	-	137,966
	<u>\$ 14,269,830</u>	<u>\$ 6,901,746</u>

COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 15 RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions, injuries to employees, natural disasters, medical malpractice, unemployment coverage, and dental and vision benefits to employees.

The County established a self-insurance program (reported in the County's Self-Insurance Fund, an internal service fund) to provide partial coverage for various types of risks:

- Worker's Compensation
- General Public Liability, including errors and omissions, malpractice, automobile liability
- Employee's Dental and Vision programs.

The amount of self-insured retention is as follows:

Type	Each Occurrence
Workers' Compensation	\$125,000
General Public Liability	\$100,000
Dental	N/A
Vision	N/A

The minimum reserve levels for the workman's compensation and public liability programs are established based upon an actuarial review of each program, and excess insurance coverage is purchased for both types of coverage. The County has maintained conservative general liability and workman's compensation reserves.

Excess coverage for workers' compensation and general public liability is provided by the California State Association of Counties (CSAC) Excess Insurance Authority (Insurance Authority), a joint powers authority whose purpose is to develop and fund programs of excess insurance for its member counties. The Insurance Authority is governed by a Board of Directors consisting of representatives of the member counties. The reserve levels are established for the Authority Joint Powers Agreement as a whole and are not available to the County separately.

The amount of excess insurance coverage is as follows:

Workers' Compensation:	Coverage
First Level	\$125,000 to \$5,000,000
Second Level	\$5,000,000 to \$50,000,000
Third Level	\$50,000,000 to Statutory Limit
General Public Liability	Coverage
First Level	\$100,000 to \$5,000,000
Second Level	\$5,000,000 to \$10,000,000
Third Level	\$10,000,000 to \$15,000,000
Fourth Level	\$15,000,000 to \$20,000,000

Settled claims have not exceeded insurance coverage in any of the past three years.

**COUNTY OF MADERA, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 15 RISK MANAGEMENT (CONTINUED)

The changes in the balance of claims liabilities are as follows:

	<u>2018</u>	<u>2017</u>
Unpaid Claims and Claim Adjustment Expenses, Beginning of the Fiscal Year	\$ 10,944,000	\$ 10,847,000
Incurred Claims and Claim Adjustment Expenses	1,968,186	2,513,039
Claim Payments	<u>(2,363,186)</u>	<u>(2,416,039)</u>
Unpaid Claims and Claim Adjustment Expenses, End of the Fiscal Year	<u>\$ 10,549,000</u>	<u>\$ 10,944,000</u>

The long-term liability for claims and catastrophic losses is as follows:

<u>Type</u>	<u>Total Actuarially Determined Liability</u>
Workers' Compensation	\$ 9,351,000
General Public Liability	1,198,000
Total	<u>\$ 10,549,000</u>

Property, employee health, unemployment insurance, and blanket crime coverage are provided entirely by outside carriers and are, therefore, not accounted for in the self-insurance funds. Since internal service funds predominantly serve the governmental funds, the above-mentioned liabilities are included in governmental activities.

NOTE 16 TAX ABATEMENTS

The County provides property tax abatements through the Agricultural Preserve Program. The program enrolls land in Williamson Act or Farmland Security Zone contracts whereby the land is enforceably restricted to agricultural, open space, or recreational uses in exchange for reduced property tax assessments. Participation in the program is voluntary. The Madera County Uniform Rules for Agricultural Preserves and Farmland Security Zones is the set of rules by which the County administers its Agricultural Preserve Program. The Agricultural Preserve Advisory Committee is responsible for administering the County's Agricultural Preserve Program.

Under the provisions of these contracts, land parcels are assessed for property tax purposes at a rate consistent with their actual use, rather than potential market value of the property. The minimum contract term is ten years and automatically renews until a nonrenewal or cancellation process is initiated. Under the nonrenewal process, the annual tax assessment increases over a defined period of time until the assessment reflects the market value of the property. Under the cancellation process, a significant onetime cancellation fee is assessed based upon a certain percentage of the unrestricted, current fair market value of the property. No other commitments were made by the County as part of the Williamson Act or Farmland Security Zone contracts. For the fiscal year ended June 30, 2018, the Agricultural Preserve Program tax abatements were \$3,508,027.



REQUIRED SUPPLEMENTARY INFORMATION

**COUNTY OF MADERA, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2018**

1. BUDGETARY INFORMATION

Budgets for the operating funds and proprietary fund operations are prepared on the cash and expenditures/encumbrances basis. Revenues are budgeted in the year receipt is expected; and expenditures, which include encumbrances, are budgeted in the year that the applicable purchase orders are expected to be issued. The Debt Service fund budget is prepared to provide funding for debt service when liabilities are due for payment. The budget and actual financial statements are prepared on these basis. Unencumbered appropriation for annually budgeted funds lapse at fiscal year-end.

Budget Policy and Practice

County Administration submits an annual budget to the Board of Supervisors in accordance with the County code and State of California law. This proposed budget is the spending authority from July 1 until budget hearings are held the end of August and the Board of Supervisors formally adopts the budget in early September. Once approved, the Board of Supervisors may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

Basis of Budgeting

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and objects as follows: salaries and benefits, services and supplies, other charges, capital outlay, operating transfers, residual equity transfers, and intrafund transfers out. This constitutes the legal level of control. Expenditures may not exceed appropriations for travel, transportation, and education. Budget revisions between object levels, for travel, transportation, and education, or specific capital outlays are subject to final approval by Board of Supervisors. Revisions less than \$5,000 within object levels (excluding transportation, travel & education and specific capital outlays) can be approved by the County Administrative Officer. Revisions to the budget were made throughout the year.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies and recorded in order to reserve that portion of the applicable appropriations, is employed as an extension of formal budgetary accounting in the General and Special Revenue Funds. Encumbrances outstanding at year-end are reported as reservations of fund balance since they do not constitute expenditures or liabilities. Encumbrances at year-end are rebudgeted in the new year.

Expenditures Exceeding Appropriations

For the year ended June 30, 2018, expenditures exceeded appropriations in the following:

General Fund	Debt service	\$ 361,463
Capital Projects Fund	Capital outlay	1,026,876

**COUNTY OF MADERA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 51,796,843	\$ 52,775,250	\$ 52,150,899	\$ (624,351)
Licenses and Permits	5,067,885	5,505,885	6,015,081	509,196
Fines, Forfeitures, and Penalties	1,876,230	1,891,230	1,623,337	(267,893)
Use of Money and Property	155,846	155,846	356,124	200,278
Intergovernmental	127,944,670	136,559,839	112,267,718	(24,292,121)
Charges for Services	15,583,388	15,602,888	16,477,448	874,560
Miscellaneous	1,152,254	1,506,197	2,378,943	872,746
Total Revenues	<u>203,577,116</u>	<u>213,997,135</u>	<u>191,269,550</u>	<u>(22,727,585)</u>
EXPENDITURES				
General Government:				
Board of Supervisors:				
Salaries and Benefits	1,438,590	1,438,590	1,457,668	(19,078)
Services and Supplies	261,465	265,783	221,479	44,304
Total Board of Supervisors	<u>1,700,055</u>	<u>1,704,373</u>	<u>1,679,147</u>	<u>25,226</u>
Administrative Management/ Purchasing:				
Salaries and Benefits	846,910	846,910	876,567	(29,657)
Services and Supplies	43,986	74,938	57,581	17,357
Total Administrative Management/ Purchasing	<u>890,896</u>	<u>921,848</u>	<u>934,148</u>	<u>(12,300)</u>
Auditor Controller:				
Salaries and Benefits	2,164,508	2,164,508	2,083,038	81,470
Services and Supplies	183,425	212,074	121,238	90,836
Total Auditor Controller	<u>2,347,933</u>	<u>2,376,582</u>	<u>2,204,276</u>	<u>172,306</u>
Assessor:				
Salaries and Benefits	2,342,920	2,342,920	2,301,131	41,789
Services and Supplies	128,459	229,785	106,263	123,522
Total Assessor	<u>2,471,379</u>	<u>2,572,705</u>	<u>2,407,394</u>	<u>165,311</u>
Treasurer - Tax Collector:				
Salaries and Benefits	1,064,518	1,064,518	1,010,535	53,983
Services and Supplies	300,976	318,806	236,311	82,495
Total Treasurer - Tax Collector	<u>1,365,494</u>	<u>1,383,324</u>	<u>1,246,846</u>	<u>136,478</u>
County Counsel:				
Services and Supplies	1,132,550	1,832,583	1,688,079	144,504
Human Resources:				
Salaries and Benefits	1,156,374	1,156,374	1,139,296	17,078
Services and Supplies	120,024	186,906	110,874	76,032
Total Human Resources	<u>1,276,398</u>	<u>1,343,280</u>	<u>1,250,170</u>	<u>93,110</u>

**COUNTY OF MADERA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2018**

EXPENDITURES (CONTINUED)	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
General Government (Continued):				
Elections:				
Salaries and Benefits	\$ 479,315	\$ 479,315	\$ 480,639	\$ (1,324)
Services and Supplies	479,127	433,627	426,200	7,427
Total Elections	958,442	912,942	906,839	6,103
General Services:				
Salaries and Benefits	198,114	178,114	182,356	(4,242)
Services and Supplies	88,928	133,928	125,503	8,425
Total General Services	287,042	312,042	307,859	4,183
PW - Engineering:				
Salaries and Benefits	-	-	58,832	(58,832)
Services and Supplies	-	26,033	3	26,030
Total PW - Engineering	-	26,033	58,835	(32,802)
Building Operations:				
Services and Supplies	425,662	452,095	446,034	6,061
Building Maintenance:				
Salaries and Benefits	744,973	744,973	843,836	(98,863)
Services and Supplies	581,331	758,544	522,770	235,774
Total Building Maintenance	1,326,304	1,503,517	1,366,606	136,911
PW - Special Districts Services:				
Salaries and Benefits	1,969,923	1,969,923	1,818,664	151,259
Services and Supplies	888,511	1,112,248	610,688	501,560
Total PW - Special Districts Services	2,858,434	3,082,171	2,429,352	652,819
Grounds Maintenance:				
Salaries and Benefits	338,943	338,943	368,870	(29,927)
Services and Supplies	105,525	114,804	99,209	15,595
Total Grounds Maintenance	444,468	453,747	468,079	(14,332)
Utilities:				
Services and Supplies	663,608	633,608	610,969	22,639
Insurance:				
Salaries and Benefits	205,614	205,614	84,918	120,696
Services and Supplies	3,914,296	3,914,296	3,611,328	302,968
Total Insurance	4,119,910	4,119,910	3,696,246	423,664
Central Services:				
Salaries and Benefits	79,833	79,833	86,038	(6,205)
Services and Supplies	509,336	912,020	492,479	419,541
Total Insurance	589,169	991,853	578,517	413,336

**COUNTY OF MADERA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
EXPENDITURES (CONTINUED)				
General Government (Continued):				
311 Customer Service Center:				
Salaries and Benefits	\$ 176,402	\$ 176,402	\$ 182,383	\$ (5,981)
Services and Supplies	23,135	36,814	34,678	2,136
Total 311 Customer Service Center	199,537	213,216	217,061	(3,845)
Information Technology:				
Salaries and Benefits	3,086,837	2,811,837	2,763,780	48,057
Services and Supplies	2,238,269	2,747,742	2,109,429	638,313
Total Information Technology	5,325,106	5,559,579	4,873,209	686,370
Department 1300	3,878,519	3,878,519	3,099,934	778,585
Special Payments:				
Services and Supplies	848,971	1,323,707	1,045,472	278,235
Total General Government	33,109,877	35,597,634	31,515,072	4,082,562
Public Protection:				
Child Support Services:				
Salaries and Benefits	2,548,673	2,548,673	2,239,870	308,803
Services and Supplies	293,827	277,327	236,372	40,955
Total Child Support Services	2,842,500	2,826,000	2,476,242	349,758
District Attorney:				
Salaries and Benefits	3,185,872	3,185,872	3,236,375	(50,503)
Services and Supplies	462,596	516,013	429,027	86,986
Total District Attorney	3,648,468	3,701,885	3,665,402	36,483
District Attorney - COPS:				
Salaries and Benefits	114,794	114,794	115,994	(1,200)
Services and Supplies	897	897	348	549
Total District Attorney - COPS	115,691	115,691	116,342	(651)
District Attorney - Rape Prosecution Grant:				
Salaries and Benefits	159,981	159,981	166,375	(6,394)
Services and Supplies	3,295	3,295	579	2,716
Total District Attorney - Rape Prosecution Grant	163,276	163,276	166,954	(3,678)
District Attorney - DUI Program:				
Salaries and Benefits	142,400	142,400	135,868	6,532
Services and Supplies	48,123	57,718	56,891	827
Total District Attorney - DUI Program	190,523	200,118	192,759	7,359

**COUNTY OF MADERA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2018**

EXPENDITURES (CONTINUED)	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Public Protection (Continued):				
District Attorney - Crime Prosecution Unit:				
Salaries and Benefits	\$ 285,549	\$ 285,549	\$ 215,271	\$ 70,278
Services and Supplies	5,687	5,687	968	4,719
Total District Attorney - Crime Prosecution Unit	291,236	291,236	216,239	74,997
District Attorney - Welfare Fraud:				
Salaries and Benefits	1,148,918	1,148,918	1,078,532	70,386
Services and Supplies	203,271	208,504	118,375	90,129
Total District Attorney - Welfare Fraud	1,352,189	1,357,422	1,196,907	160,515
Salaries and Benefits	-	101,159	58,884	42,275
Services and Supplies	-	154,111	92,915	61,196
Total	-	255,270	151,799	103,471
Trial Court Operations (Gen Fund Contribution):				
Services and Supplies	1,326,128	1,326,128	1,306,554	19,574
Grand Jury:				
Services and Supplies	71,700	71,869	61,508	10,361
Public Defender:				
Services and Supplies	3,248,608	3,434,153	3,439,376	(5,223)
Sheriff - Coroner:				
Salaries and Benefits	9,177,367	9,091,607	9,509,360	(417,753)
Services and Supplies	3,956,059	4,520,264	3,046,269	1,473,995
Total Sheriff - Coroner	13,133,426	13,611,871	12,555,629	1,056,242
Sheriff - EMPG Emergency Planning:				
Salaries and Benefits	165,316	170,316	168,558	1,758
Services and Supplies	150,684	187,492	136,102	51,390
Total Sheriff - EMPG Emergency Planning	316,000	357,808	304,660	53,148
Sheriff - Bass Lake Operations:				
Salaries and Benefits	229,655	229,655	171,570	58,085
Services and Supplies	54,413	85,462	54,965	30,497
Total Sheriff - Bass Lake Operations	284,068	315,117	226,535	88,582

