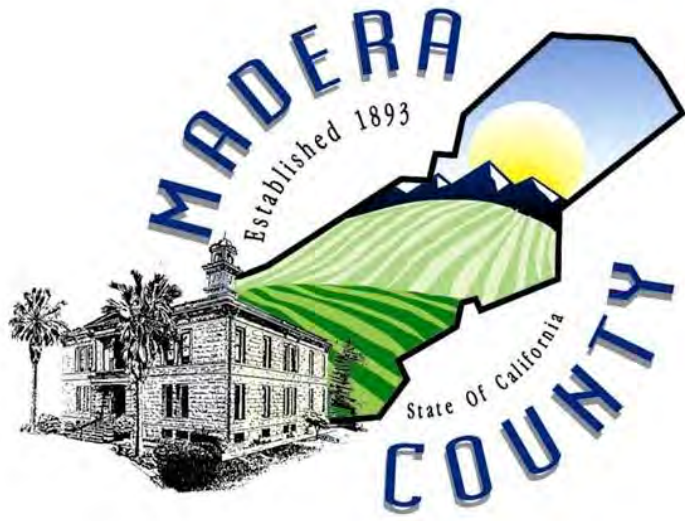


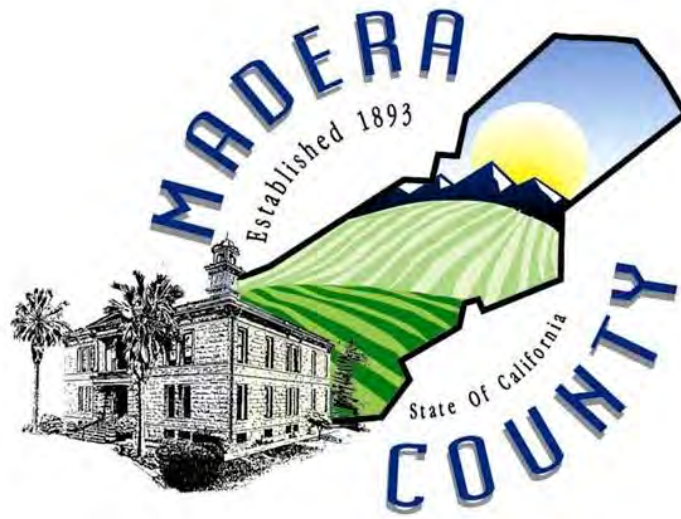


*County of Madera, California*  
*Comprehensive Annual Financial Report*  
*For the Year Ended June 30, 2017*



Globe Rock on Sierra Vista Scenic Byway





**County of Madera, California**  
**Comprehensive Annual Financial Report**  
**Year Ended June 30, 2017**

**Prepared under the Supervision of**

**Todd E. Miller, CPA**  
**AUDITOR-CONTROLLER**

**COUNTY OF MADERA, CALIFORNIA  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2017**

**INTRODUCTORY SECTION**

<b>Letter of Transmittal</b>	<b>1</b>
<b>Organizational Chart</b>	<b>5</b>
<b>County Officials</b>	<b>6</b>

**FINANCIAL SECTION**

<b>Independent Auditors' Report</b>	<b>7</b>
<b>Management's Discussion and Analysis</b>	<b>10</b>

**Basic Financial Statements**

Government-Wide Financial Statements

Statement of Net Position	30
Statement of Activities	32

**Fund Financial Statements**

Governmental Fund Financial Statements

Balance Sheet	34
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	35
Statement of revenues, Expenditures, and Changes in Fund Balances	36
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities	37

Proprietary Fund Financial Statements

Statement of Net Position	38
Statement of Revenues, Expenses, and Changes in Net Position	39
Statement of Cash Flows	40

Fiduciary Fund Financial Statements

Statement of Net Position	42
Statement of Changes in Net Position	43

Notes to Basic Financial Statements	44
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**FINANCIAL SECTION (CONTINUED)**

**Required Supplementary Information**

Budgetary Information	92
Budgetary Comparison Schedules:	
General Fund	93
Road Fund	104

**COUNTY OF MADERA, CALIFORNIA  
TABLE OF CONTENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

Public Protection Programs Fund	105
Defined Benefit Pension Plan	106
<b>Supplementary Information</b>	
Nonmajor Governmental Funds	
Combining Balance Sheet	109
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	112
Budgetary Comparison Schedules:	
Housing and Community Development Fund	115
Tourism	116
Special Districts Roads/Lighting	117
Development Impact Fees – Library	118
Development Impact Fees – Parks	119
General Government	120
Public Ways and Facilities	121
Health and Sanitation	122
Public Assistance	123
Capital Projects	124
Internal Service Funds	
Combining Statement of Fund Net Position	125
Combining Statement of Revenue, Expenses, and Changes in Fund Net Position	126
Combining Statement of Cash Flows	127
Agency Funds	
Statement of Changes in Assets and Liabilities	130
<b>STATISTICAL SECTION</b>	
<b>Description</b>	<b>133</b>
<b>Financial Trends</b>	
Net Position by Component	134
Changes in Net Position	135
Fund Balances – Governmental Funds	140
Changes in Fund Balances – Governmental Funds	142
<b>Revenue Capacity</b>	
Assessed Valuation	139

**COUNTY OF MADERA, CALIFORNIA  
TABLE OF CONTENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2017**

Direct and Overlapping Property Tax Rates	140
Principal Property Tax Payors	142
Property Tax Levies and Collections	143
<b>Debt Capacity</b>	
Ratios of Total Debt Outstanding	144
Legal Debt Margin Information	145
Pledged Revenue Coverage	146
<b>Demographic and Economic Information</b>	
Demographic and Economic Statistics	147
<b>Operating Information</b>	
Full time Equivalent County Government Employees by Function	148
Operating Indicators by Function	149
Capital Assets Statistics by Function/Program	151



## INTRODUCTORY SECTION







**TODD E. MILLER**  
**AUDITOR-CONTROLLER                      COUNTY OF MADERA**  
200 W FOURTH STREET/MADERA, CALIFORNIA 93637  
(559) 675-7707 / FAX (559) 661-3006 / TDD (559) 675-8970

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December 30, 2017

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, 2017, 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 unqualified opinion on the County's financial statements for the year ended June 30, 2017. 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.

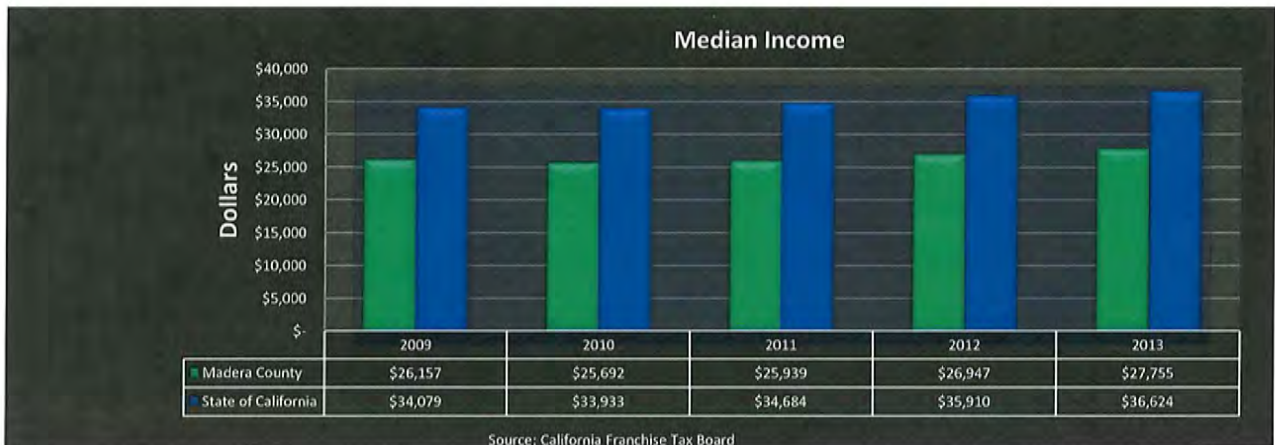
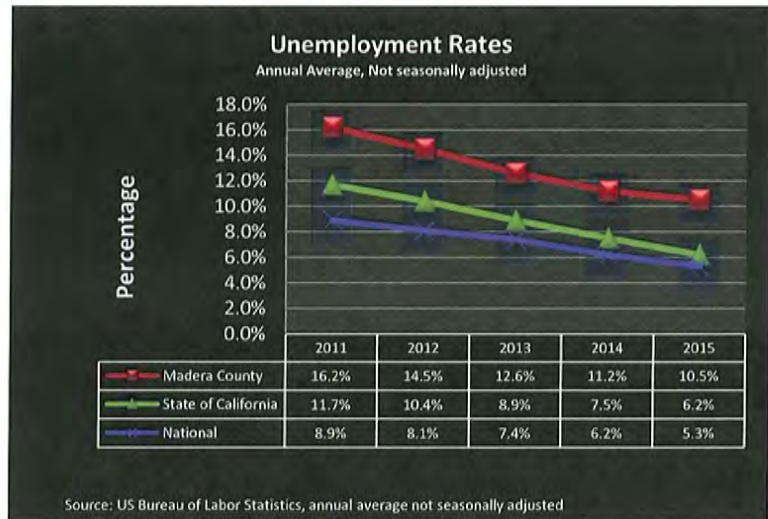
State law requires the County to adopt a final budget each year. The annual budget serves as the foundation for the County's financial planning and control. The County Budget Act, as presented in California Government Code sections 29000 and 30200, establishes the general provisions and requirements 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

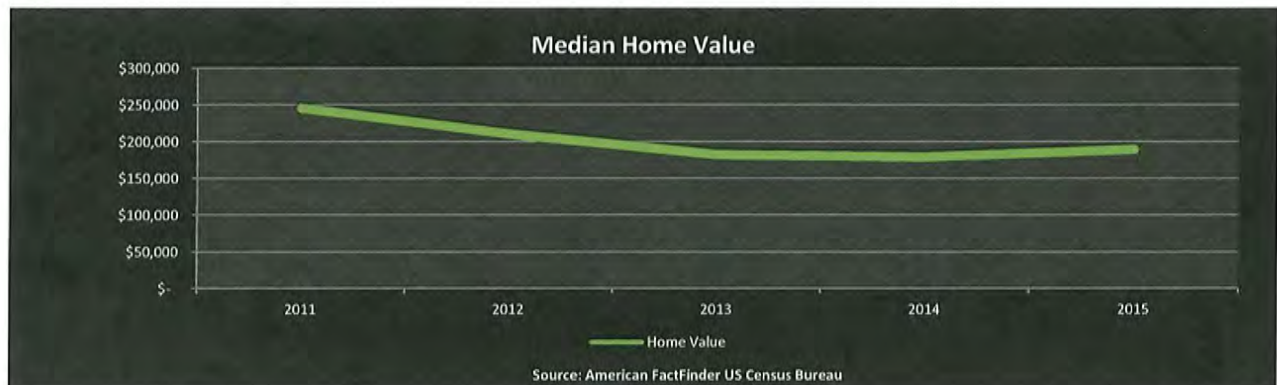
As the nation and California continue to recover from the recession, so does Madera County. Revenues from Governmental Activities increased by 3.5 percent. Sales Taxes led the way with a year over year increase of 18.6 percent.

Unemployment rates continued to improve, showing a 6.67 percent decline in 2016.

Median incomes in the County improved by 3.0 percent, while California median incomes increased by 1.99 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 2017 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 \$38.6 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.

### **Acknowledgements**

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

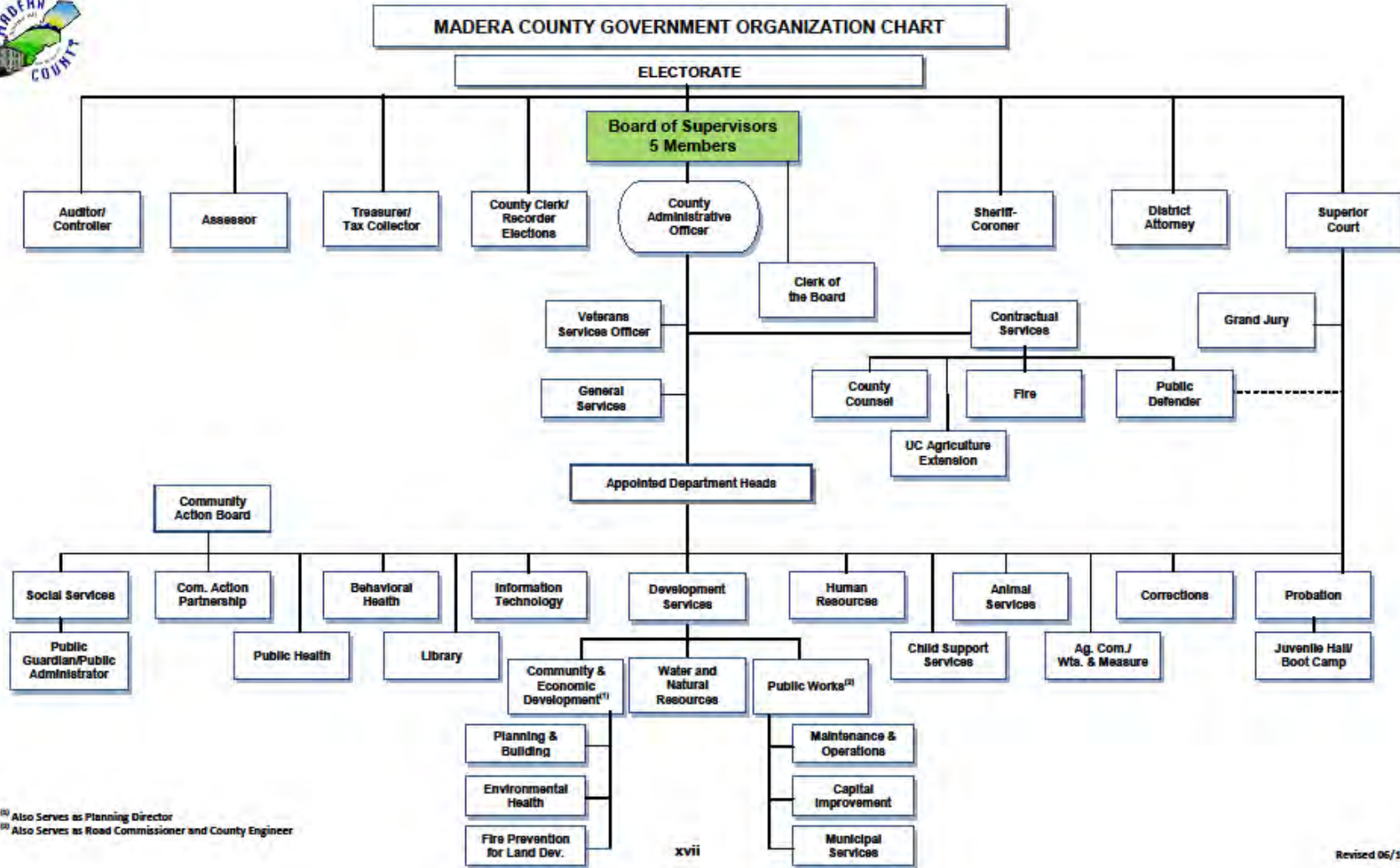
Auditor-Controller



Eric Fleming

County Administrative Officer

**COUNTY OF MADERA, CALIFORNIA  
ORGANIZATIONAL CHART  
AS OF JUNE 30, 2017**



<sup>(1)</sup> Also Serves as Planning Director  
<sup>(2)</sup> Also Serves as Road Commissioner and County Engineer

**COUNTY OF MADERA, CALIFORNIA  
COUNTY OFFICIALS  
AS OF JUNE 30, 2017**

**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 aggregate 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, 2017, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2017, 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.

## **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 changes in the net pension liability and related ratios, the schedule of County's proportionate share of net pension liability cost sharing plans, schedule of County's pension contributions, schedule of funding progress – other postemployment benefits, 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.