**COUNTY OF MADERA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2018**

EXPENDITURES (CONTINUED)	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Public Protection (Continued):				
Sheriff - CalOES:				
Services and Supplies	\$ 97,681	\$ 124,053	\$ 106,277	\$ 17,776
Sheriff - Canine Program:				
Services and Supplies	35,000	43,316	27,973	15,343
Sheriff - Morgue Operations:				
Salaries and Benefits	383,627	316,797	306,203	10,594
Services and Supplies	333,582	371,242	368,890	2,352
Total Sheriff -Morgue Operations	717,209	688,039	675,093	12,946
Sheriff - Emergency Operations:				
Salaries and Benefits	154,038	4,038	-	4,038
Services and Supplies	100,000	111,935	60,230	51,705
Total Sheriff -Morgue Operations	254,038	115,973	60,230	55,743
Misc Sheriff				
Services and Supplies	-	164,095	72,345	91,750
Sheriff - Fed - Cannabis Eradication:				
Salaries and Benefits	35,000	4,127	-	4,127
Services and Supplies	40,000	42,087	32,329	9,758
Total Sheriff - Fed - Cannabis Eradication	75,000	46,214	32,329	13,885
Sheriff - COPS (SLESF):				
Salaries and Benefits	266,558	239,458	221,206	18,252
Services and Supplies	6,088	6,188	74	6,114
Total Sheriff - COPS (SLESF)	272,646	245,646	221,280	24,366
Sheriff - Multi Juris Local Hazard:				
Services and Supplies	150,000	150,000	40,049	109,951
Sheriff - Tree Mortality:				
Salaries and Benefits	81,900	81,900	6,066	75,834
Services and Supplies	2,173,800	2,173,800	269,685	1,904,115
Total Sheriff - COPS (SLESF)	2,255,700	2,255,700	275,751	1,979,949
Sheriff - Chukchansi Indian Casino:				
Salaries and Benefits	691,339	612,839	599,229	13,610
Services and Supplies	26,108	33,070	27,392	5,678
Total Sheriff - Chukchansi Indian Casino	717,447	645,909	626,621	19,288
Sheriff - Rural Crime Prevention Task Force:				
Salaries and Benefits	276,357	288,357	372,883	(84,526)
Services and Supplies	124,914	128,914	33,275	95,639
Total Sheriff - Rural Crime Prevention Task Force	401,271 (104)	417,271	406,158	11,113

**COUNTY OF MADERA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2018**

EXPENDITURES (CONTINUED)	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Public Protection (Continued):				
Sheriff - Civil Division:				
Salaries and Benefits	559,586	556,786	564,490	(7,704)
Services and Supplies	106,470	121,396	100,358	21,038
Total Sheriff - Civil Division	666,056	678,182	664,848	13,334
Sheriff - Off Highway:				
Salaries and Benefits	59,000	46,987	-	46,987
Services and Supplies	46,000	46,457	5,538	40,919
Total Sheriff - Off Highway	105,000	93,444	5,538	87,906
Sheriff - Anti-Drug Program:				
Salaries and Benefits	210,785	210,785	197,492	13,293
Services and Supplies	53,441	59,041	22,347	36,694
Total Sheriff - Anti-Drug Program	264,226	269,826	219,839	49,987
Sheriff - Cal - MMET:				
Salaries and Benefits	270,152	270,152	247,381	22,771
Services and Supplies	18,350	24,325	12,667	11,658
Total Sheriff - Cal - MMET	288,502	294,477	260,048	34,429
Sheriff - Court Security:				
Salaries and Benefits	1,632,605	1,632,605	1,684,607	(52,002)
Services and Supplies	168,365	168,368	55,883	112,485
Total Sheriff - Court Security	1,800,970	1,800,973	1,740,490	60,483
Sheriff - OCJP NET Project:				
Services and Supplies	93,900	93,918	57,072	36,846
Total Sheriff - OCJP NET Project	93,900	93,918	57,072	36,846
Department of Corrections:				
Salaries and Benefits	9,306,826	9,612,468	9,668,744	(56,276)
Services and Supplies	5,723,130	6,315,220	5,660,438	654,782
Total Department of Corrections	15,029,956	15,927,688	15,329,182	598,506
Juvenile Hall:				
Salaries and Benefits	3,599,608	3,599,608	3,864,323	(264,715)
Services and Supplies	1,009,267	1,028,329	850,456	177,873
Total Juvenile Hall	4,608,875	4,627,937	4,714,779	(86,842)
Probation:				
Salaries and Benefits	3,946,435	3,946,435	3,899,007	47,428
Services and Supplies	494,144	525,724	286,282	239,442
Total Probation	4,440,579	4,472,159	4,185,289	286,870

**COUNTY OF MADERA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2018**

EXPENDITURES (CONTINUED)	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Public Protection (Continued):				
Probation - CCP Planning Services and Supplies	\$ 100,000	\$ 106,119	\$ 55,047	\$ 51,072
Probation - Crime Prevention Act of 2000:				
Salaries and Benefits	372,365	372,365	353,837	18,528
Services and Supplies	51,466	55,394	27,598	27,796
Total Probation - Crime Prevention Act of 2000	423,831	427,759	381,435	46,324
Probation - Youth Offender Block Grant:				
Salaries and Benefits	438,851	438,851	422,036	16,815
Services and Supplies	133,559	162,692	143,711	18,981
Total Probation - Youth Offender Block Grant	572,410	601,543	565,747	35,796
Probation - Proud Parenting Grant:				
Salaries and Benefits	61,929	61,929	59,174	2,755
Services and Supplies	57,332	68,568	69,945	(1,377)
Total Probation - Proud Parenting Grant	119,261	130,497	129,119	1,378
Fire Prevention:				
Salaries and Benefits	790,043	790,043	1,014,607	(224,564)
Services and Supplies	5,422,211	5,985,117	5,625,316	359,801
Total Fire Prevention	6,212,254	6,775,160	6,639,923	135,237
Fire - Chukchansi Indian Casino:				
Services and Supplies	891,593	1,077,171	461,586	615,585
Fire - Riverstone				
Services and Supplies	581,889	986,294	288,080	698,214
Ag. Commissioner/Sealer of Wts. & Measures:				
Salaries and Benefits	1,496,432	1,433,432	1,420,946	12,486
Services and Supplies	159,305	321,899	127,449	194,450
Total Ag. Commissioner/Sealer of Wts. & Measures	1,655,737	1,755,331	1,548,395	206,936
CED - Fire Prevention - Land Development:				
Salaries and Benefits	285,713	285,713	310,452	(24,739)
Services and Supplies	40,999	40,999	38,947	2,052
Total Ag. Commissioner/Sealer of Wts. & Measures	326,712	326,712	349,399	(22,687)

**COUNTY OF MADERA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
EXPENDITURES (CONTINUED)				
Public Protection (Continued):				
CED - Building Inspection:				
Salaries and Benefits	1,299,578	1,105,578	1,161,545	(55,967)
Services and Supplies	333,223	568,756	423,580	145,176
Total CED - Building Inspection	<u>1,632,801</u>	<u>1,674,334</u>	<u>1,585,125</u>	<u>89,209</u>
County Clerk-Recorder:				
Salaries and Benefits	796,417	796,417	710,738	85,679
Services and Supplies	172,084	198,233	143,133	55,100
Total County Clerk-Recorder	<u>968,501</u>	<u>994,650</u>	<u>853,871</u>	<u>140,779</u>
CED Water and Natural Resources:				
Salaries and Benefits	202,790	209,228	148,247	60,981
Services and Supplies	449,380	499,416	619,395	(119,979)
Total County Clerk-Recorder	<u>652,170</u>	<u>708,644</u>	<u>767,642</u>	<u>(58,998)</u>
RMA - Planning:				
Salaries and Benefits	1,762,050	1,562,050	1,398,125	163,925
Services and Supplies	602,059	1,289,347	290,655	998,692
Total CED Planning	<u>2,364,109</u>	<u>2,851,397</u>	<u>1,688,780</u>	<u>1,162,617</u>
Animal Services:				
Salaries and Benefits	899,181	899,181	1,094,483	(195,302)
Services and Supplies	401,289	421,317	214,035	207,282
Total Animal Services	<u>1,300,470</u>	<u>1,320,498</u>	<u>1,308,518</u>	<u>11,980</u>
Local Agency Fomation Commission				
Services and Supplies	44,430	44,430	44,429	1
Predatory Animal Control:				
	77,672	77,672	-	77,672
Public Guardian:				
Salaries and Benefits	306,568	306,568	275,314	31,254
Services and Supplies	66,019	71,193	42,902	28,291
Total Public Guardian	<u>372,587</u>	<u>377,761</u>	<u>318,216</u>	<u>59,545</u>
Total Public Protection	75,891,156	79,662,724	72,868,039	6,794,685
Health and Sanitation:				
Behavioral Health Services:				
Salaries and Benefits	12,310,971	12,469,921	11,036,567	1,433,354
Services and Supplies	14,619,347	15,143,259	10,067,658	5,075,601
Total Behavioral Health Services	<u>26,930,318</u>	<u>27,613,180</u>	<u>21,104,225</u>	<u>6,508,955</u>
Health:				
Salaries and Benefits	8,936,518	9,027,131	7,523,199	1,503,932
Services and Supplies	7,917,440	8,104,925	4,423,963	3,680,962
Total Health	<u>16,853,958</u>	<u>17,132,056</u>	<u>11,947,162</u>	<u>5,184,894</u>

**COUNTY OF MADERA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Health and Sanitation (Continued):				
CED Environmental Health:				
Salaries and Benefits	\$ 1,420,597	\$ 1,420,597	\$ 1,193,960	\$ 226,637
Services and Supplies	159,603	164,158	133,751	30,407
Total CED Environmental Health	<u>1,580,200</u>	<u>1,584,755</u>	<u>1,327,711</u>	<u>257,044</u>
Total Health and Sanitation	45,364,476	46,329,991	34,379,098	11,950,893
Public Assistance:				
Department of Social Services:				
Salaries and Benefits	25,824,479	25,824,479	24,821,402	1,003,077
Services and Supplies	9,530,794	9,613,280	5,292,951	4,320,329
Total Department of Social Services	<u>35,355,273</u>	<u>35,437,759</u>	<u>30,114,353</u>	<u>5,323,406</u>
General Relief:				
Services and Supplies	896,680	921,650	702,385	219,265
Total General Relief	<u>896,680</u>	<u>921,650</u>	<u>702,385</u>	<u>219,265</u>
Aid for CalWORKS:				
Services and Supplies	24,500,000	23,086,781	20,361,569	2,725,212
Foster Care:				
Services and Supplies	7,200,000	8,176,412	7,817,822	358,590
Aid for Adopted Children:				
Services and Supplies	4,000,000	4,000,000	3,761,351	238,649
Cal - Learn:				
Services and Supplies	10,000	10,000	7,090	2,910
GAIN Support Services (Welfare to Work):				
Services and Supplies	400,000	400,000	306,835	93,165
In-home Supportive Service:				
Services and Supplies	3,589,045	4,182,264	4,099,664	82,600
CalWORKS Child Care:				
Services and Supplies	350,000	350,000	306,682	43,318

**COUNTY OF MADERA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
EXPENDITURES (CONTINUED)				
Public Assistance (Continued):				
Kin Gap:				
Services and Supplies	700,000	705,000	711,123	(6,123)
Cash Assistance Program for Immigrants:				
Services and Supplies	25,000	40,000	37,756	2,244
Housing Assistance/Transitional Program:				
Services and Supplies	150,000	222,475	127,597	94,878
Veterans Service:				
Salaries and Benefits	\$ 196,282	\$ 196,282	\$ 195,761	\$ 521
Services and Supplies	14,117	14,302	6,135	8,167
Total Veterans Service	<u>210,399</u>	<u>210,584</u>	<u>201,896</u>	<u>8,688</u>
Community Action Partnership:				
Salaries and Benefits	185,992	185,992	188,132	(2,140)
Services and Supplies	41,392	81,392	56,366	25,026
Total Community Action Partnership	<u>227,384</u>	<u>267,384</u>	<u>244,498</u>	<u>22,886</u>
Total Public Assistance	69,476,759	69,078,471	68,800,621	277,850
Education:				
Library:				
Salaries and Benefits	1,123,741	1,103,741	1,049,483	54,258
Services and Supplies	393,688	410,707	384,208	26,499
Total Library Department	<u>1,517,429</u>	<u>1,514,448</u>	<u>1,433,691</u>	<u>80,757</u>
Agricultural Extension Service:				
Services and Supplies	<u>76,600</u>	<u>76,600</u>	<u>76,541</u>	<u>59</u>
Total Education	1,594,029	1,591,048	1,510,232	80,816
Debt Service:				
Principal	\$ 1,052,647	\$ 617,687	\$ 2,218,451	(1,600,764)
Interest	<u>2,343,900</u>	<u>2,337,385</u>	<u>1,098,084</u>	<u>1,239,301</u>
Total Debt Service	<u>3,396,547</u>	<u>2,955,072</u>	<u>3,316,535</u>	<u>(361,463)</u>

**COUNTY OF MADERA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Amount	Final Budget
	Original	Final		
EXPENDITURES (CONTINUED)				
Capital Outlay	1,758,595	3,849,752	4,876,628	(1,026,876)
Appropriations for Contingencies	2,438,396	281,483	-	281,483
Establish Reserve for Future Budgetary Needs	-	-	-	-
Total Expenditures	<u>233,029,835</u>	<u>239,346,175</u>	<u>217,266,225</u>	<u>22,079,950</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(29,452,719)	(25,349,040)	(25,996,675)	(647,636)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	\$ 3,568	\$ 33,868	\$ 122,382	\$ 88,514
Capital Leases	645,360	827,360	1,878,750	1,051,390
Transfers in	19,460,314	20,043,478	19,387,568	(655,910)
Transfers out	(439,006)	(9,328,702)	(5,775,882)	3,552,820
Total Other Financing Sources (Uses)	<u>19,670,236</u>	<u>11,576,004</u>	<u>15,612,818</u>	<u>4,036,814</u>
NET CHANGE IN FUND BALANCE	<u>\$ (9,782,483)</u>	<u>\$ (13,773,036)</u>	<u>\$ (10,383,857)</u>	<u>\$ 3,389,179</u>

Explanation of Differences Between Budgetary Outflows and GAAP Expenditures

Sources/Inflows of Resources

Actual Amounts from the Budgetary Comparison Schedule - Total Revenues \$ 191,269,550

Revenues for funds not meeting the special revenue fund definition which are presented with the General Fund for financial reporting purposes. 8,400,742

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds \$ 199,670,292

Uses/Outflows of Resources

Actual amounts from the budgetary comparison schedule - Total Expenditures \$ 217,266,225

Expenditures for funds not meeting the special revenue fund definition which are presented with the General Fund for financial reporting purposes. 177,004

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds \$ 217,443,229

Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds \$ (2,160,119)

Fund balance - General fund 22,300,395

Fund Balance for funds not meeting the special revenue fund definition which are presented with the General Fund for financial reporting purposes 51,958,755

Fund Balance - Ending \$ 72,099,031

**COUNTY OF MADERA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
ROAD FUND
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses and Permits	\$ 150,000	\$ 150,000	\$ 298,277	\$ 148,277
Use of Money and Property	16,000	16,000	1,813	(14,187)
Aid from Other Governments	9,434,280	9,434,280	11,925,020	2,490,740
Charges for Services	3,302,152	3,302,152	2,326,936	(975,216)
Other Revenues	7,000	7,000	119,569	112,569
Total Revenues	<u>12,909,432</u>	<u>12,909,432</u>	<u>14,671,615</u>	<u>1,762,183</u>
EXPENDITURES				
Current:				
Public Way and Facilities	18,022,105	16,413,425	10,459,009	5,954,416
Capital Outlay	1,257,383	1,397,305	3,146,841	(1,749,536)
Total Expenditures	<u>19,279,488</u>	<u>17,810,730</u>	<u>13,605,850</u>	<u>4,204,880</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,370,056)	(4,901,298)	1,065,765	5,967,063
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	354,601	354,601
Transfers out	-	-	(410,633)	(410,633)
Sale of Capital Assets	5,000	5,000	25,200	20,200
NET CHANGE IN FUND BALANCES	(6,365,056)	(4,896,298)	1,034,933	5,931,231
Fund Balances - Beginning of Year	<u>11,562,946</u>	<u>11,562,946</u>	<u>11,562,946</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 5,197,890</u>	<u>\$ 6,666,648</u>	<u>\$ 12,597,879</u>	<u>\$ 5,931,231</u>

**COUNTY OF MADERA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
PUBLIC PROTECTION SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 213,754	\$ 213,754	\$ 193,335	\$ (20,419)
Fines, Forfeitures, and Penalties	354,100	354,100	281,903	(72,197)
Use of Money and Property	15,010	15,010	(182,786)	(197,796)
Aid from Other Governments	14,316,142	14,316,142	13,957,861	(358,281)
Charges for Services	457,364	457,364	937,816	480,452
Other Revenues	12,000	12,000	200	(11,800)
Total Revenues	<u>15,368,370</u>	<u>15,368,370</u>	<u>15,188,329</u>	<u>(180,041)</u>
EXPENDITURES				
Current:				
Public Protection	8,629,711	10,840,472	5,581,574	5,258,898
Capital Outlay	12,000	12,000	11,898	102
Appropriations for Contingencies	6,727,209	4,408,431	-	4,408,431
Total Expenditures	<u>15,368,920</u>	<u>15,260,903</u>	<u>5,593,472</u>	<u>9,667,431</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	(550)	107,467	9,594,857	9,487,390
OTHER FINANCING SOURCES (USES)				
Other Sources (Uses)	-	200,000	-	(200,000)
Transfers out	(5,871,721)	(8,110,231)	(7,502,503)	607,728
Total Other Financing Sources (Uses)	<u>(5,871,721)</u>	<u>(8,110,231)</u>	<u>(7,502,503)</u>	<u>607,728</u>
NET CHANGE IN FUND BALANCES				
	(5,872,271)	(8,002,764)	2,092,354	10,095,118
Fund Balances - Beginning of Year	<u>12,489,679</u>	<u>12,489,679</u>	<u>12,489,679</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 6,617,408</u>	<u>\$ 4,486,915</u>	<u>\$ 14,582,033</u>	<u>\$ 10,095,118</u>

**COUNTY OF MADERA, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2018**

2. SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years*	2017-18 (MD June 30, 2017)		2016-17 (MD June 30, 2016)		2015-16 (MD June 30, 2015)		2014-15 (MD June 30, 2014)	
	Miscellaneous	Safety	Miscellaneous	Safety	Miscellaneous	Safety	Miscellaneous	Safety
Total Pension Liability:								
Service Cost	\$ 9,137,288	\$ 4,477,948	\$ 7,967,800	\$ 3,594,452	\$ 7,683,576	\$ 3,162,968	\$ 8,157,719	\$ 3,267,969
Interest on Total Pension Liability	26,139,799	9,335,190	25,278,398	8,611,631	23,765,848	7,905,321	22,719,323	7,438,687
Changes in assumptions	21,759,332	8,610,463	-	-	(5,749,451)	(2,106,263)	-	-
Differences between actual and expected experience	(1,647,538)	1,510,637	1,067,872	2,614,614	(2,908,580)	(27,941)	-	-
Benefit Payments, including Refunds of Employee Contributions	(17,617,872)	(4,881,950)	(17,000,742)	(4,672,414)	(15,804,469)	(4,659,227)	(14,759,285)	(4,070,640)
Net Change in Total Pension Liability	37,771,009	19,052,288	17,313,328	10,148,283	6,986,924	4,274,858	16,117,757	6,636,016
Total Pension Liability - Beginning	346,716,403	120,642,987	329,403,073	110,494,704	322,416,149	106,219,846	306,298,392	99,583,830
Total Pension Liability - Ending (a)	\$ 384,487,412	\$ 139,695,275	\$ 346,716,401	\$ 120,642,987	\$ 329,403,073	\$ 110,494,704	\$ 322,416,149	\$ 106,219,846
Plan Fiduciary Net Position:								
Contributions - Employer	\$ 13,417,594	\$ 5,316,998	\$ 10,869,044	\$ 4,207,414	\$ 9,996,596	\$ 3,656,075	\$ 8,914,032	\$ 3,121,564
Contributions - Employee	4,302,807	1,742,208	3,678,812	1,450,374	3,399,169	1,352,807	3,389,966	1,130,044
Net Investment Income	25,632,269	8,832,008	1,255,335	397,608	5,066,190	1,656,920	33,850,283	11,244,037
Administrative expenses	(337,408)	(115,472)	(140,151)	(46,851)	(256,676)	(86,468)	(277,446)	(83,334)
Plan to plan resource movement	(2,635)	-	(384)	419	(1,667)	7,463	-	-
Benefit Payments	(17,617,872)	(4,881,950)	(17,000,742)	(4,672,414)	(15,804,469)	(4,659,227)	(14,759,285)	(4,070,640)
Net Change in Plan Fiduciary Net Position	25,394,755	10,893,792	(1,338,086)	1,336,550	2,399,143	1,927,570	31,117,550	11,341,671
Plan Fiduciary Net Position - Beginning	226,257,941	78,210,268	227,596,025	76,873,718	225,196,882	74,946,148	194,079,332	63,604,477
Plan Fiduciary Net Position - Ending (b)	\$ 251,652,696	\$ 89,104,060	\$ 226,257,939	\$ 78,210,268	\$ 227,596,025	\$ 76,873,718	\$ 225,196,882	\$ 74,946,148
Net Pension Liability - Ending (a) - (b)	\$ 132,834,716	\$ 50,591,215	\$ 120,458,462	\$ 42,432,719	\$ 101,807,048	\$ 33,620,986	\$ 97,219,267	\$ 31,273,698
Plan Fiduciary Net Percentage as a Percentage of the Total Pension Liability	65.45%	63.78%	65.26%	64.83%	69.09%	69.57%	69.85%	70.56%
Covered Payroll	\$ 54,688,584	\$ 17,859,592	\$ 46,674,621	\$ 16,224,794	\$ 44,850,158	\$ 14,890,358	\$ 42,604,393	\$ 12,916,055
Net Pension Liability as a Percentage of Covered Payroll	242.89%	283.27%	258.08%	261.53%	226.99%	225.79%	228.19%	242.13%

**COUNTY OF MADERA, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2018**

Notes to Schedule:

Benefit Changes: The figure above does not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2016 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in assumptions: In 2017, the accounting discount rate was reduced to 7.15 percent from 7.65 percent. In 2016 there were no changes. In 2015 amounts reported reflect an adjustment of the discount rate from 7.50 percent (net of administrative expenses) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

*- Fiscal year 2015 was the 1st year of implementation. Additional years will be presented as they become available.

**COUNTY OF MADERA, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2018**

3. SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years*

	2017-18 (MD June 30, 2017)		2016-17 (MD June 30, 2016)		2015-16 (MD June 30, 2015)		2014-15 (MD June 30, 2014)	
	Miscellaneous	Safety	Miscellaneous	Safety	Miscellaneous	Safety	Miscellaneous	Safety
Actuarially Determined Contribution	13,158,233	5,273,771	13,423,896	5,316,125	10,764,709	4,206,633	9,757,659	3,660,890
Contributions Related to the Actuarially Determined Contribution	(13,158,233)	(5,273,771)	(13,423,896)	(5,316,125)	(10,764,709)	(4,206,633)	(9,757,659)	(3,660,890)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's Covered Payroll	\$ 55,783,423	\$ 18,355,307	\$ 54,688,584	\$ 17,859,592	\$ 46,674,621	\$ 16,224,794	\$ 44,850,158	\$ 14,890,358
Contributions as a Percentage of Covered Payroll	23.59%	28.73%	24.55%	29.77%	23.06%	25.93%	21.76%	24.59%

Notes to Schedule:

Valuation Date: Actuarially determined rates are calculated as of June 30 two years prior to the end of the fiscal year in which contributions are reported

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal cost method
Amortization Method	Level percentage of payroll, closed
Asset Valuation Method	Market value of assets
Inflation	2.75%
Salary Increases	Varies by entry age and service
Payroll Growth	3.00 %
Investment Rate of Return	7.50% net of pension plan investment and administrative expenses; includes inflation
Retirement Age	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997-2011
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997-2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using ScaleBB published by the Society of Actuaries

* Additional years will be presented as they become available

**COUNTY OF MADERA, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2018**

4. OTHER POST-EMPLOYMENT BENEFITS

	2017-18 (MD June 30, 2017)
Total OPEB Liability	
Service cost	\$ 13,609,000
Interest	5,759,000
Differences between actual and expected experience	-
Changes in assumptions	(24,658,000)
Changes in benefit terms	-
Benefit payments, including refunds	(4,126,000)
Net change in total OPEB liability	(9,416,000)
Total OPEB liability - beginning	190,528,000
Total OPEB liability - ending	\$ 181,112,000
Covered-employee payroll	\$ 78,259,000
Total OPEB liability as a percentage of covered-employee payroll	231.43%

Notes to Schedule:

No assets are accumulated in a trust that meets GASB Statement No. 75 paragraph 4 criteria.

Changes in assumptions: The discount rate was changed from 2.85 percent to 3.58 percent for the measurement period ended June 30, 2017

Historical information is required only for measurement period for which GASB 75 is applicable. Future years' information will be Displayed up to 10 years as information becomes available.

**COUNTY OF MADERA, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2018**

Actuarial Valuation Date	June 30, 2017
Contribution Policy	No pre-funding
Actuarial Assumptions:	
	3.58% at June 30, 2017 Bond Buyer 20 Index
Discount Rate	2.85% at June 30, 2016 Bond Buyer 20 Index
Inflation	2.75% per annum
Mortality, Retirement, Disability Termination	CalPERS 1997-2015 Experience Study
Mortality Improvement	Projected fully generational with Scale MP-2017
Salary Increases	Aggregate 3%
Medical Trend	Non-Medicare - 7.5% for 2019, decreasing to 4% for 2076 and later Medicare - 6.5% for 2019, decreasing to 4% for 2076 and later
Medical Plan at Retirement	Currently covered, current election Not currently covered: assumed to have Other Southern CA United Healthcare coverage
Medical Participation at Retirement	Current Actives: covered - 100%; waived 80% Current retirees - covered - 100%; waived - retiree - re-election assumption
Change of Assumptions	The discount rate was changed from 2.85% to 3.58% for the measurement period ended June 30, 2017

SUPPLEMENTARY INFORMATION



NONMAJOR GOVERNMENTAL FUNDS

**COUNTY OF MADERA, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

ASSETS	<u>Housing</u>	<u>Madera County Tourism Bid</u>	<u>Special Districts Road/Lighting</u>	<u>Development Impact Fees: Library</u>	<u>Development Impact Fees: Parks</u>
Cash and Investments	\$ 1,114,564	\$ 5,977	\$ 9,667,568	\$ 186,764	\$ 218,691
Receivables:					
Accounts	-	267,012	56,054	1,335	1,767
Interest	6,397	26	33,934	824	966
Due from Other Governments	4,648	-	-	-	-
Taxes Receivable	-	-	41,781	-	-
Due from Other Funds	153,757	-	-	-	-
Restricted cash and investments	-	-	22,222	-	-
Loans Receivable	6,015,695	-	-	-	-
Advances to Other Funds	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 7,295,061</u>	<u>\$ 273,015</u>	<u>\$ 9,821,559</u>	<u>\$ 188,923</u>	<u>\$ 221,424</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ -	\$ 269,825	\$ 16,613	\$ -	\$ -
Due to Other Funds	158,416	10,909	113,144	-	-
Due to Other Governments	-	-	-	-	-
Deposits from Others	-	-	750	-	-
Total Liabilities	<u>158,416</u>	<u>280,734</u>	<u>130,507</u>	<u>-</u>	<u>-</u>
 DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	4,648	-	39,613	-	-
 FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	7,131,997	-	9,651,439	188,923	221,424
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	(7,719)	-	-	-
Total Fund Balances	<u>7,131,997</u>	<u>(7,719)</u>	<u>9,651,439</u>	<u>188,923</u>	<u>221,424</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 7,295,061</u>	<u>\$ 273,015</u>	<u>\$ 9,821,559</u>	<u>\$ 188,923</u>	<u>\$ 221,424</u>

**COUNTY OF MADERA, CALIFORNIA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

	Special Revenue				Total
	General Government	Public Ways and Facilities	Health and Sanitation	Public Assistance	
ASSETS					
Cash and Investments	\$ 236,998	\$ 6,124,552	\$ 4,795,129	\$ 852,672	\$ 23,202,915
Receivables:					
Accounts	-	23,316	13	4	349,501
Interest	1,046	27,062	4,992	1,233	76,480
Due from Other Governments	-	-	588,210	1,145,583	1,738,441
Taxes Receivable	-	1,136	-	-	42,917
Due from Other Funds	-	-	19,567	151,009	324,333
Restricted cash and investments	-	-	-	-	22,222
Loans Receivable	596,358	-	-	-	6,612,053
Advances to Other Funds	-	694,701	-	-	694,701
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 834,402</u>	<u>\$ 6,870,767</u>	<u>\$ 5,407,911</u>	<u>\$ 2,150,501</u>	<u>\$ 33,063,563</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ 25	\$ 179,446	\$ 46,448	\$ -	\$ 512,357
Due to Other Funds	-	46,711	644,755	1,505,113	2,479,048
Due to Other Governments	-	637,794	2,455	-	640,249
Deposits from Others	-	-	-	-	750
Total Liabilities	<u>25</u>	<u>863,951</u>	<u>693,658</u>	<u>1,505,113</u>	<u>3,632,404</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	932	-	-	45,193
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	834,377	6,005,884	4,714,253	645,388	29,393,685
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(7,719)
Total Fund Balances	<u>834,377</u>	<u>6,005,884</u>	<u>4,714,253</u>	<u>645,388</u>	<u>29,385,966</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 834,402</u>	<u>\$ 6,870,767</u>	<u>\$ 5,407,911</u>	<u>\$ 2,150,501</u>	<u>\$ 33,063,563</u>