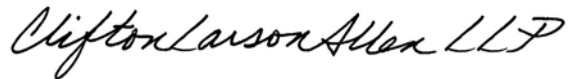
The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing 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 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.

Honorable Board of Supervisors  
County of Madera, California

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2017, 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 30, 2017



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**COUNTY OF MADERA, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

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, 2017. 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 and deferred inflows of the County exceeded liabilities and deferred inflows at the close of the most recent fiscal year by \$194,759,214 (*net position*). Of this amount, \$(197,463,691) (*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, \$99,023,139, is restricted for specific purpose (*restricted net position*), and \$293,199,766, net investment in capital assets, is not spendable.
- The County's net investment in capital assets increased by \$3,157,175, as asset additions exceeded combined asset retirements and depreciation.
- The County's governmental funds reported combined fund balances of \$125,578,535, a decrease of \$3,333,275 compared to the prior year, because actual revenues fell short of budget estimates.
- The County's unrestricted and spendable fund balance for the governmental funds was \$32,516,242, or 14.1% 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

**COUNTY OF MADERA, CALIFORNIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2017**

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 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*.

**COUNTY OF MADERA, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

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.

*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 \$194,759,214 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 53% 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 (89%), referred to as unrestricted, is dedicated to spending on specific programs or services.



**COUNTY OF MADERA, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

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

	Governmental Activities		Business-Type Activities		Total Activities	
	Fiscal Year		Fiscal Year		Fiscal Year	
	2017	2016	2017	2016	2017	2016
Current and Other Assets	\$ 164,944	\$ 154,177	\$ 38,318	\$ 23,982	\$ 203,261	\$ 178,159
Capital Assets	280,211	287,911	61,453	81,088	341,664	368,999
Total Assets	445,154	442,088	99,771	105,070	544,925	547,158
Deferred Outflows - Pensions	38,386	15,179	--	--	38,386	15,179
Current and Other Liabilities	14,481	26,835	3,295	4,241	17,776	31,076
Long-Term Liabilities	339,266	290,111	26,803	26,177	366,068	316,288
Total Liabilities	353,747	316,946	30,098	30,418	383,844	347,364
Deferred Inflows - Pensions	4,708	10,204	--	--	4,708	10,204
Net Investment in Capital Assets	247,343	237,185	45,856	52,857	293,200	290,042
Restricted	99,023	104,482	--	--	99,023	104,482
Unrestricted	(221,281)	(211,549)	23,817	21,795	(197,464)	(189,754)
Total Net Position	\$ 125,086	\$ 130,118	\$ 69,673	\$ 74,652	\$ 194,759	\$ 204,770

A significant portion of the County's net position, \$293,199,766, 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 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, \$99,023,139, 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 \$10,094,251. The decrease in net position represents the degree to which ongoing revenues exceeded ongoing expenses. 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.

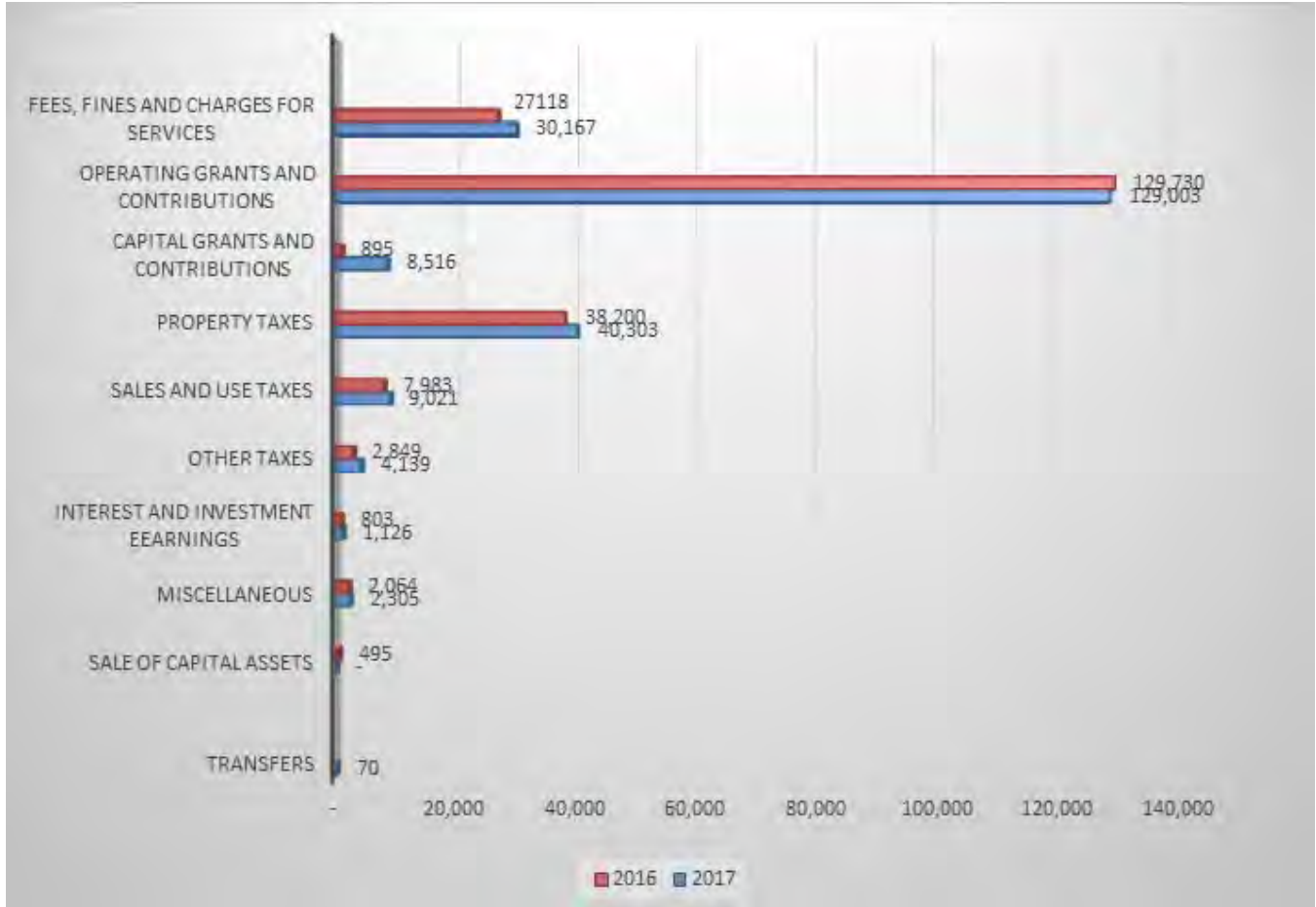
**COUNTY OF MADERA, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

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

	Governmental Activities		Business-Type Activities		Total Activities	
	Fiscal Year		Fiscal Year		Fiscal Year	
	2017	2016	2017	2016	2017	2016
<b>REVENUES</b>						
Program Revenues:						
Fees, Fines, and Charges						
for Services	\$ 30,167	\$ 26,324	\$ 12,840	\$ 10,391	\$ 43,006	\$ 36,715
Operating Grants/Contribution	129,003	133,901	1,510	321	130,513	134,222
Capital grants/contributions	8,516	2,496	--	4,463	8,516	6,959
General Revenues						
Property Taxes	40,303	37,419	576	1,175	40,879	38,594
Sales and Use Taxes	9,021	9,471	--	--	9,021	9,471
Other Taxes	4,139	3,981	--	--	4,139	3,981
Interest and Investment earnir	1,126	895	272	191	1,398	1,086
Miscellaneous	2,305	2,533	82	235	2,387	2,768
Sale of Capital Assets	--	14	--	--	--	14
Total Revenues	<u>224,580</u>	<u>217,034</u>	<u>15,280</u>	<u>16,776</u>	<u>239,860</u>	<u>233,810</u>
<b>EXPENSES</b>						
General Government	34,641	30,277	--	--	34,641	30,277
Public Protection	78,768	74,905	--	--	78,768	74,905
Public Ways and Facilities	20,731	20,904	--	--	20,731	20,904
Health and Sanitation	32,321	28,557	--	--	32,321	28,557
Public Assistance	69,492	61,982	--	--	69,492	61,982
Education	1,621	1,363	--	--	1,621	1,363
Recreation	1,251	973	--	--	1,251	973
Interest on Debt	1,214	1,228	--	--	1,214	1,228
Special Districts - Water/Sewer	--	--	10,323	7,323	10,323	7,323
County Landfill	--	--	(407)	5,498	(407)	5,498
Total Expenses	<u>240,038</u>	<u>220,189</u>	<u>9,916</u>	<u>12,821</u>	<u>249,954</u>	<u>233,010</u>
Excess (Deficiency) Before Transfers	(15,458)	(3,155)	5,364	3,955	(10,094)	800
Transfers	<u>70</u>	<u>108</u>	<u>(70)</u>	<u>(108)</u>	<u>--</u>	<u>--</u>
<b>CHANGE IN POSITION</b>	<u>(15,388)</u>	<u>(3,047)</u>	<u>5,294</u>	<u>3,847</u>	<u>(10,094)</u>	<u>800</u>
Net Position - Beginning	130,117	133,164	74,653	70,806	204,769	203,970
Prion period adjustment	<u>10,357</u>	<u>--</u>	<u>(10,273)</u>	<u>--</u>	<u>84</u>	<u>--</u>
Restated Net Position	<u>140,474</u>	<u>133,164</u>	<u>64,379</u>	<u>70,806</u>	<u>204,853</u>	<u>203,970</u>
<b>NET POSITION - ENDING</b>	<u>\$ 125,086</u>	<u>\$ 130,117</u>	<u>\$ 79,947</u>	<u>\$ 74,653</u>	<u>\$ 205,033</u>	<u>\$ 204,770</u>

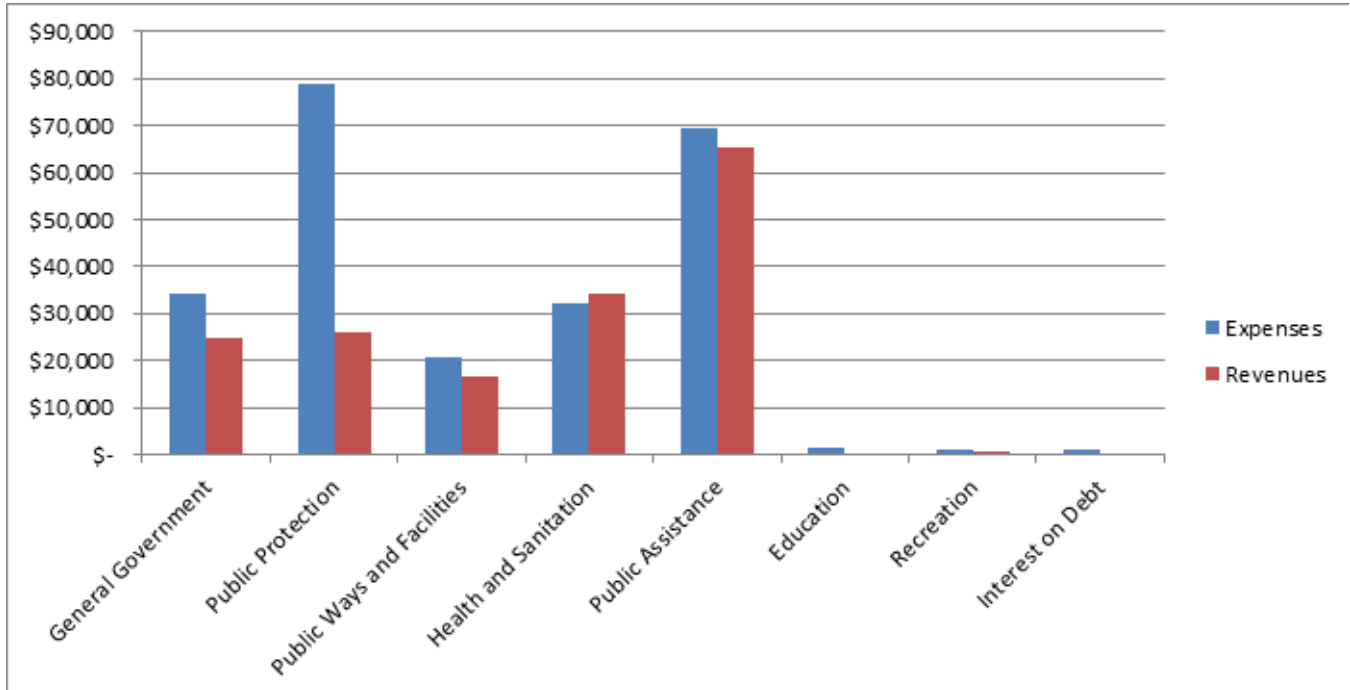
**COUNTY OF MADERA, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

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

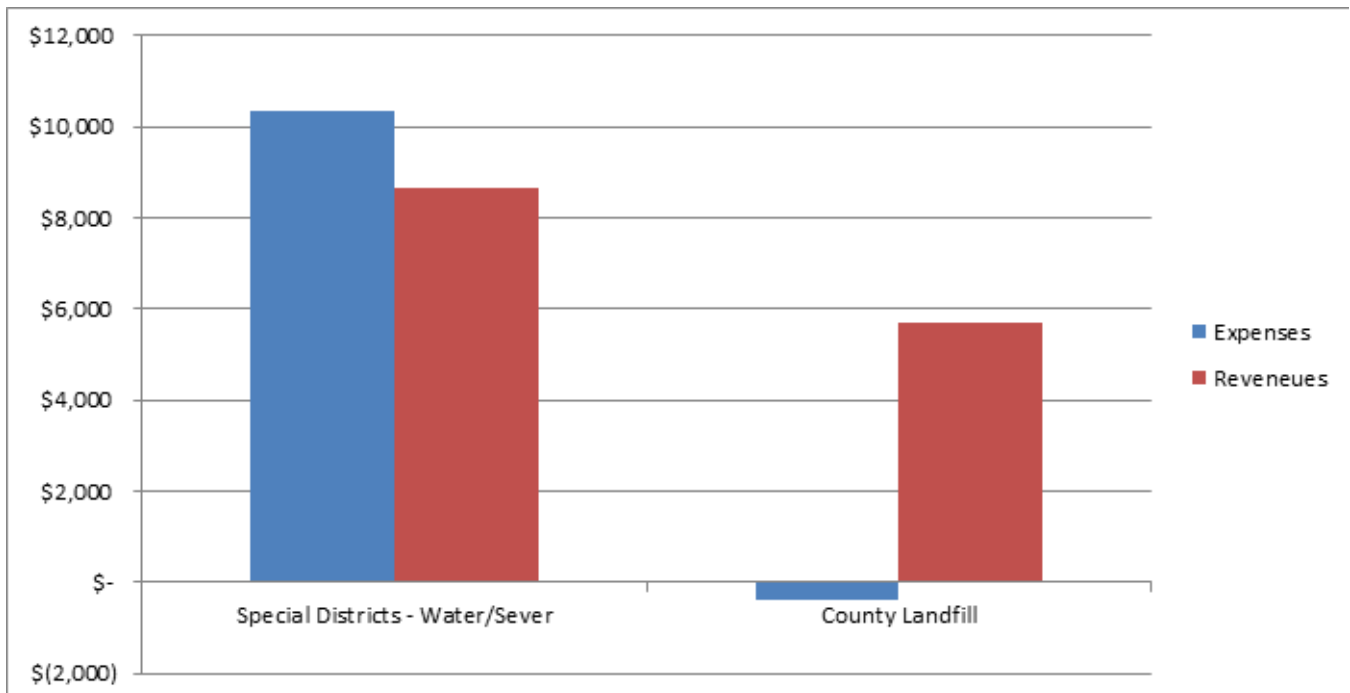


**COUNTY OF MADERA, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

**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, 2017**

**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**

	2017	2016	Net Change	
			Amount	Percent
Fund Balance - Beginning, Restated	\$ 128,911,810	\$ 122,582,444	\$ 6,329,366	4.91 %
Revenues	227,436,717	218,404,691	9,032,026	3.97 %
Expenditures	(231,178,752)	(213,167,743)	(18,011,009)	7.79 %
Other Financing Sources (Uses)	408,760	1,092,418	(683,658)	(167.25)%
Fund Balance - Ending	<u>\$ 125,578,535</u>	<u>\$ 128,911,810</u>	<u>\$ (3,333,275)</u>	

At June 30, 2017 the County's governmental funds reported combined fund balances of \$125,578,535. Of these combined fund balances \$31,391,486 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, \$1,632,898, 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 \$506,307 and General Fund advances of \$826,838.
- Restricted fund balance, \$91,429,395, consists of amounts with constraints put on their use by externally imposed creditors, grantors, laws, regulations, or enabling legislation.
- The committed fund balance, \$766,326 consists of amounts reserved for specific purposes determined by the Board of Supervisors to cover the County's future contractual obligations.
- Assigned fund balance, \$14,643,118 represents amounts set aside for future fire assets replacement, \$500,000, for Healthcare projects, \$701,871, obligations for future purchases of services and supplies, \$2,214,436, for capital projects under way, \$1,124,756, and appropriation in the General Fund of fund balance for subsequent years, \$10,092,987.
- Unassigned fund balance, \$17,106,798, 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, 2017 unrestricted General Fund balance was \$31,391,486, while total fund balance was \$74,259,150. As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted and total General Fund balance

**COUNTY OF MADERA, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

to total General Fund expenditures. Unrestricted General Fund balance represents 15% 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 \$31,391,486 General Fund unrestricted fund balance, 43% is assigned.

Total governmental funds Fund Balance, as restated as of June 30, 2017, decreased by \$3,333,275 compared to the prior year. The major governmental funds had changes in fund balance as follows:

- **General Fund** increased \$334,488, as revenues slightly outperformed budgeted estimates;
- **Roads Fund** decreased \$886,701, as revenues failed to cover scheduled roadwork to maintain County roads;
- **Special Revenue – Public Protection** fund also decreased \$2,259,799, primarily because expenditures on probation services funded by realignment funding from the State exceeded revenues received from the State during the fiscal year;
- **Non-major Governmental Funds** decreased by \$521,263, as the County expended Road Mitigation funds accumulated in past years 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 \$9,234,401, or 4.2%, to \$227,436,717. Significant variances in governmental fund revenues are as follows:

- Fines, Forfeitures, and Penalties increased \$571,205, or 13.3%, primarily from increased collection of penalties assessed on delinquent property taxes;
- Intergovernmental revenues, consisting of aid from other governments, increased \$6,863,527, or 5.1%, as all Social Services aid programs funded by the Federal and state governments increased;
- Charges for services increased by \$1,714,617, or 10%, as an improving economy generated additional charges for county services, especially for development related services.

**COUNTY OF MADERA, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

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**

	2017		2016		Increase (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes	\$ 53,082,101	23.34 %	\$ 53,256,983	24.41 %	\$ (174,882)	(0.33)%
Licenses and Permits	5,712,361	2.51	5,567,012	2.55	145,349	0.27
Fines, Forfeitures, and Penalties	4,865,553	2.14	4,294,348	1.97	571,205	1.07
Use of Money and Property	1,050,134	0.46	909,940	0.42	140,194	0.26
Intergovernmental	141,616,581	62.27	134,753,054	61.76	6,863,527	12.89
Charges for Services	18,804,965	8.27	17,090,348	7.83	1,714,617	3.22
Other Revenues	2,305,022	1.01	2,330,631	1.07	(25,609)	(0.05)
<b>Total Revenue by Source</b>	<b>\$ 227,436,717</b>	<b>100.00 %</b>	<b>\$ 218,202,316</b>	<b>100.00 %</b>	<b>\$ 9,234,401</b>	

The following graph illustrates where the County funds come from:

**Revenues by Source – Governmental Activities**



**COUNTY OF MADERA, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

**Expenditures**

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

- Public Protection expenditures increased \$4,675,527, or 25.67%, 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 \$6,795,769, reflecting increasing demand for services to children, disabled, and adults under Federal entitlements.

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

**Expenditures Classified by Function  
Governmental Funds**

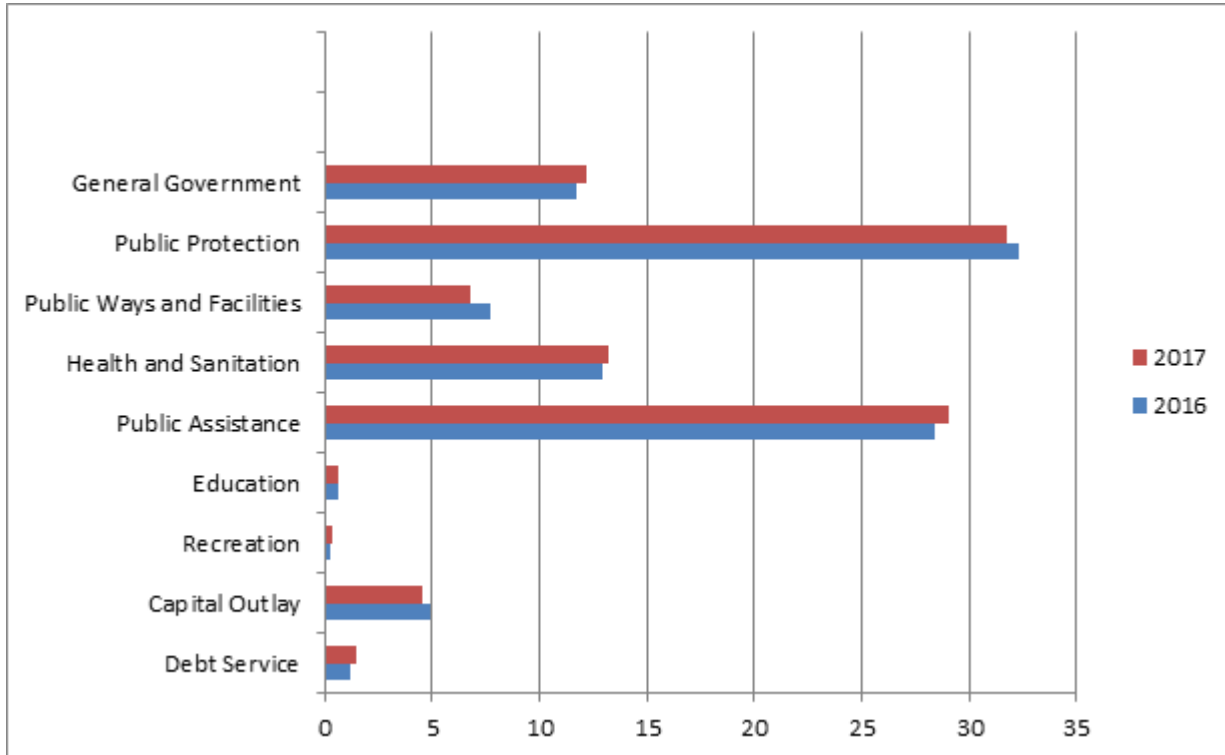
	2017		2016		Increase (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
General Government	\$ 28,582,361	12.36 %	\$ 25,008,355	11.74 %	\$ 3,574,006	19.62 %
Public Protection	73,430,858	31.76	68,755,331	32.28	4,675,527	25.67
Public Ways and Facilities	15,713,538	6.80	16,344,870	7.67	(631,332)	(3.47)
Health and Sanitation	30,581,346	13.23	27,592,067	12.96	2,989,279	16.41
Public Assistance	67,205,855	29.07	60,410,086	28.37	6,795,769	37.31
Education	1,439,876	0.62	1,226,344	0.58	213,532	1.17
Recreation	857,206	0.37	578,931	0.27	278,275	1.53
Capital Outlay	10,046,710	4.35	10,539,580	4.95	(492,870)	(2.71)
Debt Service	3,321,002	1.44	2,509,806	1.18	811,196	0.04
Total by Function	<u>\$ 231,178,752</u>	<u>100.00 %</u>	<u>\$ 212,965,370</u>	<u>100.00 %</u>	<u>\$ 18,213,382</u>	<u>100.00 %</u>



**COUNTY OF MADERA, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

The following graph illustrates how County funds were spent:

**Expenditures by Function – Governmental Activities**



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

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

	2017	2016	Increase (Decrease)	
			Amount	Percent
Transfers In	\$ 22,963,151	\$ 22,560,798	\$ 402,353	1.78 %
Transfers Out	(22,768,151)	(22,327,814)	(440,337)	1.97
Payment to Refunding				
Escrow Agent	-	(13,560,000)	13,560,000	n/a
Capital Leases	143,487	14,104,617	(13,961,130)	(98.98)
Sales of Capital Assets	70,273	304,638	(234,365)	(76.93)
Insurance Recoveries	-	10,179	(10,179)	n/a
Net Financing Sources (Uses)	<u>\$ 408,760</u>	<u>\$ 1,092,418</u>	<u>\$ (683,658)</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, 2017**

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**

	2017	2016	Increase (Decrease)	
			Amount	Percent
Total Net Position - Beginning	\$ 74,652,671	\$ 60,901,519	\$ 13,751,152	22.58 %
Prior Period Adjustment	(10,273,334)	9,904,259	(20,177,593)	(203.73)
Operating Revenues	12,921,871	10,625,898	2,295,973	21.61
Operating Expenses	(8,799,723)	(12,099,788)	3,300,065	(27.27)
Nonoperating Income (Expense)	(267,672)	965,443	(1,233,115)	(127.73)
Capital Contributions	1,509,560	4,463,324	(2,953,764)	(66.18)
Transfers In	-	18,000	(18,000)	n/a
Transfers Out	(70,000)	(125,984)	55,984	(44.44)
Total Net Position - Ending	<u>\$ 69,673,373</u>	<u>\$ 74,652,671</u>	<u>\$ (4,979,298)</u>	

Net position restricted for net investment in capital assets at fiscal yearend was \$45,856,330. Unrestricted net position of the enterprise funds at fiscal year-end was \$23,817,043.

The net position of the enterprise funds decreased \$4,979,298 from prior fiscal year; \$10,273,334 of that decrease was due to a prior period adjustment that reclassified Road Maintenance Districts from Enterprise to Special Revenue funds. Without the prior period adjustment results of operations increased fund balance by \$5,294,036, resulting in the net change of \$(4,979,298). A onetime adjustment of Landfill closure and post-closure liabilities by the State of California accounted for all of the increase in enterprise fund balance 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**

	2017	2016	Increase (Decrease)	
			Amount	Percent
Total Net Position - Beginning	\$ 1,285,400	\$ 793,941	\$ 491,459	61.90 %
Prior Period Adjustments	-	(7,842)	7,842	n/a
Operating Revenues	7,768,625	7,153,064	615,561	8.61
Operating Expenses	(7,542,573)	(6,566,795)	(975,778)	14.86
Nonoperating Revenues	46,142	38,032	8,110	21.32
Transfers Out	(125,000)	(125,000)	-	-
Total Net Position - Ending	<u>\$ 1,432,594</u>	<u>\$ 1,285,400</u>	<u>\$ 147,194</u>	

Total net position of the internal service funds at fiscal year end was \$1,432,594 and includes \$5,106,400 invested in capital assets.

The net position of the internal service funds, as restated, as of June 30, 2016 increased \$147,194 over the prior fiscal year. Operating revenues increased 8.61% and operating expenses also increased 14.86%. Increased insurance charges to fund the Self Insurance program accounted for the increase in the internal service funds' net position.

**COUNTY OF MADERA, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

**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 \$12,634,634. The components of appropriations variance are briefly summarized as follows: \$2,172,603 increase in general government; \$3,800,019 increase in public protection; \$1,582,249 increase in public assistance; \$3,131,192 increase in health and sanitation; \$6,400 increase in education; \$1,951,231 increase in capital outlay; and \$9,060 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	\$ 191,624,566	\$ 200,090,503	\$ 8,465,937	4 %
Total Expenditures	(217,243,028)	(228,205,224)	(10,962,196)	5
Other Financing Sources (Uses)	21,345,644	20,844,514	(501,130)	(2)
Net Change in Fund Balances	<u>\$ (4,272,818)</u>	<u>\$ (7,270,207)</u>	<u>\$ 2,997,389</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	\$ 200,090,503	\$ 176,718,083	\$ (23,372,420)	(12)%
Total Expenditures	(228,205,224)	(199,170,928)	29,034,296	(13)
Other Financing Sources (Uses)	20,844,514	17,998,406	(2,846,108)	(14)
Total Net Position - Ending	<u>\$ (7,270,207)</u>	<u>\$ (4,454,439)</u>	<u>\$ (2,815,768)</u>	

**COUNTY OF MADERA, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

**CAPITAL ASSETS**

The County' investment in capital assets for its governmental and business-type activities as of June 30, 2017 amounted to \$293,199,766 (net of accumulated depreciation). This investment in capital assets includes land, structures and improvements, leasehold improvements, equipment, and infrastructure (roads and bridges). The total increase in the County's investment in capital assets for the current fiscal year was \$3,157,175.

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

	Additions	Retirements (Net of Accumulated Depreciation)	Transfers and Adjustments	Depreciation	Net Change
General Government	\$ 525,798	\$ (15,276)	\$ -	\$ 1,695,352	\$ (1,184,830)
Public Protection	6,392,998	(178,365)	-	2,564,347	3,650,286
Public Ways and Facilities	2,798,440	(14,467)	-	4,248,042	(1,464,069)
Health and Sanitation	216,242	(9,547)	-	120,979	85,716
Public Assistance	118,054	(1,443)	-	249,455	(132,844)
Education	54,203	-	(95,918)	98,164	(139,879)
Recreation and Cultural	5,179	(10,764)	-	393,798	(399,383)
Internal Service Funds	733,972	(38,658)	-	547,874	147,440
Enterprise Funds	4,583,147	(2,259,349)	-	2,262,169	61,629
Total	<u>\$ 15,428,033</u>	<u>\$ (2,527,869)</u>	<u>\$ (95,918)</u>	<u>\$ 12,180,180</u>	<u>\$ 624,066</u>

**COUNTY OF MADERA, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

Construction of capital assets during the current fiscal year included the following:

	<u>Current Year Costs</u>	<u>Total Costs</u>
Major Bridge, Road, and Construction Projects:		
Governmental Funds:		
Probation Boot Camp Project	\$ 2,809,916	\$ 2,809,916
Morgue Project	729,594	815,090
Ahwahnee Hills Regional Park	5,179	555,464
Total Governmental Funds	<u>\$ 3,544,689</u>	<u>\$ 4,180,470</u>
Enterprise Funds:		
Maintenance District 6 production well	\$ 11,089	\$ 879,301
Maintenance District 7 production well	-	322,884
Maintenance District 19A	737,624	737,624
Maintenance District 22A sewer plant expansion	47,927	6,664,292
Total Enterprise Funds	<u>\$ 796,640</u>	<u>\$ 8,604,101</u>
Construction in Progress at June 30, 2017:		
Major Bridge and Road Projects:		
Governmental Funds:		
Road Project MA	\$ 53,946	\$ 236,451
Road 40 Improvement	284,635	284,635
Madera County Transit Facility	349,423	349,423
Oakhurst Mid-Town Conductor	221,061	221,061
Total	<u>\$ 909,065</u>	<u>\$ 1,091,570</u>
Building Upgrades:		
Governmental Funds:		
Jail Central Plant Project	\$ 198,994	\$ 198,994
Health & Social Service Project	198,840	198,840
Jail Phase II Kitchen	53,657	53,657
Jail Security Upgrade	29,027	29,027
Total	<u>\$ 480,518</u>	<u>\$ 480,518</u>
Major Construction:		
Enterprise Funds:		
Maintenance District 10A Production Wells	\$ 46,996	\$ 2,428,418
Maintenance District 19A	737,624	737,624
Service Area 2B	2,412,312	3,224,929
Total	<u>\$ 3,196,932</u>	<u>\$ 6,390,971</u>
Summary of Construction in Progress at June 30, 2017:		
Total Governmental Funds	\$ 4,934,272	\$ 5,752,558
Total Enterprise Funds	3,993,572	14,995,072
Total Construction in Progress	<u>\$ 8,927,844</u>	<u>\$ 20,747,630</u>