**COUNTY OF MADERA, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018**

	Housing	Madera County Tourism Bid	Special Districts Roads/Lighting	Development Impact Fees: Library	Development Impact Fees: Parks
REVENUES					
Taxes	\$ -	\$ -	\$ 1,108,616	\$ -	\$ -
Fines, Forfeitures, and Penalties	-	-	-	-	-
Use of Money and Property	10,758	(55)	1,117	(289)	(403)
Intergovernmental	982,170	-	-	-	-
Charges for Services	-	832,603	856,844	117,952	156,026
Miscellaneous	-	-	-	-	-
Total Revenues	<u>992,928</u>	<u>832,548</u>	<u>1,966,577</u>	<u>117,663</u>	<u>155,623</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Protection	-	-	-	-	-
Public Ways and Facilities	-	-	1,048,778	-	-
Health and Sanitation	-	-	-	-	-
Public Assistance	423,025	-	-	-	-
Recreation and Cultural Services	-	847,211	18,579	-	-
Capital Outlay	-	-	-	-	-
Debt service					
Principal	-	-	19,320	-	-
Interest	-	-	1,190	-	-
Total Expenditures	<u>423,025</u>	<u>847,211</u>	<u>1,087,867</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	569,903	(14,663)	878,710	117,663	155,623
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	(239,625)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(239,625)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	569,903	(14,663)	639,085	117,663	155,623
Fund Balances - Beginning of Year, Restated	<u>6,562,094</u>	<u>6,944</u>	<u>9,012,354</u>	<u>71,260</u>	<u>65,801</u>
FUND BALANCES - END OF YEAR	<u>\$ 7,131,997</u>	<u>\$ (7,719)</u>	<u>\$ 9,651,439</u>	<u>\$ 188,923</u>	<u>\$ 221,424</u>

**COUNTY OF MADERA, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018**

	Special Revenue				Total
	General Government	Public Ways and Facilities	Health and Sanitation	Public Assistance	
REVENUES					
Taxes	\$ -	\$ 172,256	\$ -	\$ -	\$ 1,280,872
Fines, Forfeitures, and Penalties	-	-	201,528	-	201,528
Use of Money and Property	(2,404)	3,688	(49,653)	(4,946)	(42,187)
Intergovernmental	6,952	20	4,794,762	7,889,982	13,673,886
Charges for Services	-	2,248,911	7,227	12,355	4,231,918
Miscellaneous	1,090	-	-	-	1,090
Total Revenues	<u>5,638</u>	<u>2,424,875</u>	<u>4,953,864</u>	<u>7,897,391</u>	<u>19,347,107</u>
EXPENDITURES					
Current:					
General Government	3,438	-	-	-	3,438
Public Protection	-	-	-	-	-
Public Ways and Facilities	-	1,080,606	-	-	2,129,384
Health and Sanitation	-	-	201,520	-	201,520
Public Assistance	-	-	-	299,451	722,476
Recreation and Cultural Services	-	-	-	-	865,790
Capital Outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	19,320
Interest	-	-	-	-	1,190
Total Expenditures	<u>3,438</u>	<u>1,080,606</u>	<u>201,520</u>	<u>299,451</u>	<u>3,943,118</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,200	1,344,269	4,752,344	7,597,940	15,403,989
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	217,843	217,843
Transfers out	-	-	(3,864,750)	(8,273,495)	(12,377,870)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(3,864,750)</u>	<u>(8,055,652)</u>	<u>(12,160,027)</u>
NET CHANGE IN FUND BALANCES	2,200	1,344,269	887,594	(457,712)	3,243,962
Fund Balances - Beginning of Year, Restated	<u>832,177</u>	<u>4,661,615</u>	<u>3,826,659</u>	<u>1,103,100</u>	<u>26,142,004</u>
FUND BALANCES - END OF YEAR	<u>\$ 834,377</u>	<u>\$ 6,005,884</u>	<u>\$ 4,714,253</u>	<u>\$ 645,388</u>	<u>\$ 29,385,966</u>

**COUNTY OF MADERA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
HOUSING AND COMMUNITY DEVELOPMENT FUND
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of Money and Property	\$ 1,510	\$ 1,510	\$ 10,758	\$ 9,248
Aid from Other Governments	-	425,636	982,170	556,534
Total Revenues	<u>1,510</u>	<u>427,146</u>	<u>992,928</u>	<u>565,782</u>
EXPENDITURES				
Current:				
Public Assistance	324,744	750,380	423,025	327,355
Appropriations for Contingencies	203,997	203,997	-	203,997
Total Expenditures	<u>528,741</u>	<u>954,377</u>	<u>423,025</u>	<u>531,352</u>
EXCESS(DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(527,231)	(527,231)	569,903	1,097,134
OTHER FINANCING SOURCES (USES)				
Other Sources/ (Uses)	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
NET CHANGE IN FUND BALANCES	(477,231)	(477,231)	569,903	1,047,134
Fund Balances - Beginning of Year	<u>6,562,094</u>	<u>6,562,094</u>	<u>6,562,094</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 6,084,863</u></u>	<u><u>\$ 6,084,863</u></u>	<u><u>\$ 7,131,997</u></u>	<u><u>\$ 1,047,134</u></u>

**COUNTY OF MADERA, CALIFORNIA
 BUDGETARY COMPARISON SCHEDULE
 TOURISM
 YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Use of Money and Property	\$ -	\$ -	\$ (55)	\$ (55)
Charges for Services	<u>550,000</u>	<u>936,975</u>	<u>832,603</u>	<u>(104,372)</u>
Total Revenues	550,000	936,975	832,548	(104,427)
EXPENDITURES				
Current:				
Recreation and Cultural Services	<u>600,000</u>	<u>936,975</u>	<u>847,211</u>	<u>89,764</u>
NET CHANGE IN FUND BALANCES	(50,000)	-	(14,663)	(14,663)
Fund Balances - Beginning of Year	<u>6,944</u>	<u>6,944</u>	<u>6,944</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ (43,056)</u></u>	<u><u>\$ 6,944</u></u>	<u><u>\$ (7,719)</u></u>	<u><u>\$ (14,663)</u></u>

**COUNTY OF MADERA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
SPECIAL DISTRICTS ROAD/LIGHTING
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 987,828	\$ 987,828	\$ 1,108,616	\$ 120,788
Use of Money and Property	42,155	42,155	1,117	(41,038)
Charges for Services	837,532	877,532	856,844	(20,688)
Total Revenues	<u>1,867,515</u>	<u>1,907,515</u>	<u>1,966,577</u>	<u>59,062</u>
EXPENDITURES				
Current:				
Public Way and Facilities	9,089,029	9,199,215	1,048,778	8,150,437
Recreation and Cultural Services	9,070	24,215	18,579	5,636
Debt Service				
Principal	18,350	18,350	19,320	(970)
Interest	3,000	3,000	1,190	1,810
Appropriations for Contingencies	1,563,008	1,548,008	-	1,548,008
Total Expenditures	<u>10,682,457</u>	<u>10,792,788</u>	<u>1,087,867</u>	<u>9,704,921</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(8,814,942)	(8,885,273)	878,710	9,763,983
OTHER FINANCING SOURCES (USES)				
Transfers in	21,000	21,000	-	(21,000)
Transfers out	(226,000)	(266,000)	(239,625)	26,375
Total Other Financing Sources (Uses)	<u>(205,000)</u>	<u>(245,000)</u>	<u>(239,625)</u>	<u>5,375</u>
NET CHANGE IN FUND BALANCES	(9,019,942)	(9,130,273)	639,085	9,769,358
Fund Balances - Beginning of Year	<u>9,012,354</u>	<u>9,012,354</u>	<u>9,012,354</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ (7,588)</u>	<u>\$ (117,919)</u>	<u>\$ 9,651,439</u>	<u>\$ 9,769,358</u>

**COUNTY OF MADERA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
DEVELOPMENT IMPACT FEES – LIBRARY
YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Use of Money and Property	\$ 300	\$ 300	\$ (289)	\$ (589)
Charges for Services	26,000	26,000	117,952	91,952
Total Revenues	<u>26,300</u>	<u>26,300</u>	<u>117,663</u>	<u>91,363</u>
EXPENDITURES				
Current:				
Recreation and Cultural Services	500	500	-	500
Appropriations for Contingencies	88,625	88,625	-	88,625
Total Expenditures	<u>88,625</u>	<u>88,625</u>	<u>-</u>	<u>88,625</u>
NET CHANGE IN FUND BALANCES	(62,325)	(62,325)	117,663	179,988
Fund Balances - Beginning of Year	<u>71,260</u>	<u>71,260</u>	<u>71,260</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 8,935</u>	<u>\$ 8,935</u>	<u>\$ 188,923</u>	<u>\$ 179,988</u>

**COUNTY OF MADERA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
DEVELOPMENT IMPACT FEES – PARKS
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of Money and Property	\$ 400	\$ 400	\$ (403)	\$ (803)
Charges for Services	29,000	29,000	156,026	127,026
Total Revenues	<u>29,400</u>	<u>29,400</u>	<u>155,623</u>	<u>126,223</u>
EXPENDITURES				
Current:				
Recreation and Cultural Services	500	500	-	500
Appropriations for Contingencies	78,604	78,604	-	78,604
Total Expenditures	<u>79,104</u>	<u>79,104</u>	<u>-</u>	<u>79,104</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(49,704)	(49,704)	155,623	205,327
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(49,704)	(49,704)	155,623	205,327
Fund Balances - Beginning of Year	<u>65,801</u>	<u>65,801</u>	<u>65,801</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 16,097</u>	<u>\$ 16,097</u>	<u>\$ 221,424</u>	<u>\$ 205,327</u>

**COUNTY OF MADERA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
GENERAL GOVERNMENT
YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Use of Money and Property	\$ -	\$ -	\$ (2,404)	\$ (2,404)
Intergovernmental Revenues	-	-	6,952	6,952
Other Revenues	-	-	1,090	1,090
Total Revenues	<u>-</u>	<u>-</u>	<u>5,638</u>	<u>5,638</u>
EXPENDITURES				
Current:				
General Government	<u>1,200</u>	<u>13,200</u>	<u>3,438</u>	<u>9,762</u>
Total Expenditures	<u>1,200</u>	<u>13,200</u>	<u>3,438</u>	<u>9,762</u>
NET CHANGE IN FUND BALANCES	(1,200)	(13,200)	2,200	15,400
Fund Balances - Beginning of Year	<u>832,177</u>	<u>832,177</u>	<u>832,177</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 830,977</u></u>	<u><u>\$ 818,977</u></u>	<u><u>\$ 834,377</u></u>	<u><u>\$ 15,400</u></u>

**COUNTY OF MADERA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
PUBLIC WAYS AND FACILITIES
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	181,548	181,548	172,256	(9,292)
Use of Money and Property	29,175	29,175	3,688	(25,487)
Charges for Services	730,000	730,000	2,248,911	1,518,911
Total Revenues	<u>940,723</u>	<u>940,723</u>	<u>2,424,875</u>	<u>1,484,152</u>
EXPENDITURES				
Current:				
Public Way and Facilities	3,730,000	4,217,204	1,080,606	3,136,598
Appropriations for Contingencies	1,552,597	1,314,597	-	1,314,597
Total Expenditures	<u>5,282,597</u>	<u>5,531,801</u>	<u>1,080,606</u>	<u>4,451,195</u>
OTHER FINANCING SOURCES (USES)				
Other Sources (Uses)	600,000	362,000	-	(362,000)
Total Other Financing Sources (Uses)	<u>600,000</u>	<u>362,000</u>	<u>-</u>	<u>(362,000)</u>
NET CHANGE IN FUND BALANCES	(3,741,874)	(4,229,078)	1,344,269	5,573,347
Fund Balances - Beginning of Year	<u>4,661,615</u>	<u>4,661,615</u>	<u>4,661,615</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 919,741</u>	<u>\$ 432,537</u>	<u>\$ 6,005,884</u>	<u>\$ 5,573,347</u>

**COUNTY OF MADERA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
HEALTH AND SANITATION
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines, Forfeitures, and Penalties	\$ 213,964	\$ 213,964	\$ 201,528	\$ (12,436)
Use of Money and Property	7,713	7,713	(49,653)	(57,366)
Aid from Other Governments	3,415,236	3,451,473	4,794,762	1,343,289
Charges for Services	6,818	6,818	7,227	409
Total Revenues	<u>3,643,731</u>	<u>3,679,968</u>	<u>4,953,864</u>	<u>1,273,896</u>
EXPENDITURES				
Current:				
Health and Sanitation	416,930	440,951	201,520	239,431
Appropriations for Contingencies	1,756,990	1,742,990	-	1,742,990
Total Expenditures	<u>2,173,920</u>	<u>2,183,941</u>	<u>201,520</u>	<u>1,982,421</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,469,811	1,496,027	4,752,344	3,256,317
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(3,767,338)</u>	<u>(3,817,575)</u>	<u>(3,864,750)</u>	<u>(47,175)</u>
Total Other Financing Sources (Uses)	<u>(3,767,338)</u>	<u>(3,817,575)</u>	<u>(3,864,750)</u>	<u>(47,175)</u>
NET CHANGE IN FUND BALANCES	(2,297,527)	(2,321,548)	887,594	3,209,142
Fund Balances - Beginning of Year	<u>3,826,659</u>	<u>3,826,659</u>	<u>3,826,659</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 1,529,132</u></u>	<u><u>\$ 1,505,111</u></u>	<u><u>\$ 4,714,253</u></u>	<u><u>\$ 3,209,142</u></u>

**COUNTY OF MADERA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
PUBLIC ASSISTANCE
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of Money and Property	\$ 1,400	\$ 1,400	\$ (4,946)	\$ (6,346)
Aid from Other Governments	7,226,340	7,226,340	7,889,982	663,642
Charges for Services	11,000	11,000	12,355	1,355
Total Revenues	<u>7,238,740</u>	<u>7,238,740</u>	<u>7,897,391</u>	<u>658,651</u>
EXPENDITURES				
Current:				
Public Assistance	135,000	142,500	299,451	(156,951)
Appropriations for Contingencies	224,740	224,740	-	224,740
Total Expenditures	<u>359,740</u>	<u>367,240</u>	<u>299,451</u>	<u>67,789</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	6,879,000	6,871,500	7,597,940	726,440
OTHER FINANCING SOURCES (USES)				
Transfers in	96,000	96,000	217,843	121,843
Transfers out	<u>(8,207,182)</u>	<u>(8,207,182)</u>	<u>(8,273,495)</u>	<u>(66,313)</u>
Total Other Financing Sources (Uses)	<u>(8,111,182)</u>	<u>(8,111,182)</u>	<u>(8,055,652)</u>	<u>55,530</u>
NET CHANGE IN FUND BALANCES	(1,232,182)	(1,239,682)	(457,712)	781,970
Fund Balances - Beginning of Year	<u>1,103,100</u>	<u>1,103,100</u>	<u>1,103,100</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ (129,082)</u></u>	<u><u>\$ (136,582)</u></u>	<u><u>\$ 645,388</u></u>	<u><u>\$ 781,970</u></u>

**COUNTY OF MADERA, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Use of Money and Property	\$ 3,200	\$ 3,200	\$ 32,915	\$ 29,715
Aid from Other Governments	64,707	64,707	-	(64,707)
Other Revenues	-	119,250	154,137	34,887
Total Revenues	<u>67,907</u>	<u>187,157</u>	<u>187,052</u>	<u>(105)</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Protection	82,700	82,700	47,374	35,326
Health and Sanitation	-	-	1,681	(1,681)
Public Assistance	-	-	9,303	(9,303)
Recreation and Cultural Services	341,609	360,534	47,203	313,331
Capital Outlay	3,116,626	16,511,197	3,797,765	12,713,432
Appropriations for Contingencies	5,230	5,230	-	5,230
Total Expenditures	<u>3,546,165</u>	<u>16,959,661</u>	<u>3,903,326</u>	<u>13,056,335</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,478,258)	(16,772,504)	(3,716,274)	13,056,230
OTHER FINANCING SOURCES (USES)				
Transfers in	1,286,658	9,593,554	6,150,935	(3,442,619)
Transfers out	(445,610)	(455,083)	-	455,083
Capital Leases	-	-	2,509,653	2,509,653
Sale of Capital Assets	-	-	560,000	560,000
Other Sources (Uses)	645,360	1,427,360	-	(1,427,360)
Total Other Financing Sources (Uses)	<u>1,486,408</u>	<u>10,565,831</u>	<u>9,220,588</u>	<u>(1,345,243)</u>
NET CHANGE IN FUND BALANCES	(1,991,850)	(6,206,673)	5,504,314	11,710,987
Fund Balances - Beginning of Year	<u>1,124,756</u>	<u>1,124,756</u>	<u>1,124,756</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ (867,094)</u></u>	<u><u>\$ (5,081,917)</u></u>	<u><u>\$ 6,629,070</u></u>	<u><u>\$ 11,710,987</u></u>



INTERNAL SERVICE FUNDS

**COUNTY OF MADERA, CALIFORNIA
COMBINING STATEMENT OF FUND NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2018**

	Central Garage	Self Insurance	Microwave Radio Services	Total
ASSETS				
Current Assets:				
Cash and Investments	\$ 678,117	\$ 7,839,695	\$ 469,415	\$ 8,987,227
Receivables:				
Accounts	3,322	152,481	-	155,803
Interest	2,948	34,414	2,074	39,436
Due from Other Funds	17,941	-	-	17,941
Prepaid Items	-	-	38,525	38,525
Inventories	62,189	-	-	62,189
Total Current Assets	<u>764,517</u>	<u>8,026,590</u>	<u>510,014</u>	<u>9,301,121</u>
Noncurrent Assets:				
Capital Assets:				
Nondepreciable	293,563	-	-	293,563
Depreciable	4,683,593	-	1,076,700	5,760,293
Total Noncurrent Assets	<u>4,977,156</u>	<u>-</u>	<u>1,076,700</u>	<u>6,053,856</u>
Total Assets	<u>5,741,673</u>	<u>8,026,590</u>	<u>1,586,714</u>	<u>15,354,977</u>
DEFERRED OUTFLOWS				
Deferred Outflows - OPEB	25,205	-	-	25,205
Deferred Outflows - Pensions	149,304	-	-	149,304
Total deferred outflows of resources	<u>174,509</u>	<u>-</u>	<u>-</u>	<u>174,509</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	33,694	349,895	259	383,848
Accrued Salaries and Benefits	19,940	-	-	19,940
Unavailable revenues	-	-	-	-
Due to Other Funds	281	233,835	-	234,116
Due to other Governments	124	-	5,063	5,187
Compensated Absences	27,247	-	-	27,247
Claims Payable	-	2,495,540	-	2,495,540
Long-Term Debt, Due in One Year	44,647	-	100,995	145,642
Total Current Liabilities	<u>125,933</u>	<u>3,079,270</u>	<u>106,317</u>	<u>3,311,520</u>
Noncurrent Liabilities:				
Compensated Absences	16,863	-	-	16,863
Long-Term Debt, Due in More than One Year	259,318	-	-	259,318
Liability for Other Postemployment Benefits	1,032,766	-	-	1,032,766
Claims Payable	-	8,053,460	-	8,053,460
Net Pension Liability	695,861	-	-	695,861
Total Noncurrent Liabilities	<u>2,004,808</u>	<u>8,053,460</u>	<u>-</u>	<u>10,058,268</u>
Total Liabilities	<u>2,130,741</u>	<u>11,132,730</u>	<u>106,317</u>	<u>13,369,788</u>
DEFERRED INFLOWS				
Deferred Inflows - OPEB	106,611	-	-	106,611
Deferred Inflows - Pensions	7,911	-	-	7,911
Total deferred inflows of resources	<u>114,522</u>	<u>-</u>	<u>-</u>	<u>114,522</u>
NET POSITION				
Net Investment in Capital Assets	4,673,191	-	975,705	5,648,896
Unrestricted	<u>(1,002,272)</u>	<u>(3,106,140)</u>	<u>504,692</u>	<u>(3,603,720)</u>
Total Net Position	<u>\$ 3,670,919</u>	<u>\$ (3,106,140)</u>	<u>\$ 1,480,397</u>	<u>\$ 2,045,176</u>

**COUNTY OF MADERA, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2018**

	Central Garage	Self Insurance	Microwave Radio Services	Total
OPERATING REVENUES				
Charges for Services	\$ 2,353,519	\$ 6,580,763	\$ 640,550	\$ 9,574,832
Total Operating Revenues	<u>2,353,519</u>	<u>6,580,763</u>	<u>640,550</u>	<u>9,574,832</u>
OPERATING EXPENSES				
Salaries and Benefits	526,422	125,000	-	651,422
Services and Supplies	813,891	2,130,115	298,209	3,242,215
Maintenance	252,790	-	54,208	306,998
Insurance	20,610	2,386,984	-	2,407,594
Utilities	12,831	-	-	12,831
Claims	-	1,204,908	-	1,204,908
Depreciation	563,383	-	89,025	652,408
Other Operating Expense	813	-	-	813
Total Operating Expenses	<u>2,190,740</u>	<u>5,847,007</u>	<u>441,442</u>	<u>8,479,189</u>
OPERATING INCOME (LOSS)	162,779	733,756	199,108	1,095,643
NONOPERATING REVENUE (EXPENSES)				
Investment Income	(895)	(10,340)	1,050	(10,185)
Interest and Fiscal Charges	(3,238)	-	(11,520)	(14,758)
Gain on Disposition of Capital Assets	35,988	-	-	35,988
Total Nonoperating Revenue (Expenses)	<u>31,855</u>	<u>(10,340)</u>	<u>(10,470)</u>	<u>11,045</u>
CHANGE IN NET POSITION	194,634	723,416	188,638	1,106,688
Net Position - Beginning of Year, Restated	<u>3,476,285</u>	<u>(3,829,556)</u>	<u>1,291,759</u>	<u>938,488</u>
NET POSITION - END OF YEAR	<u>\$ 3,670,919</u>	<u>\$ (3,106,140)</u>	<u>\$ 1,480,397</u>	<u>\$ 2,045,176</u>

**COUNTY OF MADERA, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2018**

	Central Garage	Self Insurance	Microwave Radio Services	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Receipts from Interfund Services	2,351,154	6,576,996	640,550	\$ 9,568,700
Cash Paid to Suppliers	(1,130,525)	(5,952,741)	(353,047)	(7,436,313)
Cash Paid to Employees	(389,460)	(125,000)	-	(514,460)
Net Cash Provided (Used) by Operating Activities	<u>831,169</u>	<u>499,255</u>	<u>287,503</u>	<u>1,617,927</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund Loans	(11,921)	(78,644)	-	(90,565)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(11,921)</u>	<u>(78,644)</u>	<u>-</u>	<u>(90,565)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of Capital Assets	(989,242)	-	-	(989,242)
Proceeds from Sale of Capital Assets	38,520	-	-	38,520
Principal Payments on Debt	(9,054)	-	(199,140)	(208,194)
Interest Payments	(3,238)	-	(11,520)	(14,758)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(963,014)</u>	<u>-</u>	<u>(210,660)</u>	<u>(1,173,674)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	(1,602)	(24,429)	59	(25,972)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(145,368)</u>	<u>396,182</u>	<u>76,902</u>	<u>327,716</u>
Cash and Cash Equivalents - Beginning of Year	<u>823,485</u>	<u>7,443,513</u>	<u>392,513</u>	<u>8,659,511</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>678,117</u></u>	<u><u>7,839,695</u></u>	<u><u>469,415</u></u>	<u><u>\$ 8,987,227</u></u>

continued

**COUNTY OF MADERA, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2018**

	Central Garage	Self Insurance	Microwave Radio Services	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	162,779	733,756	199,108	\$ 1,095,643
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	563,383	-	89,025	652,408
Changes in Assets and Liabilities:				
(Increase) Decrease in:				
Accounts Receivable	(2,365)	(3,767)	-	(6,132)
Prepaid Expenses	-		14,526	14,526
Inventories	(18,552)	-	-	(18,552)
Deferred Outflows of Resources - Pensions	(26,176)	-	-	(26,176)
Deferred Outflows of Resources - OPEB	6,391	-	-	6,391
Increase (Decrease) in:				
Accounts Payable and Other Liabilities	(10,327)	164,266	(20,218)	133,721
Salaries and Benefits Payable	14,179	-	-	14,179
Due to Other Governments	(711)	-	5,062	4,351
Compensated Absences	2,611	-	-	2,611
Post Employment Benefits Liability	(18,883)	-	-	(18,883)
Claims Payable	-	(395,000)	-	(395,000)
Net Pension Liability	59,476	-	-	59,476
Deferred Inflows of Resources - Pensions	(7,247)	-	-	(7,247)
Deferred Inflows of Resources - OPEB	106,611	-	-	106,611
Net Cash Provided (Used) by Operating Activities	<u>\$ 831,169</u>	<u>\$ 499,255</u>	<u>\$ 287,503</u>	<u>\$ 1,617,927</u>
SCHEDULE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Machinery, Equipment, and Vehicles Purchases on Account	<u>\$ 313,019</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 313,019</u>



AGENCY FUNDS



**COUNTY OF MADERA, CALIFORNIA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2018**

	Beginning Balance	Additions	Deductions	Ending Balances
Assets				
Cash and investments	\$ 8,492,405	413,408,585	413,356,357	\$ 8,544,633
Accounts receivable	389	315,980	315,979	390
Due from other governments	-	11,413	5,573	5,840
Taxes receivable	98,100	634,909	214,467	518,542
Interest receivable	17,280	-	-	17,280
Total Assets	<u>\$ 8,608,174</u>	<u>\$ 414,370,887</u>	<u>\$ 413,892,376</u>	<u>\$ 9,086,685</u>
Liabilities				
Accounts payable	\$ 279,043	30,797,140	30,452,229	\$ 623,954
Due to other governments	496,166	4,123,961	3,925,015	695,112
Deposits from others	-	275	275	-
Agency obligations	7,832,965	404,923,059	404,988,405	7,767,619
Unearned revenue	-	56	56	-
Total Liabilities	<u>\$ 8,608,174</u>	<u>\$ 439,844,491</u>	<u>\$ 439,365,980</u>	<u>\$ 9,086,685</u>





STATISTICAL SECTION

**COUNTY OF MADERA, CALIFORNIA
STATISTICAL SECTION
DESCRIPTION**

This section of the County of Madera's comprehensive annual financial report presents detailed information as a context for understanding and expanding upon what the information of the financial statements, note disclosures, and required supplementary information says about the county's overall financial health.

Contents

Financial Trends

These schedules contain trend information to assist the reader in understanding how the county's financial information and well-being have changed over time.

Revenue Capacity

These schedules contain information to assist the reader in assessing the county's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to assist the reader in assessing the affordability of the county's current level of outstanding debt and the county's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to assist the reader to comprehend the environment within which the county's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to assist the reader in understanding how the information in the county's financial report relates to the services the county provides and the activities it performs.

Note about sources: Unless otherwise noted, the information in the following schedules is derived from the comprehensive annual financial reports for the relevant year. The County of Madera implemented GASB Statement 34 in fiscal year 1999-2000; schedules presenting government-wide information include information beginning in that year.

FINANCIAL TRENDS



COUNTY OF MADERA, CALIFORNIA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 197,760	\$ 197,768	\$ 209,852	\$ 226,771	\$ 238,910	\$ 242,644	\$ 241,415	\$ 237,185	\$ 247,343	\$ 250,429
Restricted	37,806	37,863	44,050	91,589	90,499	102,820	101,690	104,482	99,024	109,757
Unrestricted	19,660	1,176	9,530	(42,467)	(52,203)	(67,464)	(200,639)	(211,549)	(221,281)	(314,570)
Total Governmental										
Activities Net Position	<u>\$ 255,226</u>	<u>\$ 236,807</u>	<u>\$ 263,432</u>	<u>\$ 275,893</u>	<u>\$ 277,206</u>	<u>\$ 278,000</u>	<u>\$ 142,466</u>	<u>\$ 130,118</u>	<u>\$ 125,086</u>	<u>\$ 45,616</u>
Business-Type Activities:										
Net Investment in										
Capital Assets	\$ 28,464	\$ 28,769	\$ 30,192	\$ 30,224	\$ 31,953	\$ 33,495	\$ 41,224	\$ 52,857	\$ 45,856	\$ 46,341
Restricted	8,758	1,630	1,847	21,313	-	-	-	-	-	-
Unrestricted	1,754	10,678	16,105	148	20,892	19,596	19,678	21,795	23,817	28,321
Total Business-Type										
Activities Net Position	<u>\$ 38,976</u>	<u>\$ 41,077</u>	<u>\$ 48,144</u>	<u>\$ 51,685</u>	<u>\$ 52,845</u>	<u>\$ 53,091</u>	<u>\$ 60,902</u>	<u>\$ 74,652</u>	<u>\$ 69,673</u>	<u>\$ 74,662</u>
Total Primary Government:										
Net Investment in										
Capital Assets	\$ 226,224	\$ 226,537	\$ 240,044	\$ 256,995	\$ 270,863	\$ 276,139	\$ 282,639	\$ 290,042	\$ 293,199	\$ 296,770
Restricted	46,564	39,493	45,897	112,902	90,499	102,820	101,690	104,482	99,024	109,757
Unrestricted	21,414	11,854	25,635	(42,319)	(31,311)	(47,868)	(180,961)	(189,754)	(197,464)	(286,249)
Total Primary Government										
Net Position	<u>\$ 294,202</u>	<u>\$ 277,884</u>	<u>\$ 311,576</u>	<u>\$ 327,578</u>	<u>\$ 330,051</u>	<u>\$ 331,091</u>	<u>\$ 203,368</u>	<u>\$ 204,770</u>	<u>\$ 194,759</u>	<u>\$ 120,278</u>

Source: Statements of Net Assets, 2007-08 through 2012-13, and Net Position, 2013-14 through 2017-18.