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, 2017**

**DEBT ADMINISTRATION**

At the end of the current fiscal year, the County had total debt obligations outstanding of \$79,164,593. Of this amount \$10,699,090 consists of Revenue Bonds, for which the County has pledged a portion of special assessment revenues to debt service of the bonds and secured by property subject to the assessments. \$5,349,635 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 long-term liabilities outstanding for governmental and proprietary funds:

	Long-Term Debt Obligations					
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Special District 1915 Act and Revenue Bonds	\$ -	\$ -	\$ 17,218,967	\$ 10,699,090	\$ 17,218,967	\$ 10,699,090
Capital Lease Obligations	20,159,072	21,076,015	-	-	20,159,072	21,076,015
Compensated Absences	15,906,830	16,999,044	-	-	15,906,830	16,999,044
Litigation Judgment	178,302	207,279	-	-	178,302	207,279
Liability for Unpaid Claims	10,944,000	10,847,000	-	-	10,944,000	10,847,000
Loans Payable	12,708,199	13,986,905	5,247,589	5,370,560	17,955,788	19,357,465
Net Pension Liability	162,891,181	135,428,034	-	-	-	-
Other Postemployment Benefits	116,478,000	102,385,000	-	-	-	-
Liability for landfill closure	-	-	4,401,796	10,508,396	4,401,796	10,508,396
Unamortized Bond Discount	-	-	(65,461)	(68,578)	(65,461)	(68,578)
Total	<u>339,265,584</u>	<u>300,929,277</u>	<u>26,802,891</u>	<u>26,509,468</u>	<u>366,068,475</u>	<u>327,438,745</u>
Less: Current Portion	<u>(10,890,508)</u>	<u>(11,840,145)</u>	<u>(534,020)</u>	<u>(412,701)</u>	<u>(11,424,528)</u>	<u>(12,252,846)</u>
Net Long-Term Liabilities	<u>\$ 328,375,076</u>	<u>\$ 289,089,132</u>	<u>\$ 26,268,871</u>	<u>\$ 26,096,767</u>	<u>\$ 354,643,947</u>	<u>\$ 315,185,899</u>

Reductions of the County's total outstanding debt included principal payments of \$2,339,136 and amortization of bond discount of \$3,117, with \$1,213,708 interest expense for governmental activities and principal payments of \$379,977 with \$898,141 interest expense for business-type activities. Other debt reductions consist of \$21,671,620 pension contributions and \$4,317,000 employee health premiums paid, \$2,445,016 worker's compensation and general liability claims paid, \$9,340,976 payments of compensated absence to County employees, and a State approved landfill closure liability reduction of \$6,106,600.

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 6 and note 7 in the Notes to the Financial Statements.

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

The County's fiscal year 2017-18 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, 2017**

**California Economic Indicators**

The fiscal year 2017-18 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 2017-18 budget already incorporates reduced funding of food stamps, CalWorks, and IHSS programs.

The Governor's 2017-18 Budget assumes continued but slowing growth through 2018. The budget continues prior commitments to pay down the State's substantial burden of debt, invest in education and health care, and increase the "Rainy Day Fund," but without substantial increases to any spending type. Despite recent increases in gasoline and diesel fuel taxes the State faces a looming crisis in 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 2017 Cash Update reported revenues for the fifth month of Fiscal Year 2017-18 exceeded Budget Act estimates by a healthy \$1.151 billion, or 2.9 percent, after four months of consistent though smaller excess of revenues over projections.

The California Department of Finance Bulletin, September 2017 reports that California's labor market was largely unchanged, despite the loss of 8,200 non-farm jobs in July and 3,200 in June of 2017. California's unemployment rate rose 0.1 percent to 4.8 percent in July 2017, and another 0.3 percent in August to 5.1 percent. Building activity rose as residential permit issuance increased 12 percent in the first seven months of 2017 compared to the same period in 2016. Residential valuation grew by 2.9 percent in August, up 7.2 percent from August of 2016, while nonresidential valuation dropped by 2.2 percent in August 2017, reflecting improving residential values and demand, while reflecting flagging commercial and agricultural property values.

*Madera County Budget*

The adopted 2017-18 General Fund Budget is \$256.3 million, which represents a \$26 million increase over the fiscal year 2016-17 budget. The 2017-18 budget increased the County's "Reserve for Future Budgetary Needs" from the \$4.1 million established in the 2014-15 fiscal year to \$4.9 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, 2017**

**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 2017-18 recommended discretionary revenue is \$73.8 million, an increase of \$6.1 million over fiscal year 2016-17.

**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 declined marginally in fiscal year 2016-17 after modest increases in 2014-15 and 2015-16.

**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 is projected to be complete in fiscal year 2014-15, with growth payments then 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 2017-18 budget at the March 1, 2017 meeting and included it in its respective 2017-18 budget requests. Funding for fiscal year 2017-18 is expected to be \$11.5 million and appropriations are requested at \$14.1 million, including a \$4.3 million appropriation for contingencies, balanced by the use of \$2.6 of AB 109 Restricted fund balance.



**COUNTY OF MADERA, CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

Receipts from Public Safety Augmentation (Proposition 172) sales tax have not shown material 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 increased slightly from the prior fiscal year to 0.9883265.

**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, 2017 unfunded Net Pension Liability of \$162.9 million represents the actuarially determined future cost of pension benefits the County must fund over the future funding period. See Note 10 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 governmental agencies to conduct an actuarial valuation of the liability for OPEB and report them on their financial statements. The Unfunded Actuarial Accrued Liability is the excess of the Actuarial Accrued Liability over Plan Assets. This represents the amount of the Actuarial Accrued Liability at the valuation date that still must be funded. The County's estimated Unfunded Actuarial Liability as of June 30, 2017 is \$116,478,000. 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, 2017**

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Totals	
<b>ASSETS</b>				
Cash and Investments	\$ 123,799,401	\$ 16,454,747	\$ 140,254,148	\$ 2,011,157
Restricted Assets:				
Cash and Investments	21,389	8,449,579	8,470,968	-
Cash with Fiscal Agent	-	6,803,991	6,803,991	-
Receivables ( net of allowance for uncollectibles):				
Accounts	2,665,931	1,230,206	3,896,137	107,686
Interest	260,325	75,540	335,865	-
Taxes	8,564,381	346,708	8,911,089	-
Loans	6,599,871	-	6,599,871	-
Special Assessments	-	10,452,538	10,452,538	-
Due from Other Governments	16,308,208	325,679	16,633,887	2,324,279
Internal Balances	5,821,322	(5,821,322)	-	-
Prepaid Expenses	559,358	-	559,358	47,499
Inventories	343,390	-	343,390	21,281
Deposits with others				120,604
Capital Assets:				
Nondepreciable	89,142,357	13,716,003	102,858,360	-
Depreciable, Net	191,068,350	47,737,431	238,805,781	2,035,672
Total assets	<u>445,154,283</u>	<u>99,771,100</u>	<u>544,925,383</u>	<u>6,668,178</u>
<b>DEFERRED OUTFLOWS</b>				
Deferred Outflows - Pensions	38,386,163	-	38,386,163	-
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	6,683,402	2,175,378	8,858,780	3,530,530
Salaries and Benefits Payable	2,100,594	-	2,100,594	90,571
Retention Payable	13,904	178,876	192,780	-
Interest Payable	277,985	421,644	699,629	-
Due to Other Governments	1,093,666	19,650	1,113,316	-
Deposits Payable	2,334,986	75,261	2,410,247	-
Unearned Revenue	1,976,608	53,372	2,029,980	60,360
Short-term loan payable	-	370,655	370,655	-
Long-Term Liabilities, Due Within One Year	10,890,508	534,020	11,424,528	13,687
Long-term Liabilities, Due in More Than One Year	328,375,073	26,268,871	354,643,944	11,603
Total Liabilities	<u>353,746,726</u>	<u>30,097,727</u>	<u>383,844,453</u>	<u>3,706,751</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MADERA, CALIFORNIA**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**JUNE 30, 2017**

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Totals	
<b>DEFERRED INFLOWS</b>				
Deferred Inflows - Pensions	\$ 4,707,879	\$ -	\$ 4,707,879	\$ -
<b>NET POSITION</b>				
Net Investment in Capital Assets	247,343,436	45,856,330	293,199,766	1,889,467
Restricted for:				
Public Protection	15,913,058	-	15,913,058	-
Public Ways and Facilities	29,000,958	-	29,000,958	-
Public Health and Sanitation	42,432,209	-	42,432,209	-
Public Assistance	9,711,218	-	9,711,218	-
Education	71,328	-	71,328	-
Recreation and Cultural Services	66,443	-	66,443	-
Capital Projects	144,647	-	144,647	-
Other Programs	1,683,278	-	1,683,278	38,589
Unrestricted	(221,280,734)	23,817,043	(197,463,691)	1,033,371
Total Net Position	<u>\$ 125,085,841</u>	<u>\$ 69,673,373</u>	<u>\$ 194,759,214</u>	<u>\$ 2,961,427</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MADERA, CALIFORNIA  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2017**

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental Activities:				
General Government	\$ 34,640,986	\$ 13,232,574	\$ 11,504,280	\$ -
Public Protection	78,768,109	10,149,429	15,541,085	325,619
Public Ways and Facilities	20,731,319	3,258,372	5,031,911	8,149,935
Health and Sanitation	32,320,689	2,543,974	31,522,990	-
Public Assistance	69,491,818	143,088	65,397,871	-
Education	1,620,614	80,098	4,895	40,557
Recreation and Cultural Services	1,251,004	758,971	-	-
Interest and Fiscal Charges	1,213,708	-	-	-
Total Governmental Activities	240,038,247	30,166,506	129,003,032	8,516,111
Business-Type Activities:				
Special Districts - Water/Sewer	10,323,242	7,129,911	-	1,509,560
County Landfill	(407,442)	5,709,750	-	-
Total Business-Type Activities	9,915,800	12,839,661	-	1,509,560
Total Madera County	\$ 249,954,047	\$ 43,006,167	\$ 129,003,032	\$ 10,025,671
Component Units:				
Community Action Partnership of Madera County (CAPMC)	\$ 26,760,254	\$ 220,707	\$ 26,368,981	\$ -
Madera County Workforce Investment Corporation (MCWIC)	3,032,216	207,711	2,834,238	42,321
Total Component Units	\$ 29,792,470	\$ 428,418	\$ 29,203,219	\$ 42,321

**General Revenues:**

Taxes:

Property Taxes  
Sales and Use Taxes  
Other

Interest and Investment Earnings

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	
\$ (9,904,132)	\$ -	\$ (9,904,132)	
(52,751,976)	-	(52,751,976)	
(4,291,101)	-	(4,291,101)	
1,746,275	-	1,746,275	
(3,950,859)	-	(3,950,859)	
(1,495,064)	-	(1,495,064)	
(492,033)	-	(492,033)	
(1,213,708)	-	(1,213,708)	
(72,352,598)	-	(72,352,598)	
-	(1,683,771)	(1,683,771)	
-	6,117,192	6,117,192	
-	4,433,421	4,433,421	
(72,352,598)	4,433,421	(67,919,177)	
			\$ (170,566)
			<u>52,054</u>
			(118,512)
40,302,547	576,403	40,878,950	-
9,021,033	-	9,021,033	-
4,139,213	-	4,139,213	-
1,126,496	272,002	1,398,498	1,664
2,305,022	82,210	2,387,232	13,995
70,000	(70,000)	-	-
<u>56,964,311</u>	<u>860,615</u>	<u>57,824,926</u>	<u>15,659</u>
(15,388,287)	5,294,036	(10,094,251)	(102,853)
<u>140,474,128</u>	<u>64,379,337</u>	<u>204,853,465</u>	<u>3,064,280</u>
<u>\$ 125,085,841</u>	<u>\$ 69,673,373</u>	<u>\$ 194,759,214</u>	<u>\$ 2,961,427</u>

**COUNTY OF MADERA, CALIFORNIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2017**

	General	Road	Special Revenue - Public Protection	Other Governmental Funds	Total
<b>ASSETS</b>					
Cash and Investments	\$ 63,969,468	\$ 12,297,737	\$ 18,530,470	\$ 20,336,620	\$ 115,134,295
Imprest Cash	5,195	400	-	-	5,595
Receivables:					
Accounts	2,130,633	41,597	889	343,141	2,516,260
Interest	151,605	30,029	10,365	44,677	236,676
Due from Other Governments	6,112,007	5,442,966	1,993,179	2,760,056	16,308,208
Due from Other Funds	13,578,673	269,734	-	411,370	14,259,777
Prepays and Other Assets	506,307	-	-	-	506,307
Inventories	-	299,753	-	-	299,753
Restricted assets:					
Restricted cash and investments	-	-	-	21,389	21,389
Taxes Receivable	8,449,770	-	72,478	42,133	8,564,381
Loans Receivable	-	-	-	6,599,871	6,599,871
Advances to Other Funds	826,838	-	227,231	667,650	1,721,719
	<u>\$ 95,730,496</u>	<u>\$ 18,382,216</u>	<u>\$ 20,834,612</u>	<u>\$ 31,226,907</u>	<u>\$ 166,174,231</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 4,202,277	\$ 780,806	\$ 162,808	\$ 1,301,288	\$ 6,447,179
Salaries and Benefits Payable	1,807,832	219,319	67,682	-	2,094,833
Deposits from Others	1,440,101	894,735	-	150	2,334,986
Due to Other Funds	123,595	79,383	7,478,142	1,984,134	9,665,254
Due to Other Governments	1,044,532	1,568	5,987	40,743	1,092,830
Unearned Revenue	1,972,913	3,695	-	-	1,976,608
Advances from Other Funds	160,949	-	-	27,231	188,180
Total Liabilities	<u>10,752,199</u>	<u>1,979,506</u>	<u>7,714,619</u>	<u>3,353,546</u>	<u>23,799,870</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	10,719,147	4,839,764	630,314	606,601	16,795,826
<b>FUND BALANCES</b>					
Nonspendable	1,333,145	299,753	-	-	1,632,898
Restricted	41,534,519	11,263,193	12,489,679	26,142,004	91,429,395
Committed	766,326	-	-	-	766,326
Assigned	13,518,362	-	-	1,124,756	14,643,118
Unassigned	17,106,798	-	-	-	17,106,798
Total Fund Balances	<u>74,259,150</u>	<u>11,562,946</u>	<u>12,489,679</u>	<u>27,266,760</u>	<u>125,578,535</u>
	<u>\$ 95,730,496</u>	<u>\$ 18,382,216</u>	<u>\$ 20,834,612</u>	<u>\$ 31,226,907</u>	<u>\$ 166,174,231</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 95,730,496</u>	<u>\$ 18,382,216</u>	<u>\$ 20,834,612</u>	<u>\$ 31,226,907</u>	<u>\$ 166,174,231</u>

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, 2017**

Fund Balance - Total Governmental Funds	\$ 125,578,535
<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>	274,804,172
<p>Unavailable revenues represent amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds.</p>	16,795,826
<p>Deferred outflows of resources reported in the statement of net position</p>	38,263,035
<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 style="padding-left: 20px;">Litigation Settlement Obligation</p>	(178,302)
<p style="padding-left: 20px;">Capital Leases</p>	(19,858,937)
<p style="padding-left: 20px;">Accrued Interest</p>	(277,985)
<p style="padding-left: 20px;">Loans payable</p>	(12,708,199)
<p style="padding-left: 20px;">Compensated Absences</p>	(15,865,331)
<p style="padding-left: 20px;">Other Postemployment Benefits (OPEB) Liability</p>	(115,952,053)
<p style="padding-left: 20px;">Net Pension Liability</p>	(162,254,793)
<p>Deferred inflows of resources reported in the statement of net position</p>	(4,692,721)
<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>1,432,594</u>
<p>Net Position of Governmental Activities</p>	<u><u>\$ 125,085,841</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, 2017**