**COUNTY OF MADERA, CALIFORNIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)**

	2008-09	2009-10	2010-11	2011-12	20012-13	2013-14	2014-15	2015-16	2016-17	2017-18
EXPENSES										
Governmental Activities:										
General Government	\$ 27,617	\$ 35,060	\$ 40,626	\$ 41,296	\$ 38,322	\$ 30,530	\$ 27,367	\$ 30,278	\$ 34,640	\$ 36,789
Public Protection	63,393	63,796	58,354	54,354	56,800	64,077	71,347	74,905	78,768	90,429
Public Ways and Facilities	20,396	19,193	17,854	18,719	18,300	17,905	20,709	20,904	20,731	18,863
Health and Sanitation	28,998	28,390	25,649	27,069	26,437	26,291	27,708	28,556	32,321	37,552
Public Assistance	53,023	54,130	56,544	54,927	53,225	55,979	60,060	61,982	69,492	73,628
Education	2,338	1,992	1,191	1,030	1,010	1,186	1,366	1,363	1,621	2,078
Recreation	45	60	51	674	831	934	946	973	1,251	1,313
Interest and Fiscal Charges	873	876	830	859	833	743	889	1,228	1,214	1,131
Total Governmental Activities Expenses	<u>\$ 196,683</u>	<u>\$ 203,497</u>	<u>\$ 201,099</u>	<u>\$ 198,928</u>	<u>\$ 195,758</u>	<u>\$ 197,645</u>	<u>\$ 210,392</u>	<u>\$ 220,189</u>	<u>\$ 240,038</u>	<u>\$ 261,783</u>
Business-Type Activities:										
Maintenance Districts	\$ 1,953	\$ 1,652	\$ 1,852	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance District 22A	1,113	1,942	1,648	-	-	-	-	-	-	-
Special Districts -										
Water/Sewer	-	-	-	-	-	-	-	7,323	10,323	8,493
County Landfill	2,818	2,590	2,838	1,817	3,630	4,469	4,467	5,498	(407)	5,764
Service Areas	-	1,520	1,475	-	-	-	-	-	-	-
Transit	-	-	-	-	-	-	-	-	-	1,454
Nonmajor Enterprise Funds	2,989	1,154	1,491	6,387	6,680	6,874	6,503	-	-	-
Total Business-Type Activities Expenses	<u>\$ 8,873</u>	<u>\$ 8,858</u>	<u>\$ 9,304</u>	<u>\$ 8,204</u>	<u>\$ 10,310</u>	<u>\$ 11,343</u>	<u>\$ 10,970</u>	<u>\$ 12,821</u>	<u>\$ 9,916</u>	<u>\$ 15,711</u>
Total Primary Government Expenses	<u>\$ 205,556</u>	<u>\$ 212,355</u>	<u>\$ 210,403</u>	<u>\$ 207,132</u>	<u>\$ 206,068</u>	<u>\$ 208,988</u>	<u>\$ 221,362</u>	<u>\$ 233,010</u>	<u>\$ 249,954</u>	<u>\$ 277,494</u>

COUNTY OF MADERA, CALIFORNIA
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
PROGRAM REVENUES										
Governmental Activities:										
Fees, Fines, Charges for Services:										
General Government	\$ 7,557	\$ 7,551	\$ 8,169	\$ 8,193	\$ 9,211	\$ 9,634	\$ 10,483	\$ 10,612	\$ 13,233	\$ 13,831
Public Protection	8,410	8,445	7,121	7,901	7,413	8,036	7,078	9,912	10,149	10,954
Public Ways and Facilities	2,263	2,197	2,759	2,101	4,310	2,957	5,737	1,760	3,258	5,194
Health and Sanitation	1,271	2,953	4,979	4,254	2,860	2,024	2,929	3,236	2,544	2,700
Public Assistance	150	87	178	149	146	127	270	122	143	231
Education	113	112	71	60	64	59	70	74	80	160
Recreation	180	61	23	598	464	545	550	608	759	989
Operating Grants and Contributions:										
General Government	711	336	22,441	4,588	2,033	1,986	11,571	10,178	11,504	11,869
Public Protection	16,729	16,175	9,815	25,448	26,378	23,839	17,595	26,610	15,541	22,167
Public Ways and Facilities	9,432	8,291	8,698	14,045	7,349	10,413	10,496	4,855	5,032	8,378
Health and Sanitation	22,954	23,153	20,316	24,597	29,995	23,868	26,924	28,466	31,523	43,703
Public Assistance	42,812	51,146	45,286	50,809	50,363	54,341	59,968	63,780	65,398	66,299
Education	74	54	-	25	-	6	93	13	5	11
Recreation	-	-	-	195	26	34	-	-	-	-
Capital Grants and Contributions:										
General Government	341	74	-	175	110	32	-	6	-	855
Public Protection	-	-	-	14,124	8,434	4,806	1,204	1,901	326	249
Public Ways and Facilities	724	5,672	2,444	-	2,176	2,080	2,508	525	8,150	3,007
Health and Sanitation	-	-	-	-	-	-	10	-	-	-
Public Assistance	-	-	-	-	-	-	-	-	-	653
Education	-	-	-	-	-	-	-	-	40	-
Recreation	-	1,219	-	-	-	-	257	64	-	-
Total Program Revenues	<u>\$ 113,721</u>	<u>\$ 127,526</u>	<u>\$ 132,300</u>	<u>\$ 157,262</u>	<u>\$ 151,332</u>	<u>\$ 144,787</u>	<u>\$ 157,743</u>	<u>\$ 162,722</u>	<u>\$ 167,685</u>	<u>\$ 191,250</u>

COUNTY OF MADERA, CALIFORNIA
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Business-Type Activities:										
Fees, Fines, Charges for Services:										
Maintenance Districts	\$ 1,463	\$ 1,460	\$ 1,520	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance District 22A	1,592	1,585	1,423	-	-	-	-	-	-	-
Special Districts -										
Water/Sewer	-	-	-	-	-	-	-	5,919	7,130	7,709
County Landfill	2,424	2,693	2,602	2,941	3,859	4,060	3,839	4,472	5,710	7,474
Transit	-	-	-	-	-	-	-	-	-	43
Service Areas	-	1,008	1,065	-	-	-	-	-	-	-
Nonmajor Enterprise Funds	5,115	878	964	4,268	5,348	5,671	6,408	-	-	-
Operating Grants and Contributions:										
Maintenance Districts	-	-	18	-	-	-	-	-	-	-
Maintenance District 22A	-	-	-	-	-	-	-	-	-	-
Special Districts -										
Water/Sewer	-	-	-	-	-	-	-	321	-	-
County Landfill	-	-	-	-	-	-	-	-	-	-
Service Areas	-	-	-	-	-	-	-	-	-	-
Transit	-	-	-	-	-	-	-	-	-	2,279
Nonmajor Enterprise Funds	-	-	(3)	261	1,135	862	145	-	-	-
Capital Grants and Contributions:										
Maintenance Districts	-	-	-	-	-	-	-	-	-	-
Maintenance District 22A	-	-	-	-	-	-	-	-	-	-
Special Districts -										
Water/Sewer	-	-	-	-	-	-	-	4,463	1,509	1,958
County Landfill	-	-	-	-	-	-	-	-	-	-
Service Areas	-	-	31	-	-	-	-	-	-	-
Transit	-	-	-	-	-	-	-	-	-	85
Nonmajor Enterprise Funds	-	-	97	551	69	87	3,249	-	-	-
Total Business-Type Activities Revenues	<u>\$ 10,594</u>	<u>\$ 7,624</u>	<u>\$ 7,717</u>	<u>\$ 8,021</u>	<u>\$ 10,411</u>	<u>\$ 10,680</u>	<u>\$ 13,641</u>	<u>\$ 15,175</u>	<u>\$ 14,349</u>	<u>\$ 19,549</u>
Total Primary Government Revenues	<u>\$ 124,315</u>	<u>\$ 135,150</u>	<u>\$ 140,017</u>	<u>\$ 165,283</u>	<u>\$ 161,743</u>	<u>\$ 155,467</u>	<u>\$ 171,384</u>	<u>\$ 177,897</u>	<u>\$ 182,034</u>	<u>\$ 210,799</u>

COUNTY OF MADERA, CALIFORNIA
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
NET (EXPENSE)/REVENUES										
Governmental Activities	\$ (82,962)	\$ (75,971)	\$ (68,799)	\$ (41,666)	\$ (44,426)	\$ (52,858)	\$ (52,649)	\$ (57,467)	\$ (72,353)	\$ (70,534)
Business-Type Activities	1,721	(1,234)	(1,587)	(183)	101	(663)	2,671	2,354	4,433	3,838
Total Primary Government										
Net Expense	<u>\$ (81,241)</u>	<u>\$ (77,205)</u>	<u>\$ (70,386)</u>	<u>\$ (41,849)</u>	<u>\$ (44,325)</u>	<u>\$ (53,521)</u>	<u>\$ (49,978)</u>	<u>\$ (55,113)</u>	<u>\$ (67,920)</u>	<u>\$ (66,696)</u>
GENERAL REVENUE AND OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Taxes:										
Property Taxes	\$ 28,658	\$ 26,567	\$ 34,150	\$ 38,639	\$ 38,962	\$ 40,464	\$ 38,200	\$ 37,419	\$ 40,303	\$ 42,710
Sales and Use Taxes	10,147	9,147	8,151	9,718	8,835	8,726	7,983	9,470	9,021	7,534
Motor Vehicle In-lieu	16,217	14,718	13,818	-	-	-	-	-	-	-
Other Taxes	2,426	2,847	1,916	2,984	2,573	3,048	2,849	3,982	4,139	4,867
Investment Earnings	2,292	1,716	1,317	1,009	454	658	803	895	1,126	(78)
Gain (Loss) on Sale of Assets	23	-	-	112	43	29	495	14	-	36
Miscellaneous	4,867	1,318	1,120	968	-	1,172	2,064	2,533	2,305	2,673
Contributed Capital	-	3,294	-	-	-	-	-	-	-	-
Transfers	(88)	-	-	(25)	-	70	(377)	108	70	106
Total Governmental Activities	<u>64,542</u>	<u>59,607</u>	<u>60,472</u>	<u>53,405</u>	<u>50,867</u>	<u>54,167</u>	<u>52,017</u>	<u>54,421</u>	<u>56,964</u>	<u>57,848</u>

COUNTY OF MADERA, CALIFORNIA
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Business-Type Activities:										
Taxes:										
Property Taxes	-	-	367	465	367	376	422	1,175	576	401
Other Taxes		396	-	-	-	-	-	-	-	-
Investment Earnings	(234)	330	207	190	85	129	157	191	272	37
Gain (Loss) on Sale of Assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous	526	60	83	108	54	206	198	235	82	39
Contributed Capital	-	9	-	-	-	-	-	-	-	-
Change in Landfill Closure Estimate	-	-	-	3,023	-	-	-	-	-	-
Transfers	88	-	-	25	-	(70)	377	(108)	(70)	(106)
Total Business-Type Activities	380	795	657	3,811	506	641	1,154	1,493	860	371
Total Primary Government	\$ 64,922	\$ 60,402	\$ 61,129	\$ 57,216	\$ 51,373	\$ 54,808	\$ 53,171	\$ 55,914	\$ 57,824	\$ 58,219
CHANGE IN NET POSITION										
Governmental Activities	\$ (18,420)	\$ (16,364)	\$ (8,327)	\$ 11,739	\$ 6,441	\$ 1,309	\$ (632)	\$ (3,046)	\$ (15,389)	\$ (12,686)
Business-Type Activities	2,101	(439)	(930)	3,628	607	(22)	3,825	3,847	5,293	4,209
Total Primary Government	\$ (16,319)	\$ (16,803)	\$ (9,257)	\$ 15,367	\$ 7,048	\$ 1,287	\$ 3,193	\$ 801	\$ (10,096)	\$ (8,476)

COUNTY OF MADERA, CALIFORNIA
FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

	Fiscal Year			
	2008-2009	2009-2010	2010-2011	2011-2012
General Fund:				
Reserved	\$ 19,552	\$ 16,192	\$ 2,639	\$ 36,678
Unreserved	3,703	5,909	57,359	10,733
Total General Fund	<u>\$ 23,255</u>	<u>\$ 22,101</u>	<u>\$ 59,998</u>	<u>\$ 47,411</u>
All Other Governmental Funds:				
Reserved	\$ 5,732	\$ 14,878	\$ 52,311	\$ 57,480
Unreserved, Reported in:				
Special Revenue Funds	35,214	-	(247)	16
Nonmajor Funds	-	38,889	(654)	5,214
Capital Project Funds	-	-	-	-
Total, All Other Governmental Funds	<u>\$ 40,946</u>	<u>\$ 53,767</u>	<u>\$ 51,410</u>	<u>\$ 62,710</u>

Note: In fiscal year 2012-13, the County implemented GASB Statement 54, which changed the classifications of the fund balance. Fund balance information in years prior to 2012-13 is presented according to the previous guidelines.

COUNTY OF MADERA, CALIFORNIA
FUND BALANCES – GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

	Fiscal Year					
	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
General Fund:						
Nonspendable	\$ -	\$ 2,800	\$ 2,134	\$ 3,460	\$ 1,333	\$ 3,210
Restricted	39,474	43,439	43,441	42,064	41,535	47,280
Committed				5,405	766	942
Assigned				3,345	13,518	12,864
Unassigned	11,137	6,221	17,142	19,879	17,107	7,804
Total General Fund	<u>\$ 50,611</u>	<u>\$ 52,460</u>	<u>\$ 62,717</u>	<u>\$ 74,153</u>	<u>\$ 74,259</u>	<u>\$ 72,100</u>
All Other Governmental Funds:						
Nonspendable	\$ -	\$ 280	\$ 285	\$ 347	\$ 300	\$ 5,007
Restricted	51,916	59,395	58,263	51,514	49,894	56,171
Committed	-	-	-	321	-	-
Unassigned, Reported in:						
Special Revenue Funds	-	-	-	-	1,125	2,024
Nonmajor Funds	2,193	969	316	(405)	-	(8)
Total, All Other Governmental Funds	<u>\$ 54,109</u>	<u>\$ 60,644</u>	<u>\$ 58,864</u>	<u>\$ 51,777</u>	<u>\$ 51,319</u>	<u>\$ 63,194</u>

COUNTY OF MADERA, CALIFORNIA
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

	Fiscal Year									
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
REVENUES										
Taxes	\$ 57,449	\$ 53,279	\$ 58,035	\$ 50,058	\$ 48,954	\$ 53,795	\$ 51,718	\$ 53,257	\$ 53,082	\$ 54,882
Licenses, Permits, and Franchises	3,542	3,496	3,346	3,390	3,521	4,136	4,710	5,567	5,712	6,560
Intergovernmental	97,285	109,524	108,733	135,112	122,975	121,824	124,579	134,753	141,617	156,687
Charges for Services	13,598	14,482	16,864	15,679	16,217	14,706	17,519	17,090	18,805	24,432
Fines, Forfeitures, and Penalties	2,806	3,428	3,090	4,187	3,929	4,541	4,044	4,294	4,866	3,898
Revenue from Use of Money and Property	1,976	1,435	1,199	858	414	603	686	910	1,050	(68)
Miscellaneous Revenues	1,359	1,318	1,046	968	1,430	1,172	2,064	2,331	2,305	2,673
Total Revenues	178,015	186,962	192,313	210,252	197,440	200,777	205,320	218,202	227,437	249,064

COUNTY OF MADERA, CALIFORNIA
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