	General	Road	Special Revenue - Public Protection	Other Governmental Funds	Total
<b>REVENUES</b>					
Taxes	\$ 49,691,910	\$ 1,975,074	\$ 188,058	\$ 1,227,059	\$ 53,082,101
Licenses and Permits	5,534,860	177,501	-	-	5,712,361
Fines, Forfeitures, and Penalties	4,285,445	-	346,261	233,847	4,865,553
Use of Money and Property	698,126	117,260	39,845	194,903	1,050,134
Intergovernmental	104,718,391	9,687,810	13,218,733	13,991,647	141,616,581
Charges for Services	14,860,729	1,241,022	570,361	2,132,853	18,804,965
Other Revenues	2,116,983	143,737	2,283	42,019	2,305,022
<b>Total Revenues</b>	<b>181,906,444</b>	<b>13,342,404</b>	<b>14,365,541</b>	<b>17,822,328</b>	<b>227,436,717</b>
<b>EXPENDITURES</b>					
Current:					
General Government	28,456,037	-	-	126,324	28,582,361
Public Protection	67,829,584	-	5,591,457	9,817	73,430,858
Public Ways and Facilities	-	11,487,120	-	4,226,418	15,713,538
Health and Sanitation	30,217,153	-	-	364,193	30,581,346
Public Assistance	65,800,175	-	-	1,405,680	67,205,855
Education	1,439,876	-	-	-	1,439,876
Recreation and Cultural Services	22,143	-	-	835,063	857,206
Capital Outlay	2,504,902	2,798,440	527,195	4,216,173	10,046,710
Debt Service:					
Principal	2,131,160	-	-	18,594	2,149,754
Interest	1,169,332	-	-	1,916	1,171,248
<b>Total Expenditures</b>	<b>199,570,362</b>	<b>14,285,560</b>	<b>6,118,652</b>	<b>11,204,178</b>	<b>231,178,752</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(17,663,918)</b>	<b>(943,156)</b>	<b>8,246,889</b>	<b>6,618,150</b>	<b>(3,742,035)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	18,874,015	-	-	4,089,136	22,963,151
Transfers out	(1,035,713)	-	(10,506,688)	(11,225,750)	(22,768,151)
Capital Leases	143,487	-	-	-	143,487
Sale of Capital Assets	16,617	56,455	-	(2,799)	70,273
<b>Total Other Financing Sources (Uses)</b>	<b>17,998,406</b>	<b>56,455</b>	<b>(10,506,688)</b>	<b>(7,139,413)</b>	<b>408,760</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>334,488</b>	<b>(886,701)</b>	<b>(2,259,799)</b>	<b>(521,263)</b>	<b>(3,333,275)</b>
Fund Balances - Beginning of Year, Restated	73,924,662	12,449,647	14,749,478	27,788,023	128,911,810
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 74,259,150</b>	<b>\$ 11,562,946</b>	<b>\$ 12,489,679</b>	<b>\$ 27,266,760</b>	<b>\$ 125,578,535</b>

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, 2017**

Net Change to Fund Balance - Total Governmental Funds \$ (3,333,275)

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	\$ 10,111,020	
Less: Current Year Depreciation	(9,364,846)	746,174

The net effect of various miscellaneous transactions involving capital assets (i.e. sales and donations) is to decrease net position (325,893)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. (2,933,119)

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. (143,487)

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	1,085,773
Change in OPEB Liability	(14,031,398)
Change in Interest Payable	(21,114)
Change in Litigation Settlement Obligation	28,977
Change in Net Pension Liability	1,217,268

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	2,174,613
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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. 147,194

Change in Net Position of Governmental Activities \$ (15,388,287)

**COUNTY OF MADERA, CALIFORNIA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2017**

	Business-Type Activities - Enterprise Funds			Governmental
	Special Districts Water/Sewer	County Landfill	Total Enterprise Funds	Internal Service Funds
<b>ASSETS</b>				
Current Assets:				
Cash and Investments	\$ 14,737,855	\$ 1,716,892	\$ 16,454,747	\$ 8,659,511
Receivables:				
Accounts	476,104	754,102	1,230,206	149,671
Interest	53,035	22,505	75,540	23,649
Taxes	346,708	-	346,708	-
Due from Other Funds	-	-	-	6,031
Due from Other Governments	325,679	-	325,679	-
Prepaid Expenses	-	-	-	53,051
Inventories	-	-	-	43,637
Total Current Assets	<u>15,939,381</u>	<u>2,493,499</u>	<u>18,432,880</u>	<u>8,935,550</u>
Noncurrent Assets:				
Restricted Cash and Investments	2,009,935	6,439,644	8,449,579	-
Cash with Fiscal Agents	6,803,991	-	6,803,991	-
Long-Term Receivables	10,452,538	-	10,452,538	-
Capital Assets:				
Nondepreciable	12,447,744	1,268,259	13,716,003	293,563
Depreciable, Net	<u>38,662,210</u>	<u>9,075,221</u>	<u>47,737,431</u>	<u>5,112,972</u>
Total Noncurrent Assets	<u>70,376,418</u>	<u>16,783,124</u>	<u>87,159,542</u>	<u>5,406,535</u>
Total Assets	<u>86,315,799</u>	<u>19,276,623</u>	<u>105,592,422</u>	<u>14,342,085</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Pension	-	-	-	123,128
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	1,573,820	780,434	2,354,254	250,127
Accrued Salaries and Benefits	-	-	-	5,761
Interest Payable	421,644	-	421,644	-
Due to Other Funds	2,682,723	1,605,060	4,287,783	312,771
Due to Other Governments	19,515	135	19,650	836
Deposits from Others	75,261	-	75,261	-
Unearned Revenues	53,372	-	53,372	-
Claims Payable	-	-	-	2,575,586
Short-term debt	370,655	-	370,655	-
Long-Term Debt, Due in One Year	<u>534,020</u>	<u>-</u>	<u>534,020</u>	<u>199,140</u>
Total Current Liabilities	<u>5,731,010</u>	<u>2,385,629</u>	<u>8,116,639</u>	<u>3,344,221</u>
Noncurrent Liabilities:				
Advances from Other Funds	1,533,539	-	1,533,539	-
Compensated Absences	-	-	-	41,499
Long-Term Debt, Due in More than One Year	21,867,075	-	21,867,075	100,995
Liability for Post Employment Benefits	-	-	-	525,947
Claims Payable	-	-	-	8,368,414
Closure/Postclosure Liability	-	4,401,796	4,401,796	-
Net Pension Liability	-	-	-	636,385
Total Noncurrent Liabilities	<u>23,400,614</u>	<u>4,401,796</u>	<u>27,802,410</u>	<u>9,673,240</u>
Total Liabilities	<u>29,131,624</u>	<u>6,787,425</u>	<u>35,919,049</u>	<u>13,017,461</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Pension	-	-	-	15,158
<b>NET POSITION</b>				
Net Investment in Capital Assets	35,512,850	10,343,480	45,856,330	5,106,400
Unrestricted	<u>21,671,325</u>	<u>2,145,718</u>	<u>23,817,043</u>	<u>(3,673,806)</u>
Total Net Position	<u>\$ 57,184,175</u>	<u>\$ 12,489,198</u>	<u>\$ 69,673,373</u>	<u>\$ 1,432,594</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, 2017**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Special Districts Water/Sewer	County Landfill	Total Enterprise Funds	Internal Service Funds
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 7,129,911	\$ 5,709,750	\$ 12,839,661	\$ 7,766,786
Other Revenues	78,590	3,620	82,210	1,839
Total Operating Revenues	<u>7,208,501</u>	<u>5,713,370</u>	<u>12,921,871</u>	<u>7,768,625</u>
<b>OPERATING EXPENSES</b>				
Salaries and Benefits	-	-	-	410,931
Services and Supplies	3,378,619	5,029,108	8,407,727	2,861,800
Maintenance	2,754,578	160	2,754,738	304,771
Insurance	96,388	52,309	148,697	2,001,101
Utilities	1,308,823	24,169	1,332,992	13,124
Claims	-	-	-	1,396,253
Depreciation	1,668,757	593,412	2,262,169	553,142
Landfill Closure/Postclosure Care Costs	-	(6,106,600)	(6,106,600)	-
Other Operating Expense	-	-	-	1,451
Total Operating Expenses	<u>9,207,165</u>	<u>(407,442)</u>	<u>8,799,723</u>	<u>7,542,573</u>
<b>OPERATING INCOME (LOSS)</b>	(1,998,664)	6,120,812	4,122,148	226,052
<b>NONOPERATING REVENUE (EXPENSES)</b>				
Taxes	576,403	-	576,403	-
Investment Income	172,049	99,953	272,002	76,362
Interest and Fiscal Charges	(898,141)	-	(898,141)	(21,346)
Gain (Loss) on Disposal of Capital Assets	-	-	-	(8,874)
Debt issuance costs	(217,936)	-	(217,936)	-
Total Nonoperating Revenue (Expenses)	<u>(367,625)</u>	<u>99,953</u>	<u>(267,672)</u>	<u>46,142</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	(2,366,289)	6,220,765	3,854,476	272,194
Capital Contributions	1,509,560	-	1,509,560	-
Transfers out	-	(70,000)	(70,000)	(125,000)
<b>CHANGE IN NET POSITION</b>	(856,729)	6,150,765	5,294,036	147,194
Net Position - Beginning of Year, Restated	<u>58,040,904</u>	<u>6,338,433</u>	<u>64,379,337</u>	<u>1,285,400</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 57,184,175</u>	<u>\$ 12,489,198</u>	<u>\$ 69,673,373</u>	<u>\$ 1,432,594</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MADERA, CALIFORNIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2017**

	Business-type Activities - Enterprise Funds			Governmental Activities
	Special Districts	County Landfill	Total Enterprise Funds	Internal Service Funds
	Water/Sewer			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Receipts from Customers and Users	\$ 7,305,897	\$ 5,542,767	\$ 12,848,664	\$ -
Cash Receipts from Interfund Services	-	-	-	7,888,268
Cash Paid to Suppliers	(5,462,553)	(5,472,769)	(10,935,322)	(6,305,876)
Cash Paid to Employees	-	-	-	(389,955)
Net Cash Provided (Used) by Operating Activities	<u>1,843,344</u>	<u>69,998</u>	<u>1,913,342</u>	<u>1,192,437</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Taxes	453,384	-	453,384	-
Interfund Loans	-	1,530,637	1,530,637	219,678
Transfers out	1,126,989	(70,000)	1,056,989	(125,000)
Advance repayments	(687,467)	(1,300,000)	(1,987,467)	-
Advances from other funds	209,700	-	209,700	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>1,102,606</u>	<u>160,637</u>	<u>1,263,243</u>	<u>94,678</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of Capital Assets	(3,863,263)	(88,035)	(3,951,298)	(733,973)
Proceeds from Capital Contributions	3,025,787	-	3,025,787	-
Principal Payments on Debt	(383,094)	-	(383,094)	(189,314)
Debt issuance cost on capital debt	(217,936)	-	(217,936)	-
Proceeds of Borrowing	7,150,655	-	7,150,655	-
Interest Payments	(693,501)	-	(693,501)	(21,346)
Proceeds from Sale of Capital Assets	-	-	-	29,785
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>5,018,648</u>	<u>(88,035)</u>	<u>4,930,613</u>	<u>(914,848)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Received	<u>161,030</u>	<u>96,033</u>	<u>257,063</u>	<u>71,731</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>8,125,628</u>	<u>238,633</u>	<u>8,364,261</u>	<u>443,998</u>
Cash and Cash Equivalents - Beginning of Year, Restated	<u>15,426,153</u>	<u>7,917,903</u>	<u>23,344,056</u>	<u>8,215,513</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 23,551,781</u>	<u>\$ 8,156,536</u>	<u>\$ 31,708,317</u>	<u>\$ 8,659,511</u>
<b>Reconciliation of Cash and Cash Equivalents</b>				
Cash and Investments	\$ 14,737,855	\$ 1,716,892	\$ 16,454,747	\$ 8,659,511
Restricted cash and Investments	2,009,935	6,439,644	8,449,579	-
Cash with Fiscal Agent	6,803,991	-	6,803,991	-
	<u>\$ 23,551,781</u>	<u>\$ 8,156,536</u>	<u>\$ 31,708,317</u>	<u>\$ 8,659,511</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MADERA, CALIFORNIA  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2017**

	Business-type Activities - Enterprise Funds			Governmental Activities
	Special Districts	County Landfill	Total Enterprise Funds	Internal Service Funds
	Water/Sewer			
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ (1,998,664)	\$ 6,120,812	\$ 4,122,148	\$ 226,052
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Abandoned construction costs	1,599,344	-	1,599,344	-
Depreciation	1,668,757	593,412	2,262,169	553,142
Changes in Assets and Liabilities:				
(Increase) Decrease in:				
Accounts Receivable	1,322,543	(170,603)	1,151,940	144,087
Deposits from Others	22,763	-	22,763	-
Increase (Decrease) in:				
Accounts Payable and Other Liabilities	476,511	(367,023)	109,488	139,536
Unearned Revenue	(1,247,910)	-	(1,247,910)	-
Compensated Absences Payable	-	-	-	(6,441)
Closure/Postclosure Liability	-	(6,106,600)	(6,106,600)	-
Net Pension Liability	-	-	-	(22,541)
Post Employment Benefits Liability	-	-	-	61,602
Claims Payable	-	-	-	97,000
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,843,344</u>	<u>\$ 69,998</u>	<u>\$ 1,913,342</u>	<u>\$ 1,192,437</u>
<b>SCHEDULE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Contribution of Capital Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MADERA, CALIFORNIA  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2017**

	Investment Trust Fund	Private Purpose Trust	Agency Funds
<b>ASSETS</b>			
Cash and Investments	\$ 305,640,958	\$ 1,727,108	\$ 8,492,405
Receivables:			
Accounts Receivable	-	-	389
Interest Receivable	-	-	17,280
Taxes	-	-	98,100
Total Assets	305,640,958	1,727,108	\$ 8,608,174
<b>LIABILITIES</b>			
Accounts Payable	-	-	\$ 279,043
Due to Other Governments	-	-	496,166
Agency Obligations	-	-	7,832,965
Total Liabilities	-	-	\$ 8,608,174
<b>NET POSITION</b>			
Net Position Held in Trust for Investment Pool Participants and Other Purposes	305,640,958	1,727,108	
Total Net Position	\$ 305,640,958	\$ 1,727,108	

See accompanying Notes to Basic Financial Statements.



**COUNTY OF MADERA, CALIFORNIA  
STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED JUNE 30, 2017**

	<u>Investment Trust Fund</u>	<u>Private Purpose Trust</u>
<b>ADDITIONS</b>		
Contributions to Pooled Investments	\$ 574,380,297	\$ 3,771,625
Net Investment Income:		
Investment Income	<u>2,280,442</u>	<u>10,634</u>
Total Additions	<u>576,660,739</u>	<u>3,782,259</u>
<b>DEDUCTIONS</b>		
Distributions from Pooled Investments	<u>502,799,514</u>	<u>3,225,316</u>
<b>CHANGE IN NET POSITION</b>	73,861,225	556,943
Net Position - Beginning of Year, Restated	<u>231,779,733</u>	<u>1,170,165</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 305,640,958</u></u>	<u><u>\$ 1,727,108</u></u>

See accompanying Notes to Basic Financial Statements.



## **NOTES TO BASIC FINANCIAL STATEMENTS**



**COUNTY OF MADERA, CALIFORNIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**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 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, 2017**

**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 assists 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, 2017**

**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 operation is 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 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 it is 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. CAPMC was created in 1965 by the County of Madera Board of Supervisor 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. CAPMC is reported as a discretely presented component unit in the County's basic financial statements. CAPMC issue 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, 2017**

**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. 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, 2017**

**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 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, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Accounting and Measurement Focus (Continued)**

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.

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

**COUNTY OF MADERA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Accounting and Measurement Focus (Continued)**

Governmental Fund Financial Statements (Continued)

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.