	Fiscal Year									
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
EXPENDITURES										
Current:										
General Government	\$ 24,265	\$ 29,684	\$ 26,972	\$ 30,998	\$ 29,262	\$ 26,660	\$ 23,084	\$ 25,008	\$ 28,582	\$ 31,556
Public Protection	56,474	57,178	55,450	52,253	53,893	59,419	64,251	68,755	73,431	78,637
Public Ways and Facilities	13,768	11,907	13,075	14,032	17,161	11,319	15,422	16,345	15,714	12,588
Health and Sanitation	26,244	25,083	24,964	26,447	25,566	24,797	26,496	27,592	30,581	34,582
Public Assistance	51,959	51,432	54,405	53,631	51,894	54,419	58,218	60,410	67,206	69,532
Education	2,000	1,604	1,143	968	929	1,048	1,208	1,226	1,440	1,510
Recreation and Cultural										
Services	20	22	17	462	456	544	551	579	857	913
Capital Outlay	5,722	13,514	10,715	24,235	18,038	15,221	31,036	10,540	10,047	11,833
Debt Service:										
Principal	1,021	1,094	940	971	1,021	1,105	1,218	1,313	2,150	2,238
Interest and Fiscal Charges	889	875	824	814	784	705	867	1,197	1,171	1,099
Total, All Governmental Funds	<u>182,362</u>	<u>192,393</u>	<u>188,505</u>	<u>204,811</u>	<u>199,004</u>	<u>195,237</u>	<u>222,351</u>	<u>212,965</u>	<u>231,179</u>	<u>244,488</u>

COUNTY OF MADERA, CALIFORNIA
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

	Fiscal Year									
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) TOTAL EXPENDITURES	(4,347)	(5,431)	3,808	5,441	(1,564)	5,540	(17,031)	5,237	(3,742)	4,575
OTHER FINANCING SOURCES (USES)										
Proceeds from Sale of Capital Assets	2	14	-	67	69	2,109	584	305	70	708
Capital Leases	-	-	-	-	112	332	24,109	14,105	143	4,388
Payment to Refunding Escrow Agent	-	-	-	-	-	-	-	(13,560)	-	-
Insurance Recoveries	-	-	-	-	-	-	-	10	-	-
Transfers In	7,173	3,138	2,395	84	13,655	18,710	27,756	22,561	22,963	26,111
Transfers Out	(7,419)	(6,772)	(2,171)	-	(13,530)	(18,252)	(28,009)	(22,328)	(22,768)	(26,067)
Total Other Financing Sources (Uses):	(244)	(3,620)	224	151	306	2,899	24,440	1,093	408	5,140
NET CHANGE IN FUND BALANCE	(4,591)	(9,051)	4,032	5,592	(1,258)	8,439	7,409	6,330	(3,334)	9,715
FUND BALANCES										
Beginning of Year, as Restated	68,793	84,919	107,376	104,528	105,978	104,664	114,172	119,601	128,912	125,579
End of Year	<u>\$ 64,202</u>	<u>\$ 75,868</u>	<u>\$ 111,408</u>	<u>\$ 110,120</u>	<u>\$ 104,720</u>	<u>\$ 113,103</u>	<u>\$ 121,581</u>	<u>\$ 125,931</u>	<u>\$ 125,578</u>	<u>\$ 135,294</u>
Debt Service as a Percentage of Noncapital Expenditures	0.50%	0.49%	0.46%	0.45%	0.43%	0.39%	0.45%	1.24%	1.50%	1.43%

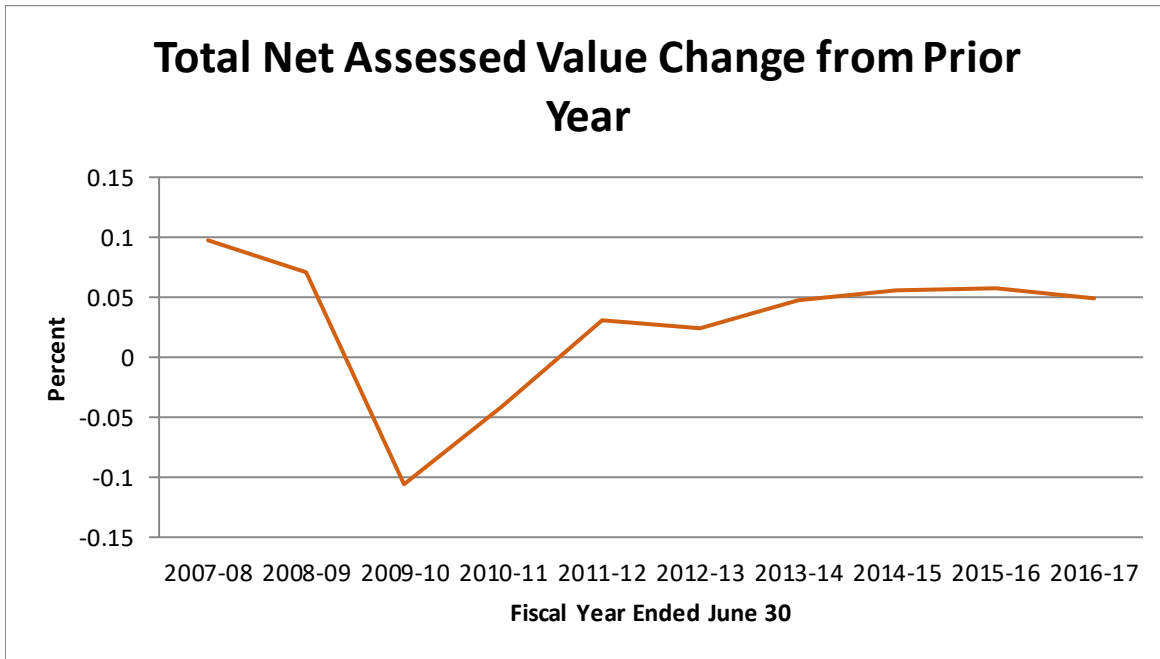


REVENUE CAPACITY

COUNTY OF MADERA, CALIFORNIA
ASSESSED VALUATION^a
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

Fiscal Year	Secured	Unsecured	Exemptions	Net Assessed Avaluations	Percentage Increase from Prior Year	Tax Rate
2008-09	12,476,358	396,976	423,465	12,449,869	7.00	1.0000
2009-10	11,124,188	450,117	450,195	11,124,110	(10.65)	1.0000
2010-11	10,711,816	424,323	468,361	10,667,778	(4.10)	1.0000
2011-12	11,080,986	463,885	556,941	10,987,930	3.00	1.0000
2012-13	11,342,818	490,827	593,072	11,240,573	2.30	1.0000
2013-14	11,899,485	525,560	652,738	11,772,307	4.73	1.0000
2014-15	12,534,324	548,143	668,097	12,414,370	5.45	1.0000
2015-16	13,287,145	550,493	721,797	13,115,841	5.65	1.0000
2016-17	13,847,344	625,351	729,255	13,743,440	4.79	1.0000
2017-18	14,463,379	600,758	748,530	14,315,607	4.16	1.0000

Source: Assessor to Auditor Certified Values



^a Due to Article XIII-A, added to the California Constitution by Proposition 13 in 1978, the County does not track the estimated actual value of all County properties. Proposition 13 fixed the base for valuation of real property at the full cash value which appeared on the Assessor's 1975-76 assessment roll. Thereafter, full cash value can be increased to reflect: 1) annual inflation up to two percent; 2) current market value at the time of ownership change; and 3) market value for new construction. As a result, similar properties can have substantially different assessed values based on the date of purchase.

**COUNTY OF MADERA, CALIFORNIA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS (PER \$100 OF ASSESSED VALUES)
(UNAUDITED)**

	Fiscal Year									
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-2017	2017-2018
COUNTY DIRECT RATES										
GENERAL	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Public Utility Unitary and Nonunitary										
Operating Property	0.999188	0.999222	0.999051	0.998926	0.998936	0.998771	0.998445	0.998288	0.998027	0.997553
Public Utility Unitary										
Regulated Railroad Property	-	-	-	-	-	-	1.000000	0.998194	1.000000	1.000000
Lower San Joaquin Levee (Negative Rate)	(0.031422)	(0.031022)	(0.032830)	(0.033775)	(0.040456)	(0.034433)	(0.043238)	(0.030948)	0.038080	(0.040121)
CITIES, SCHOOLS, AND SPECIAL DISTRICTS COMBINED RATES										
Bass Lake ESD Bond 2006	0.027137	0.023782	0.022270	0.024714	0.028642	0.027111	0.027148	0.028231	0.026335	-
Bass Lake ESD Bond 2010	-	-	0.003119	0.001639	0.000237	0.000340	0.000899	0.000904	0.000525	0.000266
Bass Lake ESD Bond 2016	-	-	-	-	-	-	-	-	-	0.024450
Chawanakee USD Bond 2006	0.035220	0.036683	0.038084	0.031557	0.029429	0.027618	0.027114	-	-	-
Chawanakee USD Bond 2008	0.010214	0.005707	0.011155	0.009641	0.005205	0.008101	0.008191	-	0.003478	0.001213
Chawanakee USD Refunding Bond 2015	-	-	-	-	-	-	-	0.060259	0.049420	0.035911
Coarsegold ESD Refinancing Bonds 1A & 1B	0.033446	0.029433	0.018615	-	-	-	-	-	-	-
Chowchilla UHS Bond 2005	0.010555	0.019869	0.016118	0.015583	0.014651	0.015056	0.014782	0.004675	0.004748	0.007112
Chowchilla UHS Bond 2006	0.002318	0.006514	0.006177	0.006951	0.006584	0.007299	0.008381	0.007914	0.007451	-
Chowchilla UHS Bond 2014	-	-	-	-	-	-	-	0.011136	0.008630	0.017415
Chowchilla UHS Bond 2016	-	-	-	-	-	-	-	-	-	0.025740
Yosemite UHS Bond 1998	0.011457	0.019337	0.015879	0.015354	-	-	-	-	-	-
Yosemite UHS Bond 2000	0.008543	0.013868	0.011764	0.011553	-	-	-	-	-	-
Yosemite UHS Refunding Bond 2011	-	-	-	-	0.043157	0.009103	0.026243	0.022184	0.022153	0.020457
Firebaugh-Las Deltas USD Building Override	0.021840	0.080750	0.073788	0.078314	0.000206	-	-	-	-	-
Firebaugh-Las Deltas USD Bond 1998	0.024124	0.000484	0.067630	0.068814	0.052224	0.045732	0.041236	0.036286	0.024558	0.029348
Firebaugh-Las Deltas USD Bond 2002	0.000002	0.000002	0.007740	0.077418	-	-	-	-	-	-
Firebaugh-Las Deltas USD Bond 2006	0.042633	0.037249	0.011412	0.036922	0.063906	0.048390	0.044922	0.038816	0.027688	-
Firebaugh-Las Deltas USD Bond 2016	-	-	-	-	-	-	-	-	-	0.056558
Firebaugh-Las Deltas USD Bond 2017	-	-	-	-	-	-	-	-	-	0.027922
Golden Valley USD Refinancing Bond 2005	0.042224	0.068012	0.067050	0.088803	0.073421	0.074863	0.074717	0.078247	0.075847	0.054158
Golden Valley USD Bond 2007 C	0.015349	0.018877	0.019971	0.024733	0.020622	0.016055	0.016923	0.021121	0.001995	0.004601
Golden Valley USD Bond 2007 D	0.006042	0.008044	0.010608	-	-	-	-	-	-	-
Golden Valley USD Bond 2006 B	0.009531	-	0.005569	0.008127	0.006582	0.005863	0.005595	0.006489	0.002165	0.002307
Golden Valley USD Bond 2007 A	0.040792	0.060000	0.056770	0.049514	0.051295	0.049049	0.050654	0.063393	0.018133	0.018040
Golden Valley USD Bond 2016	-	-	-	-	-	-	-	-	0.053897	0.062159

**COUNTY OF MADERA, CALIFORNIA
DIRECT AND OVERLAPPING PROPERTY TAX RATES (CONTINUED)
LAST TEN FISCAL YEARS (PER \$100 OF ASSESSED VALUES)
(UNAUDITED)**

	Fiscal Year									
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
CITIES, SCHOOLS, AND SPECIAL DISTRICTS COMBINED RATES (CONTINUED)										
Madera USD Bond 2003	0.009187	0.012509	0.016029	0.016541	-	-	-	-	-	-
Madera USD Bond 2005	0.016537	0.023583	0.028031	0.027784	0.027548	0.030358	0.029905	-	-	0.032140
Madera USD Bond 2006	0.002430	0.004091	0.003950	0.004041	0.004064	0.004370	0.004134	-	-	-
Madera USD Bond 2007	0.018804	0.026878	0.026994	0.028299	0.028414	0.029476	0.029082	0.020836	-	-
Madera USD Refunding Bond 2012	-	-	-	-	0.015708	0.014385	0.009555	0.016049	0.012187	0.013633
Madera USD Refunding Bond 2014	-	-	-	-	-	-	-	0.045962	0.054690	0.024988
Madera USD Bond 2015	-	-	-	-	-	-	-	0.045013	0.047002	0.023851
Madera USD Bond 2016	-	-	-	-	-	-	-	-	-	0.000502
Merced CC Bond 2003	0.001871	0.003580	0.013700	0.013000	0.012900	0.011800	0.013500	0.011400	0.011100	0.012600
State Center CC Bond 2003	0.000002	0.000708	0.001600	0.001740	0.000806	-	-	-	-	-
State Center CC Bond 2007 A	0.005610	0.010006	0.004384	0.005170	0.004206	0.004670	0.004358	0.000108	0.001724	-
State Center CC Bond 2004 A	0.000002	0.000002	0.000002	0.000002	0.000812	0.001050	-	-	-	-
State Center CCBond 2009 A	-	0.003548	0.003254	0.000430	0.000754	0.000806	0.000782	0.000448	0.000482	0.000452
State Center CCBond 2009 B	-	0.001548	0.000810	0.000722	0.000752	0.000726	0.000720	0.000834	0.000540	0.000514
State Center CC Refunding Bond 2012	-	-	-	-	0.002028	0.002350	0.003448	0.002534	0.002562	0.002580
State Center CC Refunding Bond 2015	-	-	-	-	-	-	-	0.004140	0.003172	0.004056
State Center CC Refunding Bond 2016	-	-	-	-	-	-	-	-	-	0.108332
West Hills Community College Bond 2001 A	0.000002	0.000002	0.000002	0.000002	0.007426	-	-	-	-	-
West Hills CC Refunding Bond 2005	0.000002	0.000002	0.000002	0.002158	0.014168	0.009384	0.008644	-	-	-
West Hills CC SFID Bond A 2008	-	0.018458	0.006082	0.007882	0.011108	0.007024	0.006146	0.002996	0.003686	0.003564
West Hills CC Refunding Bond 2012	-	-	-	-	0.002770	0.001722	0.002562	0.001672	0.001618	0.001562
West Hills CC SFID Bond B 2008	-	-	-	-	-	0.011306	0.011292	0.011162	0.009866	0.010144
West Hills CC Bond 2014 A	-	-	-	-	-	-	-	0.011512	0.006996	0.008768
West Hills CC Refunding Bond A 2015	-	-	-	-	-	-	-	0.003574	0.001952	0.002286
West Hills CC Refunding Bond B 2015	-	-	-	-	-	-	-	0.011700	0.007640	0.002624