**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.

**COUNTY OF MADERA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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, 2017**

**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. Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated assets are valued at their estimated fair market value on the date donated. Service concession capital assets are valued at historical cost.

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.

Interest accrued during capital assets construction, if any, is capitalized for the business-type and proprietary funds as part of the asset cost.

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, 2017**

**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 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 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, 2017**

**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, 2017**

**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, 2017**

**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, 2017**

**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.

**COUNTY OF MADERA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**P. New Accounting Pronouncements**

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

Statement No. 74	<i>Financial Reporting for Postemployment Benefit Plans Other than Pension Plans</i>	The provisions of this statement are effective for financial statement periods beginning after June 15, 2016. The requirements of this statement were considered but had no effect on the County's current fiscal year.
Statement No. 77	<i>Tax Abatement Disclosures</i>	The provisions of this statement are effective for financial statement periods beginning after December 15, 2015.
Statement No. 78	<i>Pension Provided through Certain Multiple-Employer Defined Benefit Pension Plans</i>	The provisions for this statement are effective for financial statement periods beginning after December 15, 2015. The requirements of this statement were considered but had no effect on the County's current fiscal year.
Statement No. 79	<i>Certain External Investment Pools and Pool Participants</i>	The provisions for this statement are effective for financial statement periods beginning after December 15, 2015. The requirements of this statement were considered but had no effect on the County's current fiscal year.
Statement No. 80	<i>Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14</i>	The provisions for this statement are effective for financial statement periods beginning after June 15, 2016. The requirements of this statement were considered but had no effect on the County's current fiscal year.

**COUNTY OF MADERA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**Q. Future Accounting Pronouncements**

The following Governmental Accounting Standards Board (GASB) Statements will be implemented in future 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.
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.
Statement No. 84	<i>Fiduciary Activities</i>	The provisions of this statement are effective for financial statement periods beginning after December 15, 2016.
Statement No. 85	<i>Omnibus 2017</i>	The provisions of this statement are effective for financial statement periods beginning after June 15, 2017.
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.
Statement No. 87	<i>Leases</i>	The provisions of this statement are effective for financial statement periods beginning after December 15, 2019.

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, 2017:

	Government-Wide Statement of Net Assets		Total Primary Government	Fiduciary Funds	Discretely Presented Component Units	Total
	Governmental Activities	Business-Type Activities				
Cash and Investments	\$ 123,799,401	\$ 16,454,747	\$ 140,254,148	\$ 315,860,471	\$ 2,011,157	\$ 458,125,776
Restricted Assets:						
Cash and Investments	21,389	8,449,579	8,470,968	-	-	8,470,968
Cash with Fiscal Agents	-	6,803,991	6,803,991	-	-	6,803,991
<b>Total</b>	<b>\$ 123,820,790</b>	<b>\$ 31,708,317</b>	<b>\$ 155,529,107</b>	<b>\$ 315,860,471</b>	<b>\$ 2,011,157</b>	<b>\$ 473,400,735</b>

**COUNTY OF MADERA, CALIFORNIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

Cash deposits and investments consisted as follows at June 30, 2017:

**County of Madera:**

Cash and Investments:

Imprest Cash	\$ 6,095
Cash in Banks-Department Administered	60,144
Total Cash	66,239

In Custody of Treasurer:

Cash on Hand	7,000
Cash in Banks	12,481,746
Total in Custody of Treasurer	12,488,746

Investments Held by Treasurer:

Certificates of Deposit	1,000,000
LAIF	64,906,086
CAMP	23,099,982
U.S. Government-Sponsored Enterprise Sec.	247,356,887
Medium Term Corporate Notes	98,415,429
Money Market Mutual Funds	2,012,897
Municipal Bonds	15,161,355
Total Investments Held by Treasurer	451,952,636

Cash Held With Fiscal Agent and Other Deposits

Government Money Market	239,877
Enterprise - Maintenance Districts & Service Areas	6,564,114
Employees' Retirement Trust Deposit	77,966
Total Cash Held with Fiscal Agent and Other Deposits	6,881,957

Total Cash and Investments	471,389,578
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**Discretely Presented Component Units:**

Cash and Cash Equivalents -	
Community Action Partnership of Madera County	1,852,757
Madera County Workforce Investment Corporation	158,400
Total Cash and Investments	\$ 473,400,735

**A. Cash Deposits**

The carrying amounts of the County's cash deposits were \$20,464,590 at June 30, 2017. Bank balances at June 30, 2017 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, 2017**

**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, 2017**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

At June 30, 2017, the difference between the cost and fair values was not material. Therefore, an adjustment to the fair values was not made (fair value was 99.80% of the carrying value).

**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, 2017:

Investment Type	Cost	Fair Value	Percentage of Portfolio	Average Maturity (in years)	Credit Rating (Moody's)
LAIF	\$ 64,906,086	\$ 64,906,086	14.36 %	-	N/A
CAMP	23,099,982	23,099,982	5.11	-	N/A
Certificates of Deposits	1,000,000	1,000,000	0.22	0.44	N/A
Depository Accounts	2,012,897	2,012,897	0.45	0.13	N/A
Government-Sponsored Enterprise Securities	247,356,888	246,584,564	54.73	1.54	AAA
Municipal Bonds	15,161,355	15,158,695	3.35	2.18	Var
Medium Term Corporate Notes:					
Apple Inc.	2,992,173	2,990,130	0.66	1.62	A2
Apple Inc.	4,005,013	4,016,053	0.89	2.22	AA1
Bank of America	3,004,870	3,003,330	0.66	1.46	A1
Bank of New York Mellon	3,031,729	3,026,070	0.67	1.63	A1
Bank of New York Mellon	3,016,960	3,019,020	0.67	1.78	A1
Chevron Corp	1,997,990	1,997,940	0.44	1.29	A1
Citibank, NA	5,007,933	5,007,933	1.11	2.03	A1
Coca Cola	5,000,467	4,993,617	1.11	2.09	AA2
Conoco Phillips Co.	2,996,673	2,994,510	0.66	1.26	AA2
GE Capital Corp	3,003,282	3,003,870	0.66	1.36	AA2
HSBC Bank USA	5,000,000	4,998,400	1.11	2.07	A1
HSBC Bank USA	5,000,000	5,013,600	1.11	2.70	AA2
IBM Corp	3,990,085	3,986,160	0.88	1.69	A1
J P Morgan	5,015,811	4,974,950	1.11	1.50	A1
Merck & Co. Inc	2,992,469	2,998,350	0.66	1.54	A1
Microsoft Corp	3,172,893	3,155,820	0.70	1.43	A1
Microsoft Corp	2,920,711	2,953,530	0.65	2.14	AAA
Pfizer, Inc	2,997,101	3,002,760	0.66	1.58	A1
Toyota	3,005,710	3,003,420	0.67	1.40	AA3
Toyota	4,005,837	3,978,600	0.89	1.47	A1
US Bancorp	3,018,766	3,016,530	0.67	1.74	A1
US Bancorp	3,004,806	3,000,390	0.66	1.04	AA2
WalMart	3,024,058	3,023,670	0.67	1.38	AA2
WalMart	3,151,630	3,139,320	0.70	1.72	A2
Wells Fargo	2,990,075	3,018,090	0.66	2.27	A2
Wells Fargo	3,002,520	3,000,030	0.66	1.21	A2
Wells Fargo	5,065,866	5,037,300	1.12	2.12	A2
Wells Fargo	3,000,000	2,972,280	0.66	1.97	A2
Total Investments Held by Treasurer	<u>\$ 451,952,636</u>	<u>\$ 451,087,897</u>	<u>100.00 %</u>		

**COUNTY OF MADERA, CALIFORNIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**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, 2017, 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, 2017, 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	14.83%	\$ 67,004,681
Federal Home Loan Bank	13.28%	60,000,000
Federal Home Loan Mortgage Corp.	16.47%	74,418,200
Federal National Mortgage Association	10.16%	45,934,006

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, 2017**

**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, 2017, 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, 2017, the County had \$64,906,086 invested in LAIF, which had invested 2.89% 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, 2017**

**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, 2017:

Statement of Net Position:

Net Position Held for Pool Participants	<u>\$ 464,441,382</u>
Equity of Internal Pool Participants	\$ 158,800,424
Equity of External Pool Participants	305,640,958
Total Net Assets	<u>\$ 464,441,382</u>

Statement of Changes in Net Position:

Net Position at July 1, 2016	\$ 391,705,663
Net Change in Investments by Pool Participants	72,735,719
Net Position at June 30, 2017	<u>\$ 464,441,382</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, 2017**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**F. Fair Value Measurements (Continued)**

The pool has the following recurring fair value measurements as of June 30, 2017:

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	\$ 98,325,673	\$ 98,325,673	\$ -	\$ -
Debt Securities:				
Municipal Bonds	15,158,695	15,158,695	-	-
Government Agency Bonds	246,584,564	246,584,564	-	-
Total Investments Measured at Fair Value	360,068,932	\$ 360,068,932	\$ -	\$ -
Investments Measured at Amortized Cost				
CAMP	23,099,982			
LAIF	64,906,086			
Money Market Mutual Funds	2,012,897			
Non-Negotiable CDs	1,000,000			
Total Pooled and Directed Investment	\$ 451,087,897			

**G. Restricted Cash and Investments**

Cash and investments at June 30, 2017 that are restricted by legal or contractual requirements are comprised of the following:

Governmental Activities:

Nonmajor Governmental Funds	
Debt service reserves	\$ 21,389

Business-type Activities:

Special Districts - Water Sewer	
Debt service reserves	2,009,935
CSA 2A&B Wastewater projects	6,803,991
County Landfill	
Funds for landfill site closure and maintenance costs	6,439,644
Total	\$ 15,274,959

**COUNTY OF MADERA, CALIFORNIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**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, 2017, allowances for uncollectible accounts is \$421,499.

**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 \$657,806 was recorded under the General Government nonmajor special revenue fund at June 30, 2017. Based on the payment schedule for loan receivable, \$633,806 of the amount reported is not expected to be collected within the next year.

Housing Loans

A total of \$5,942,065 was recorded as loans receivable under Housing nonmajor special revenue fund at June 30, 2017. 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, 2017, 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, 2017</u>
CDBG loans	30 years	0%	\$ 3,418,623
HOME loans	30 years	0%	1,726,750
NSP-3 Loans	30 years	0%	675,683
EDC small business loans	7-10 years	3% - 5%	121,009
			<u>\$ 5,942,065</u>

The entire loans receivable balance of \$5,942,065 is not expected to be collected within the next year.

**COUNTY OF MADERA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**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, 2017 is \$10,452,538. Based on the payment schedule for assessment receivables, \$9,706,929 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, 2017:

*Due to/from other funds:*

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Road Fund	\$ 79,383	Charges for interfund services
	Special Revenue - Public Protection	7,439,978	Cost recovery from Realignment fund
	Nonmajor Governmental Funds	1,938,078	Cost recovery from Realignment fund
	Special Districts - Water/Sewer	2,617,160	Charges for interfund services
	County Landfill	1,191,303	Charges for interfund services, advance payback
	Internal Service Fund	<u>312,771</u>	Charges for itnerfund services
		<u>13,578,673</u>	
Road Fund	General Fund	108,494	Charges for interfund services
	Special Revenue - Public Protection	35,864	Charges for interfund services
	Nonmajor Governmental Funds	46,056	Charges for interfund services
	County Landfill	13,757	Charges for interfund services
	Special Districts - Water/Sewer	<u>65,563</u>	Charges for interfund services
		<u>269,734</u>	
Nonmajor Governmental Funds	General Fund	9,070	Cost recovery from Realignment fund
	Special Revenue - Public Protection	2,300	Cost recovery from Realignment fund
	County Landfill	<u>400,000</u>	Advance payback
		<u>411,370</u>	
Internal Service Fund	General Fund	6,031	Repayments of Realignment fund
		<u>6,031</u>	
Total		<u>\$ 14,265,808</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, 2017**

**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, 2017:

*Advances to/from other funds*

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Districts - Water/Sewer	<u>\$ 826,838</u>
Special Revenue - Public Protection	General Fund	100,000
	Nonmajor Governmental Funds	27,231
	Special Districts - Water/Sewer	<u>100,000</u>
		<u>227,231</u>
Nonmajor Governmental Funds	General Fund	60,949
	Special Districts - Water/Sewer	<u>606,701</u>
		<u>667,650</u>
Total		<u><u>\$ 1,721,719</u></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, 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, 2017**

**NOTE 4 INTERFUND TRANSACTIONS (CONTINUED)**

**B. Fund Financial Statements (Continued)**

Interfund transfers to/from other funds for the year ended June 30, 2017 were as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Nonmajor Governmental Funds	\$ 1,026,643	Sheriff parking lot project, jail assessment cost schematic design and project mgmt for PH and
	Nonmajor Governmental Funds	9,070	DSS project, morgue project, Madera sign project
		<u>1,035,713</u>	Reimburse cost of health
Special Revenue - Public Protection	General Fund	7,484,412	corrections, district attorney and admin
	Nonmajor Governmental Funds	3,022,276	Sheriff parking lot, morgue project, Bootcamp, probation improvements
		<u>10,506,688</u>	
Nonmajor Governmental Funds	General Fund	11,194,603	County parks maintenance, jail fencing and HVAC upgrade, reimbursement for costs of health, fire protection and public assistance
	Nonmajor Governmental Funds	31,147	Archaeological study
		<u>11,225,750</u>	
County landfill	General Fund	<u>70,000</u>	LEA service
Internal Service Funds	General Fund	<u>125,000</u>	LC 4850 TD Cost
Total		<u>\$ 22,963,151</u>	

**COUNTY OF MADERA, CALIFORNIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 5 CAPITAL ASSETS**

**A. Government-Wide Financial Statements**

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

	Restated Balance July 1, 2016	Additions	Retirements	Transfers and Adjustments	Balance June 30, 2017
<b>Governmental Activities:</b>					
Capital Assets, Not Being Depreciated:					
Land	\$ 17,216,874	\$ 213,809	\$ (15,275)	\$ -	\$ 17,415,408
Construction-in-Progress	13,399,461	5,618,810	-	(4,337,707)	14,680,564
Infrastructure (Nondepreciable)	57,046,385	-	-	-	57,046,385
Total Capital Assets, Not Being Depreciated	87,662,720	5,832,619	(15,275)	(4,337,707)	89,142,357
Capital Assets, Being Depreciated:					
Infrastructure (Depreciable)	177,390,726	-	-	-	177,390,726
Buildings and Improvements	160,166,090	490,654	(550,190)	4,241,791	164,348,345
Equipment	57,532,367	4,521,613	(8,166,787)	-	53,887,193
Total Capital Assets, Being Depreciated	395,089,183	5,012,267	(8,716,977)	4,241,791	395,626,264
Less Accumulated Depreciation:					
Infrastructure (Depreciable)	(133,678,294)	(3,438,318)	-	-	(137,116,612)
Structures and Improvements	(35,916,412)	(3,528,699)	424,135	-	(39,020,976)
Equipment	(33,508,951)	(2,950,971)	8,039,596	-	(28,420,326)
Total Accumulated Depreciation	(203,103,657)	(9,917,988)	8,463,731	-	(204,557,914)
Total Capital Assets, Being Depreciated	191,985,526	(4,905,721)	(253,246)	4,241,791	191,068,350
Total Governmental Activities	<u>\$ 279,648,246</u>	<u>\$ 926,898</u>	<u>\$ (268,521)</u>	<u>\$ (95,916)</u>	<u>\$ 280,210,707</u>



**COUNTY OF MADERA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**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	\$ 1,695,352
Public Protection	2,564,324
Public Ways and Facilities	4,248,042
Health and Sanitation	120,979
Public Assistance	249,455
Education	98,164
Recreation and Culture	393,798
Capital Assets Held by the Government's Internal Service Funds are Charged to the Various Functions Based on their Usage of the Assets	547,874
Total	<u>\$ 9,917,988</u>

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

	Restated Balance July 1, 2016	Additions	Retirements	Transfers	Balance June 30, 2017
<b>Business-Type Activities</b>					
Capital Assets, Not Being Depreciated:					
Land	\$ 3,700,906	\$ -	\$ -	\$ -	\$ 3,700,906
Land under Roads	1,525,830	-	-	-	1,525,830
Construction-in-Progress	7,055,380	3,738,974	(1,627,499)	(677,588)	8,489,267
Total Capital Assets, Not Being Depreciated	12,282,116	3,738,974	(1,627,499)	(677,588)	13,716,003
Capital Assets, Being Depreciated:					
Infrastructure (Depreciable)	1,041,456	-	-	-	1,041,456
Structures and Improvements	77,032,098	816,572	(639,231)	677,588	77,887,027
Equipment	1,273,287	27,601	-	-	1,300,888
Total Capital Assets, Being Depreciated	79,346,841	844,173	(639,231)	677,588	80,229,371
Less Accumulated Depreciation:					
Infrastructure (Depreciable)	(1,028,074)	(149,605)	-	-	(1,177,679)
Structures and Improvements	(28,529,470)	(2,027,287)	7,379	-	(30,549,378)
Equipment	(679,606)	(85,277)	-	-	(764,883)
Total Accumulated Depreciation	(30,237,150)	(2,262,169)	7,379	-	(32,491,940)
Total Capital Assets, Being Depreciated	49,109,691	(1,417,996)	(631,852)	677,588	47,737,431
Total Business-Type Activities	<u>\$ 61,391,807</u>	<u>\$ 2,320,978</u>	<u>\$ (2,259,351)</u>	<u>\$ -</u>	<u>\$ 61,453,434</u>

**COUNTY OF MADERA, CALIFORNIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**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>
Water and Sewer Special Districts	\$ 1,668,757
County Landfill	593,412
Total	<u>\$ 2,262,169</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, 2017 was approximately \$1,522,588. 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, 2017:

<u>Year Ending June 30,</u>	<u>Amount</u>
2018	\$ 1,529,196
2019	1,545,926
2020	1,536,864
2021	1,554,834
2022	1,573,460
Total	<u>\$ 7,740,280</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, 2017**

**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, 2017:

	Stated Interest Rate	Present Value of Remaining Payment as of June 30, 2017
DA/CS Building	10.10 %	\$ 48,725
Microwave/Radio Equipment	3.02 %	300,135
Dell Computer Equipment	4 % - 7.338 %	246,862
Solar Equipment	3.49 %	10,000,000
New Sheriff Facility	2.44 %	9,366,160
DOC Computer Equipment	4.00 %	85,134
IT Cubicles	4.77 %	112,053
Total		\$ 20,159,069

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

	Amount
DA/CS Building	\$ 1,459,366
Microwave/Radio Equipment	1,609,396
Dell Computer Equipment	747,908
Solar Equipment	9,722,175
New Sheriff Facility	9,750,000
DOC Computer Equipment	164,297
IT Cubicles	157,166
Less: Accumulated Depreciation	(2,411,263)
Total	\$ 21,199,045

**COUNTY OF MADERA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 6 LEASES (CONTINUED)**

As of June 30, 2017, future minimum lease payments under capital leases were as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2018	\$ 1,865,205
2019	1,647,080
2020	1,459,441
2021	1,266,925
2022	1,264,898
2023 - 2027	12,088,229
2028 - 2032	3,253,860
2033 - 2037	4,919,399
Total Future Minimum Lease Payments	<u>27,765,037</u>
Less: Interest	<u>(7,605,968)</u>
Present Value Minimum Lease Payments	<u><u>\$ 20,159,069</u></u>

**NOTE 7 LONG-TERM LIABILITIES**

The following is a summary of long-term liabilities transactions for the year ended June 30, 2017:

	Restated Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Amounts Due Within One Year
<b>Governmental Activities</b>					
Capital lease obligations	\$ 21,076,015	\$ 143,487	\$ (1,060,433)	\$ 20,159,069	\$ 1,085,290
Loans payable	13,986,905	-	(1,278,706)	12,708,199	1,307,462
Compensated Absences	16,999,044	8,248,762	(9,340,976)	15,906,830	5,891,165
Litigation Judgment	207,279	-	(28,977)	178,302	31,005
Liability for Unpaid Claims	10,847,000	2,513,039	(2,416,039)	10,944,000	2,575,586
Net other postemployment benefits obligation	102,385,000	18,410,000	(4,317,000)	116,478,000	-
Net Pension Liability	135,428,034	49,134,767	(21,671,620)	162,891,181	-
Total Governmental Activities Long-Term Liabilities	<u>\$ 300,929,277</u>	<u>\$ 78,450,055</u>	<u>\$ (40,113,751)</u>	<u>\$ 339,265,581</u>	<u>\$ 10,890,508</u>
<b>Business-Type Activities</b>					
Improvement District 1915 Act Bonds	\$ 10,622,490	\$ -	\$ (255,323)	\$ 10,367,167	\$ 228,947
Unamortized Discount	(68,578)	-	3,117	(65,461)	(3,117)
	<u>10,553,912</u>	<u>-</u>	<u>(252,206)</u>	<u>10,301,706</u>	<u>225,830</u>
Revenue Bonds	76,600	6,780,000	(4,800)	6,851,800	180,100
Loans Payable	5,370,560	-	(122,971)	5,247,589	128,090
Liability for landfill closure	10,508,396	-	(6,106,600)	4,401,796	-
Total Business-Type Activities Long-Term Liabilities	<u>\$ 26,509,468</u>	<u>\$ 6,780,000</u>	<u>\$ (6,486,577)</u>	<u>\$ 26,802,891</u>	<u>\$ 534,020</u>

**COUNTY OF MADERA, CALIFORNIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 7 LONG-TERM LIABILITIES (CONTINUED)**

As of June 30, 2017, annual debt service requirements of governmental activities to maturity are as follows:

<u>Loans Payable</u>		
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 1,307,462	\$ 265,985
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 - 2027	5,946,507	265,244
Total	<u>\$ 12,708,199</u>	<u>\$ 1,297,644</u>

As of June 30, 2017, annual debt service requirements of business-type activities to maturity are as follows:

<u>Improvement District 1915 Act Bonds</u>		
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 228,947	\$ 552,571
2019	239,030	540,593
2020	251,180	528,069
2021	264,560	514,900
2022	277,260	500,982
2023 - 2027	1,554,700	2,226,684
2028 - 2032	1,949,660	1,760,661
2033 - 2037	2,496,420	1,200,162
2038 - 2042	2,408,210	558,781
2043+	697,200	199,163
Total	<u>10,367,167</u>	<u>\$ 8,582,566</u>
Less Discount	(65,461)	
Total	<u>\$ 10,301,706</u>	

**COUNTY OF MADERA, CALIFORNIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 7 LONG-TERM LIABILITIES (CONTINUED)**

Revenue Bonds		
Year Ending June 30,	Principal	Interest
2018	\$ 180,100	\$ 215,416
2019	320,300	228,996
2020	330,600	217,533
2021	340,900	205,703
2022	356,400	193,420
2023 - 2027	1,970,600	766,902
2028 - 2032	2,312,900	389,788
2033 - 2037	1,040,000	36,750
Total	<u>\$ 6,851,800</u>	<u>\$ 2,254,508</u>

Loans Payable		
Year Ending June 30,	Principal	Interest
2018	\$ 128,090	\$ 172,486
2019	132,917	167,470
2020	138,949	162,234
2021	137,790	156,784
2022	132,640	151,234
2023 - 2027	681,150	685,911
2028 - 2032	810,290	554,511
2033 - 2037	967,330	393,056
2038 - 2042	953,440	209,957
2043+	1,164,993	175,346
Total	<u>\$ 5,247,589</u>	<u>\$ 2,828,989</u>

Long-term liabilities at June 30, 2017 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, 2017**

**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, 2017</u>
Maintenance District 32	10/24/2000	10/24/2018	5.125%	\$5,404 - \$19,320	\$ 344,445	\$ 27,991
Government Center Building	9/30/2015	8/1/2025	2.200%	\$1,260,112 - \$1,536,041	13,940,320	12,680,208
						<u>\$ 12,708,199</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.

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, 2017</u>
Maintenance District 08A	3/15/1988	7/1/2027	5.00%	\$1,300 -\$7,900	\$ 147,000	\$ 71,800
County Service Area 02	4/5/2017	9/1/2033	3.50%	\$175,000 -\$530,000	6,780,000	6,780,000
						<u>\$ 6,851,800</u>

**COUNTY OF MADERA, CALIFORNIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**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, 2017</u>
County Service Area 01	9/23/2003	9/6/2042	4.25%	\$6,600-\$29,200	\$ 632,140	\$ 472,610
County Service Area 03	5/23/1978	7/2/2017	5.00%	\$4,000-\$21,000	398,800	1,657
County Service Area 05	3/3/1982	7/2/2021	5.00%	\$1,000 - \$7,000	125,200	32,000
County Service Area 19	9/4/2008	9/2/2038	3.00% - 5.875%	\$50,677 - \$225,000	3,410,677	2,915,000
Maintenance District 22A	3/24/2004	9/2/2043	4.50%	\$68,506 - \$365,100	6,956,106	5,706,100
Maintenance District 22A	3/24/2004	9/2/2043	4.50%	\$14,858 -\$79,500	1,514,958	1,239,800
Total						<u>\$ 10,367,167</u>

**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, 2017</u>
Maintenance District 01	7/1/1993	12/1/2021	7.125%	\$2,844 - \$18,830	\$ 249,191	\$ 78,413
Maintenance District 08	10/1/1994	3/31/2020	2.965%	\$3,144 -\$6,382	114,450	18,576
Maintenance District 27	12/9/1999	6/29/2040	3.25%	\$2,200 - \$7,600	175,190	126,300
County Service Area 01	9/23/2003	9/6/2042	4.25%	\$1,930 - \$9,410	185,000	152,370
Maintenance District 22A	3/24/2004	8/7/2040	4.5%	\$30,382 - \$136,100	3,091,782	2,123,930
Maintenance District 22A	6/17/2014	6/1/2054	2.25%	\$45,000 - \$108,000	2,886,000	2,748,000
Total						<u>\$ 5,247,589</u>



**COUNTY OF MADERA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 7 LONG-TERM LIABILITIES (CONTINUED)**

**Compensated Absences**

The total of the earned compensated absences and early retirement incentive as of June 30, 2017 for the Governmental Activities (including the Internal Service funds) is \$15,906,830. For compensated absences, the general fund, the road fund, and the internal service fund normally liquidates 95.1 percent, 4.6 percent, and 0.3 percent, respectively.

The above amount includes \$14,232,790, 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 \$1,674,040 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, 2017.

**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, 2017**

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

The \$4,401,796 reported a landfill closure and post-closure liability at June 30, 2017, 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 \$8,511,967 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, 2017. 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, 2017, the capacity of the Fairmead Landfill used to date was 34% and the estimated remaining landfill life is 31 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, 2017, restricted cash and investments of \$6,439,644 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 Self Insurance Internal Service Fund reported a deficit net position at June 30, 2017 of (\$3,829,556). This deficit will be financed through future charges of the fund.

**COUNTY OF MADERA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**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, 2017 is as follows:

	General Fund	Road Fund	Special Revenue - Public Protection	Other Governmental Funds	Total
<b>Nonspendable:</b>					
Long-term interfund advances	\$ 826,838	\$ -	\$ -	\$ -	\$ 826,838
Prepays and inventory	506,307	299,753	-	-	806,060
Total Nonspendable	<u>1,333,145</u>	<u>299,753</u>	<u>-</u>	<u>-</u>	<u>1,632,898</u>
<b>Committed for:</b>					
District attorney program	50,554	-	-	-	50,554
Hazard Mitigation Grant Program	563,925	-	-	-	563,925
Information system replacement	118,998	-	-	-	118,998
Environmental health program	32,849	-	-	-	32,849
Total Committed	<u>766,326</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>766,326</u>
<b>Restricted for:</b>					
General government	844,157	-	-	839,121	1,683,278
Public protection	2,432,484	-	12,489,679	-	14,922,163
Public ways and facilities	-	11,263,193	-	13,673,969	24,937,162
Health and sanitation	36,635,907	-	-	3,826,659	40,462,566
Public assistance	1,476,614	-	-	7,665,194	9,141,808
Education	68	-	-	71,260	71,328
Recreation and culture	642	-	-	65,801	66,443
Capital projects	144,647	-	-	-	144,647
Total Restricted	<u>41,534,519</u>	<u>11,263,193</u>	<u>12,489,679</u>	<u>26,142,004</u>	<u>91,429,395</u>
<b>Assigned to:</b>					
Capital projects	-	-	-	1,124,756	1,124,756
Purchases on order	2,214,436	-	-	-	2,214,436
Fire assets replacemen	500,000	-	-	-	500,000
Fire department training program	5,378	-	-	-	5,378
Healthcare program	701,871	-	-	-	701,871
Peace officer memorial program	3,690	-	-	-	3,690
Subsequent year's budget appropriation of fund balance	10,092,987	-	-	-	10,092,987
Total Assigned	<u>13,518,362</u>	<u>-</u>	<u>-</u>	<u>1,124,756</u>	<u>14,643,118</u>
<b>Unassigned</b>	<u>17,106,798</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,106,798</u>
Total Fund Balance	<u>\$ 74,259,150</u>	<u>\$ 11,562,946</u>	<u>\$ 12,489,679</u>	<u>\$ 27,266,760</u>	<u>\$ 125,578,535</u>

**COUNTY OF MADERA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**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 assets or fund balances.

The following restatements were made during the current year.

	Governmental Activities	Business-type Activities	Total
Net position at July 1, as previously reported	\$ 130,117,658	\$ 74,652,671	\$ 204,770,329
Fund reclassifications			
In-Home Supportive Services	203,075	-	203,075
Road Maintenance Districts	10,273,334	(10,273,334)	-
Capital Asset Adjustments	(119,939)	-	(119,939)
Net position at July 1, as restated	<u>\$ 140,474,128</u>	<u>\$ 64,379,337</u>	<u>\$ 204,853,465</u>

	General Fund	Tobacco Program	Other Governmental Funds		
			Special Districts Road/Lighting	Health & Sanitation	Capital Projects
Fund balance at July 1, as previously reported	\$ 74,153,835	\$ 321,412	\$ 6,165,964	\$ 2,686,910	\$ (405,214)
Fund reclassifications					
Health tobacco education	(229,173)	-		229,173	
In-Home Supportive Services	-	-		203,075	
Road Maintenance Districts	-	-	2,778,403		
Cash reclassification	-	(321,412)	-	-	321,412
Fund balance at July 1, as restated	<u>\$ 73,924,662</u>	<u>\$ -</u>	<u>\$ 8,944,367</u>	<u>\$ 3,119,158</u>	<u>\$ (83,802)</u>

	Special District - Water/Sewer	Investment Trust Fund
Net position at July 1, as previously reported	\$ 68,314,238	\$ 231,982,808
Fund reclassifications		
In-Home Supportive Services	-	(203,075)
Road Maintenance Districts	(10,273,334)	-
Net position at July 1, as restated	<u>\$ 58,040,904</u>	<u>\$ 231,779,733</u>

**COUNTY OF MADERA, CALIFORNIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**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, 2017 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	24.523%	24.523%

**COUNTY OF MADERA, CALIFORNIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 11 PENSION PLANS**

**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	29.776%	29.776%

**Employees Covered** – At June 30, 2017, 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	1,054	167
Inactive Employees Entitled to But Not Yet Receiving Benefits	996	109
Active Employee	1,025	252
Total	3,075	528

**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, 2017**

**NOTE 11 PENSION PLANS**

**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, 2016, using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 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, 2015 actuarial valuation were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2015	June 30, 2015
Measurement Date	June 30, 2016	June 30, 2016
Actuarial Cost Method	Entry Age Normal	
Actuarial Assumptions:		
Discount Rate	7.65%	7.65%
Inflation	2.75%	2.75%
Payroll Growth	3.00%	3.00%
Projected Salary Increase	3.30% - 14.20% (1)	3.30% - 14.20% (1)
Investment Rate of Return	7.65% (2)	7.65% (2)
Mortality	Derived using CalPERS' Membership Data for all Funds (3)	

(1) Depending on age and service.