Source: County Auditor-Controller Approved Tax Rates

**COUNTY OF MADERA, CALIFORNIA
PRINCIPAL PROPERTY TAX PAYORS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

Taxpayer	Industry	Fiscal Year 2017-18			Fiscal Year 2008-09		
		Assessed Value	Rank	Percentage of Total County Assessed Value	Assessed Value	Rank	Percentage of Total County Assessed Value
PACIFIC GAS AND ELECTRIC COMPANY	PUBLIC UTILITY	\$ 380,127	1	2.66%	\$ 203,764	1	1.78%
PARAMOUNT FARMS INTERNATIONAL LLC	FARMING	161,889	2	1.13%			
CANANDAIGUA WEST INC	MANUFACTURING	130,938	3	0.91%	131,160	2	1.14%
JOHN HANCOCK LIFE	FARMING	122,131	4	0.85%			
GILL RANCH STORAGE LLC	FARMING	111,308	5	0.78%			
PARAMOUNT LAND COMPANY LLC	LAND DEVELOPMENT	92,302	6	0.64%			
SOUTHERN CALIFORNIA EDISON COMPANY	PUBLIC UTILITY	89,540	7	0.63%	75,487	4	0.66%
ARDAGH GLASS	MANUFACTURING	82,952	8	0.58%			
CERTAINTEED CORPORATION	MANUFACTURING	64,924	9	0.45%	54,163	6	0.47%
PACIFIC ETHANOL MADERA LLC	MANUFACTURING	35,035	10	0.24%	57,574	5	0.50%
MADERA GLASS	MANUFACTURING			-	101,987	3	0.89%
SAN JOAQUIN RIVER RANCH	FARMING				38,054	7	0.33%
RANCHO CALERA LLC	FARMING				33,868	8	0.30%
PARAMOUNT ORCHARDS PARTNERS VI LLC	FARMING				33,380	9	0.29%
SIERRA TELEPHONE	PUBLIC UTILITY				30,083	10	0.26%
Total		<u>\$ 1,271,146</u>		<u>8.88%</u>	<u>\$ 759,520</u>		<u>6.63%</u>
Total County Assessed Value		\$ 14,315,607			\$ 11,458,731		

Source: Megabyte Property Tax System, County of Madera

**COUNTY OF MADERA, CALIFORNIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Total Levy for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Delinquent Amount	Percent of Levy Collected
		Collected Amount	Percent of Original Levy			
2008-09	137,028,225	126,768,613	92.51	9,486,251	773,361	99.44%
2009-10	130,376,443	124,575,167	95.55	5,177,923	623,353	99.52%
2010-11	120,870,312	115,026,254	95.17	5,690,140	153,918	99.87%
2011-12	125,739,868	120,987,412	96.22	4,247,318	505,138	99.60%
2012-13	127,721,903	123,931,194	97.03	3,599,617	191,092	99.85%
2013-14	132,124,915	129,673,691	98.14	1,393,232	1,057,992	99.20%
2014-15	142,834,780	139,107,373	97.39	3,588,280	139,127	99.90%
2015-16	152,760,751	149,840,573	98.09	1,423,330	1,496,848	99.02%
2016-17	166,571,258	162,692,153	97.67	2,032,933	1,846,172	98.89%
2017-18	172,997,773	169,660,272	98.07	-	3,337,501	98.07%

Note: Amounts do not include tax collections for bonds and special assessments.

Source: County property tax statistics.

DEBT CAPACITY



COUNTY OF MADERA, CALIFORNIA
RATIOS OF TOTAL DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(IN THOUSANDS)
(UNAUDITED)

	Fiscal Year									
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Governmental Activities										
Mello-Roos Bonds	\$ 265,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Certificates of Participation	20,300,000	19,475,000	18,575,000	17,645,000	16,680,000	15,680,000	14,640,000	-	-	-
Loans Payable	-	-	-	-	-	-	-	13,986,905	12,708,199	11,400,737
Capital Leases	439,104	1,390,993	1,130,778	1,511,218	1,410,252	1,482,356	25,172,494	21,076,015	20,159,072	23,721,988
Total Bonds and Notes Payable	21,004,104	20,865,993	19,705,778	19,156,218	18,090,252	17,162,356	39,812,494	35,062,920	32,867,271	35,122,725
Less: Resources Restricted for Principal Repayment	423,358	210,542	311,261	107,502	98,303	45,237	69,319	-	-	-
Net Total Bonds and Notes Payable	20,580,746	20,655,451	19,394,517	19,048,716	17,991,949	17,117,119	39,743,175	35,062,920	32,867,271	35,122,725
Business Type:										
Bonds Payable	12,467,089	12,244,899	11,928,646	11,722,433	11,580,970	11,237,770	13,786,660	10,630,512	17,153,506	16,751,576
Notes Payable	3,673,888	3,104,759	3,614,691	3,439,989	3,353,292	3,271,228	3,185,127	5,370,560	5,247,589	5,119,016
Total Bonds and Notes Payable	16,140,977	15,349,658	15,543,337	15,162,422	14,934,262	14,508,998	16,971,787	16,001,072	22,401,095	21,870,592
Less: Resources Restricted for Principal Repayment	1,630,084	240,534	240,534	240,548	240,525	240,525	240,619	239,662	239,877	241,208
Net Total Bonds and Notes Payable	14,510,893	15,109,124	15,302,803	14,921,874	14,693,737	14,268,473	16,731,168	15,761,410	22,161,218	21,629,384
Total Outstanding Debt Less Restricted Resources	<u>\$35,091,639</u>	<u>\$35,764,575</u>	<u>\$34,697,320</u>	<u>\$33,970,590</u>	<u>\$32,685,686</u>	<u>\$31,385,592</u>	<u>\$56,474,343</u>	<u>\$50,824,330</u>	<u>\$55,028,489</u>	<u>\$56,752,109</u>
Percentage of Personal Income	N/A	N/A	0.89%	0.78%	0.69%	0.64%	N/A	N/A	N/A	N/A
Percentage of Assessed Value of Taxable Property (a)	0.28%	0.32%	0.33%	0.31%	0.29%	0.27%	0.45%	0.12%	0.40%	0.40%
Net Outstanding Debt Per Capita	\$240.92	\$237.46	\$229.07	\$222.14	\$214.71	\$205.96	\$364.36	\$336.89	\$351.64	\$357.17

Note:

1. See the Demographic Statistics Schedule for detail information on personal income and population.
- (a) Pursuant to the amendments to Article XIII-A of the California Constitution by Proposition 13 in 1978, the County does not track estimated actual values for all county properties. Consequently, the ratio of net outstanding debt to the estimate actual value of taxable property is undeterminable and presented in the table.

**COUNTY OF MADERA, CALIFORNIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Assessed Value of Property (a)	\$12,873,333	\$11,908,926	\$11,136,139	\$11,544,870	\$11,833,645	\$12,425,045	\$13,082,466	\$13,837,638	\$14,472,695	\$15,064,137
Debt Limit, 1.25% of Assessed Value	\$ 160,917	\$ 148,862	\$ 139,202	\$ 144,311	\$ 147,921	\$ 155,313	\$ 163,531	\$ 172,970	\$ 180,909	\$ 188,302
<i>Amount of Debt Applicable to Limit</i>										
General Obligation Bonds (b)	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<u>\$ 160,917</u>	<u>\$ 148,862</u>	<u>\$ 139,202</u>	<u>\$ 144,311</u>	<u>\$ 147,921</u>	<u>\$ 155,313</u>	<u>\$ 163,531</u>	<u>\$ 172,970</u>	<u>\$ 180,909</u>	<u>\$ 188,302</u>
Total Debt Applicable as a Percentage of the Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes:
(a) Countywide Assessed Values and Exemptions
(b) The County does not have any general bonded debt

**COUNTY OF MADERA, CALIFORNIA
 PLEDGED REVENUE COVERAGE
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
Public Facilities Bonds/Loans						
2008-09	2,249,404	2,360,797	(111,393)	213,487	653,014	(0.13)
2009-10	2,238,589	2,419,637	(181,048)	279,739	709,011	(0.18)
2010-11	2,219,833	2,372,097	(152,264)	287,037	685,708	(0.16)
2011-12	2,295,275	2,426,259	(130,984)	260,148	669,216	(0.14)
2012-13	2,356,801	2,575,065	(218,264)	286,450	674,699	(0.23)
2013-14	2,431,747	2,235,239	196,508	399,789	654,110	0.19
2014-15	2,535,902	2,150,647	385,255	311,470	626,565	0.41
2015-16	2,821,619	2,397,460	424,159	331,339	640,696	0.44
2016-17	3,672,683	2,605,851	1,066,832	379,176	672,995	1.01
2017-18	4,301,500	3,740,431	561,069	517,876	902,304	0.40



DEMOGRAPHIC AND ECONOMIC INFORMATION

**COUNTY OF MADERA, CALIFORNIA
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

Calendar Year	Population (1,a)	Personal Income (in thousands) (2,a)	Per Capita Income (2,a)	School Enrollment (3,b)	Unemployment Rate (2,a)
2009	N/A	N/A	26,790	29,409	13.4%
2010	150,865	\$ 3,901,878	25,761	29,643	16.6%
2011	152,089	4,378,332	28,631	29,993	16.2%
2012	152,160	4,770,065	31,334	30,308	14.5%
2013	152,125	4,920,142	32,287	30,478	12.6%
2014	152,452	N/A	N/A	30,861	11.2%
2015	154,998	N/A	N/A	30,865	10.5%
2016	150,865	N/A	N/A	31,077	9.2%
2017	156,492	N/A	N/A	31,468	8.0%*
2018	158,894	N/A	N/A	31,728	7.3%

Sources:

1. U.S. Census Bureau
2. Employment Development Department
3. California Department of Education, California Basic Educational Data System (CBEDS)

Notes:

N/A

- a. Data for calendar years
- b. Kindergarten through grade 12
- * Unemployment rate as of June 2018

OPERATING INFORMATION



COUNTY OF MADERA, CALIFORNIA
FULL TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

Function/Program	Full Time Equivalent Employees per Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government	186	N/A	225	220	201	202	200	199	211	204
Public Protection	505	N/A	468	481	466	492	474	497	511	538
Public Ways and Facilities	83	N/A	71	71	74	76	77	76	77	73
Health and Sanitation	320	N/A	242	237	244	248	253	254	247	235
Public Assistance	218	N/A	224	235	259	275	302	315	341	362
Education	24	N/A	25	26	23	25	24	24	25	25
Recreation	7	N/A	4	4	4	5	5	5	6	6
Total	<u>1,344</u>	N/A	<u>1,260</u>	<u>1,274</u>	<u>1,271</u>	<u>1,322</u>	<u>1,336</u>	<u>1,371</u>	<u>1,418</u>	<u>1,443</u>

**COUNTY OF MADERA, CALIFORNIA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Function/Department</u>	Fiscal Year									
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Public Protection										
Planning and Building										
<i>Total Permits Issued</i>	N/A	1,179	N/A	657	440	537	913	636	756	5,556
Corrections										
<i>Jail Bookings</i>	6,819	4,850	5,823	5,425	5,381	4,913	4,575	4,193	4,350	4,313
<i>Average Daily Population</i>	405	450	408	388	440	482	443	405	415	451
Probation										
<i>Juvenile Hall</i>										
<i>Average Daily Population</i>	80	60	47	50	54	57	49	43	44	49
Health and Sanitation										
Environmental Health										
<i>Septic Permits Issued</i>	N/A	N/A	N/A	78	99	124	127	104	88	236
<i>Wells Permits Issued</i>	N/A	N/A	N/A	167	316	296	525	573	303	436
Health and Sanitation										
<i>Mental Health</i>										
<i>Services Provided to Youth</i>	10,494	10,494	9,205	8,470	8,729	12,346	16,239	20,350	25,224	20,068
<i>Services Provided to Adults</i>	43,286	43,286	37,451	33,669	32,944	31,837	27,665	27,594	27,400	25,467
<i>Public Health</i>										
<i>Number of Children Enrolled in the Healthy Families Program^a</i>	119	112	140	160	121	N/A	N/A	N/A	N/A	N/A
<i>Number of Children Enrolled in the Medical Targeted Income Program^a</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	603
<i>Percentage of the State Allocated Caseload Enrolled in the Women, Infants & Children (WIC) Program</i>	102.9%	101.9%	100.2%	98.8%	98.0%	98.7%	97.9%	97.0%	91.0%	88.0%

**COUNTY OF MADERA, CALIFORNIA
OPERATING INDICATORS BY FUNCTION (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Function/Department</u>	Fiscal Year									
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Health and Sanitation (Continued)										
<i>Percentage of Live Born Infants Whose Mothers Received Prenatal Care in the First Trimester</i>	68%	74%	72%	71%	70%	73%	74%	73%	75%	77%
Solid Waste										
<i>Fairmead Landfill</i>										
<i>Cubic Yards per year</i>	229,443	184,353	174,879	176,184	204,854	254,395	350,677	312,420	493,958	549,770
<i>% of Capacity</i>	66%	72%	77%	83%	53% *	55%	58%	60%	34%* **	36%
Public Assistance										
Social Services										
<i>Rate per 1,000 Children Entering Out-of-Home Care for the First Time (State Rate is 2.8)</i>	3.6	3.5	3.3	2.6	5.4	5.6	4.4	5.1	5.7	4.5
<i>Percentage of Child Abuse/Neglect Referrals Where a Response is Required within 10 Days that were Timely</i>	6%	2%	3%	6%	6%	12%	21%	71%	61%	81%
Education										
Library										
<i>Annual Expenditure per Capita for Total Library Budget (\$)</i>	N/A	11	7	5	6	6	7	8	N/A	N/A

* Beginning with the 2012-13 fiscal year the State of California approved an alternative to fill the landfill vertically, which increased its overall capacity.

** At the end of the 2016-17 fiscal year, the State of California approved an expanded footprint for the landfill, which increased the total capacity and reduced the percent of capacity filled.

^a Medi-Cal Targeted Low Income Program replaced Healthy Families in 2013-14

**COUNTY OF MADERA, CALIFORNIA
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Function/Department</u>	Fiscal Year									
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Recreation and Cultural Services										
Park Acreage	14	14	14	14	14	325	325	325	325	325
Public Protection										
Correctional Facility Capacities:										
Main Jail	419	419	419	419	563	563	563	563	563	563
Juvenile Hall	70	70	74	74	74	74	74	74	74	74
Juvenile Boot Camp	N/A	N/A	N/A	N/A	N/A	N/A	N/A	30	30	30
Public Ways and Facilities										
Miles of County Roads	1,532	1,529	1,529	1,525	1,512	1,512	1,511	1,511	1,511	1,511
Number of Bridges	170	170	170	170	170	170	170	170	147	147
Libraries										
Main and Branches	5	5	5	5	5	5	5	5	5	5

Note: The majority of County assets consist of buildings and equipment classified under the Functional area of General Government.

Source: County management