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

(3) 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, 2015 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.

**COUNTY OF MADERA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 11 PENSION PLANS**

**B. Net Pension Liability (Continued)**

**Discount Rate** – The discount rate used to measure the total pension liability was 7.65 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 7.65 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 7.65 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, 2017**

**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, 2015.

Asset Class	Current Target Allocation	Real Return Years 1 - 10 <sup>1</sup>	Real Return Years 11+ <sup>2</sup>
Global Equity	51.0 %	5.25 %	5.71 %
Global Debt Securities	20.0	0.99 %	2.43 %
Inflation Sensitive	6.0	0.45 %	3.36 %
Private Equity	10.0	6.83 %	6.95 %
Real Equity	10.0	4.50 %	5.13 %
Infrastructure and Forestland	2.0	4.50 %	5.09 %
Liquidity	1.0	(0.55)%	(1.05)%
Total	<u>100.0 %</u>		

<sup>1</sup> An expected inflation of 2.5% used for this period

<sup>2</sup> 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, 2016 are as follows:

**COUNTY OF MADERA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 11 PENSION PLANS (CONTINUED)**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2016	\$ 329,403,077	\$ 227,596,027	\$ 101,807,050
Changes in the Year:			
Service Cost	7,967,800	-	7,967,800
Interest on the Total Pension Liability	25,278,396	-	25,278,396
Differences Between Actual and Expected Experience	1,067,872	-	1,067,872
Plan to Plan Resource Movement	-	(384)	384
Contributions - Employer	-	10,869,044	(10,869,044)
Contributions - Employee	-	3,678,812	(3,678,812)
Net Investment Income	-	1,255,335	(1,255,335)
Administrative Expenses	-	(140,151)	140,151
Benefit Payments, including Refunds of Employee Contributions	(17,000,742)	(17,000,742)	-
Net Changes	<u>17,313,326</u>	<u>(1,338,086)</u>	<u>18,651,412</u>
Balance at June 30, 2017	<u>\$ 346,716,403</u>	<u>\$ 226,257,941</u>	<u>\$ 120,458,462</u>

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2016	\$ 110,494,704	\$ 76,873,718	\$ 33,620,986
Changes in the Year:			
Service Cost	3,594,452	-	3,594,452
Interest on the Total Pension Liability	8,611,631	-	8,611,631
Differences Between Actual and Expected Experience	2,614,614	-	2,614,614
Plan to Plan Resource Movement	-	419	(419)
Contributions - Employer	-	4,207,414	(4,207,414)
Contributions - Employee	-	1,450,374	(1,450,374)
Net Investment Income	-	397,608	(397,608)
Administrative Expenses	-	(46,851)	46,851
Benefit Payments, including Refunds of Employee Contributions	(4,672,414)	(4,672,414)	-
Net Changes	<u>10,148,283</u>	<u>1,336,550</u>	<u>8,811,733</u>
Balance at June 30, 2017	<u>\$ 120,642,987</u>	<u>\$ 78,210,268</u>	<u>\$ 42,432,719</u>

**COUNTY OF MADERA, CALIFORNIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 11 PENSION PLANS (CONTINUED)**

**C. Changes in the Net Pension Liability (Continued)**

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 6.65%	Discount Rate 7.65%	1% Increase 8.65%
Miscellaneous	\$ 166,320,633	\$ 120,458,462	\$ 82,557,639
Safety	60,280,530	42,432,719	27,834,978

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

For the year ended June 30, 2017, the County recognized pension expense of \$17,500,214. 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.

At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Miscellaneous</b>	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 13,423,896	\$ -
Change in Assumptions	-	(2,173,743)
Differences Between Actual and Expected Experience	734,162	(1,099,670)
Net Differences Between Projected and Actual Earnings on Plan Investments	12,431,869	-
Total	<u>\$ 26,589,927</u>	<u>\$ (3,273,413)</u>
<b>Safety</b>	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 5,316,125	\$ -
Change in Assumptions	-	(1,415,685)
Differences Between Actual and Expected Experience	2,178,845	(18,781)
Net Differences Between Projected and Actual Earnings on Plan Investments	4,301,266	-
Total	<u>\$ 11,796,236</u>	<u>\$ (1,434,466)</u>

**COUNTY OF MADERA, CALIFORNIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 11 PENSION PLANS (CONTINUED)**

\$18,740,021 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, 2017. 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>
2018	\$ (620,055)	\$ 726,254
2019	1,562,223	726,255
2020	5,719,763	2,004,238
2021	3,230,687	1,188,118
2022	-	400,780
Thereafter	-	-
Total	<u>\$ 9,892,618</u>	<u>\$ 5,045,645</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, 2017.

**NOTE 12 OTHER POST-EMPLOYMENT HEALTH CARE BENEFITS**

**Plan Description**

The County of Madera retiree healthcare plan is a single-employer defined benefit healthcare plan administered by the County. The plan provides healthcare benefits to eligible retirees and their dependents. 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). Under the 2017 basic health plan, the County's monthly contribution per eligible pre-Medicare retiree is \$564.78, \$872.21, and \$1,055.43 for single, two-party, and family coverage, respectively. The County's employer contribution for each employee shall be the minimum required by PEMHCA. The County pays this contribution directly to CalPERS. No dental, vision, or life insurance benefits are provided.

**Eligibility**

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 from the County. Membership of the plan consisted of the following at June 30, 2017:

	<u>No. of Employees</u>
Eligible Active Employees	1,219
Enrolled Eligible Retirees	512

**COUNTY OF MADERA, CALIFORNIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

**Funding Policy**

There is no statutory requirement for the County to pre-fund its other postemployment benefit (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.

For fiscal year 2016-17, the County paid \$2,654,857 to CalPERS for the County's health premium contributions under PEMHCA. PEMHCA is, for most employers, a community rated plan and is not required to value implied subsidies for retirees under GASB 45.

The Annual Required Contribution (the ARC) is an amount actuarially determined in accordance with the parameters of GASB 45. The ARC is equal to the normal cost plus a 30-year amortization of the unfunded actuarial liability.

**Annual Other Postemployment Benefits (OPEB) Cost and Net OPEB Obligations**

The County's annual other postemployment benefit cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) not to exceed thirty years.

The following table, based on the County's actuarial valuation as of June 30, 2015, shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's Net OPEB obligation:

Fiscal Year Ended	Beginning Balance Net OPEB Obligation	Annual Required Contribution	Accrued Interest	Amortization	Actual Contribution	Ending Balance Net OPEB Obligation
June 30, 2015	\$ 81,028,000	\$ 14,000,000	\$ 3,241,000	\$ (7,031,000)	\$ (2,530,000)	\$ 88,708,000
June 30, 2016	88,708,000	21,871,000	3,548,000	(8,007,000)	(3,735,000)	102,385,000
June 30, 2017	102,385,000	23,945,000	4,095,000	(9,630,000)	(4,317,000)	116,478,000

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2014-15, 2015-16, and 2016-17 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2015	\$ 10,210,000	24.8%	\$ 88,708,000
June 30, 2016	17,412,000	21.5%	102,385,000
June 30, 2017	18,410,000	23.4%	116,478,000

**COUNTY OF MADERA, CALIFORNIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

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

**Funded Status and Progress**

As of June 30, 2015, the most recent actuarial valuation date, the plan was not funded in its initial year of implementation. The actuarial accrued liability for benefits was \$170,475,000 and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial liability (UAAL) of \$170,475,000 and a funded ratio (actuarial value of assets as a percentage of the actuarial liability) of zero percent.

Actuarial valuations of an ongoing plan involve estimates of the value of expected benefit payments and assumptions about the probability of occurrences of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions**

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

In the June 30, 2015 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.00% discount rate, a 3% general inflation assumption, an annual aggregate payroll increase rate of 3.25%, plus merit increases per CalPERS 1997-2011 experience study. PEMHCA minimum trend rate is 8.0% in 2015 and decreases to 5% for 2021 and beyond, not less than PEMHCA minimum. PEMHCA is a community rated plan not required to value implied subsidies to retirees. The plan is not funded in a segregated restricted trust. The UAAL is being amortized as a level percentage of projected payroll over 25 years on a closed basis, starting June 30, 2009.

**Most Recent Actuarial Study – Schedule of Funding Progress**

The funding status of the plan as of June 30, 2015 (the most recent actuarial valuation date) was as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Entry Age Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Liability as Percentage of Covered Payroll
June 30, 2015	\$ -	\$ 170,475,000	\$ 170,475,000	0.00%	\$ 62,298,000	273.64%

**COUNTY OF MADERA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**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 \$18,000 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, 2017, 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.

**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, 2017**

**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, 2017, total governmental fund encumbrance balances for the County are as follows:

General fund	\$ 2,647,695
Road fund	2,198,331
Special revenue - public protection	1,883,364
Nonmajor governmental funds	725,571
Total	<u>\$ 7,454,961</u>

**E. Construction Commitments**

At June 30, 2017, the County had commitments for the following major construction projects:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Maintenance District 01 - water system improvements	\$ 120,894	\$ 382,414
Maintenance District 08 - water system improvements	43,885	173,405
Maintenance District 22A - wastewater treatment plant improvements	119,414	224,114
Maintenance District 33 - new well construction	162,318	129,508
Maintenance District 36 - well rehabilitation	30,085	28,384
Maintenance District 43 - water system improvements	2,767,935	871,765
County Service Area 02 - sanitary sewer pump station improvements	1,065,006	2,525,260
County Service Area 02 - wastewater treatment plant improvements	1,100,534	5,161,412
County Service Area 02 - wastewater collection system	282,569	14,762
Fresno river flood system repair project	468,127	1,116,423
Road 40 from Avenue 10 to Avenue 12 improvements	1,510,018	68,950
Morgue project	14,523	40,387
Jail HVAC replacement project	255,250	138,370
	<u>\$ 7,940,558</u>	<u>\$ 10,875,154</u>



**COUNTY OF MADERA, CALIFORNIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**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:

	Coverage
<b>Workers' Compensation:</b>	
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
<b>General Public Liability</b>	\$100,000 to \$25,000,000

**COUNTY OF MADERA, CALIFORNIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

**NOTE 15 RISK MANAGEMENT (CONTINUED)**

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

	<u>2017</u>	<u>2016</u>
Unpaid Claims and Claim Adjustment Expenses, Beginning of the Fiscal Year	\$ 10,847,000	\$ 11,038,000
Incurred Claims and Claim Adjustment Expenses	2,513,039	2,503,408
Claim Payments	<u>(2,416,039)</u>	<u>(2,694,408)</u>
Unpaid Claims and Claim Adjustment Expenses, End of the Fiscal Year	<u>\$ 10,944,000</u>	<u>\$ 10,847,000</u>

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

<u>Type</u>	<u>Total Actuarially Determined Liability</u>
Workers' Compensation	\$ 9,913,000
General Public Liability	1,031,000
Total	<u>\$ 10,944,000</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.

**COUNTY OF MADERA, CALIFORNIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2017**

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, 2017, the Agricultural Preserve Program tax abatements were \$3,695,940.



## **REQUIRED SUPPLEMENTARY INFORMATION**

**COUNTY OF MADERA, CALIFORNIA  
REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2017**

**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, 2017, expenditures exceeded appropriations in the following functions of the respective funds:

General Fund	Education	\$ 72,944
General Fund	Recreation and Cultural Services	450
General Fund	Debt Service	716,003
Road Fund	Capital Outlay	372,997

**COUNTY OF MADERA, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 47,373,867	\$ 47,645,147	\$ 49,305,443	\$ 1,660,296
Licenses and Permits	4,613,884	4,613,884	5,284,968	671,084
Fines, Forfeitures, and Penalties	4,127,230	4,127,230	1,811,368	(2,315,862)
Use of Money and Property	175,760	185,760	260,245	74,485
Intergovernmental	119,824,372	127,555,031	103,425,921	(24,129,110)
Charges for Services	14,449,418	14,762,086	14,658,429	(103,657)
Miscellaneous	1,060,035	1,201,365	1,971,709	770,344
Total Revenues	191,624,566	200,090,503	176,718,083	(23,372,420)
<b>EXPENDITURES</b>				
General Government:				
Board of Supervisors:				
Salaries and Benefits	1,377,302	1,377,302	1,306,359	70,943
Services and Supplies	227,008	236,056	214,913	21,143
Total Board of Supervisors	1,604,310	1,613,358	1,521,272	92,086
Administrative Management/ Purchasing:				
Salaries and Benefits	796,282	796,282	826,571	(30,289)
Services and Supplies	42,307	95,527	83,146	12,381
Total Administrative Management/ Purchasing	838,589	891,809	909,717	(17,908)
Auditor Controller:				
Salaries and Benefits	1,954,308	1,954,308	1,940,573	13,735
Services and Supplies	174,865	207,681	190,619	17,062
Total Auditor Controller	2,129,173	2,161,989	2,131,192	30,797
Assessor:				
Salaries and Benefits	2,351,072	2,351,273	2,184,016	167,257
Services and Supplies	366,041	636,299	397,230	239,069
Total Assessor	2,717,113	2,987,572	2,581,246	406,326
Treasurer - Tax Collector:				
Salaries and Benefits	975,226	975,226	862,697	112,529
Services and Supplies	270,020	303,730	254,303	49,427
Total Treasurer - Tax Collector	1,245,246	1,278,956	1,117,000	161,956
County Counsel:				
Salaries and Benefits	-	-	-	-
Services and Supplies	1,132,500	1,487,500	1,565,841	(78,341)
Total County Counsel	1,132,500	1,487,500	1,565,841	(78,341)
Human Resources:				
Salaries and Benefits	1,093,596	1,076,596	966,962	109,634
Services and Supplies	95,285	116,397	86,186	30,211
Total Human Resources	1,188,881	1,192,993	1,053,148	139,845

**COUNTY OF MADERA, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE (CONTINUED)  
GENERAL FUND  
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES (CONTINUED)</b>				
General Government (Continued):				
Elections:				
Salaries and Benefits	\$ 442,636	\$ 442,636	\$ 452,460	\$ (9,824)
Services and Supplies	338,839	486,839	486,752	87
Total Elections	<u>781,475</u>	<u>929,475</u>	<u>939,212</u>	<u>(9,737)</u>
General Services:				
Salaries and Benefits	172,437	172,437	174,009	(1,572)
Services and Supplies	67,208	84,386	85,733	(1,347)
Total General Services	<u>239,645</u>	<u>256,823</u>	<u>259,742</u>	<u>(2,919)</u>
PW - Engineering:				
Salaries and Benefits	950,688	950,688	789,039	161,649
Services and Supplies	200,318	292,708	194,804	97,904
Total PW - Engineering	<u>1,151,006</u>	<u>1,243,396</u>	<u>983,843</u>	<u>259,553</u>
Building Operations:				
Services and Supplies	352,144	352,145	319,936	32,209
Building Maintenance:				
Salaries and Benefits	761,575	751,575	778,782	(27,207)
Services and Supplies	453,725	579,806	554,365	25,441
Total Building Maintenance	<u>1,215,300</u>	<u>1,331,381</u>	<u>1,333,147</u>	<u>(1,766)</u>
PW - Special Districts Services:				
Salaries and Benefits	2,259,101	2,259,101	1,888,091	371,010
Services and Supplies	650,606	931,298	591,688	339,610
Total PW - Special Districts Services	<u>2,909,707</u>	<u>3,190,399</u>	<u>2,479,779</u>	<u>710,620</u>
Grounds Maintenance:				
Salaries and Benefits	319,094	319,094	327,974	(8,880)
Services and Supplies	84,971	208,797	196,187	12,610
Total Grounds Maintenance	<u>404,065</u>	<u>527,891</u>	<u>524,161</u>	<u>3,730</u>
Utilities:				
Services and Supplies	654,108	644,108	590,660	53,448
Insurance:				
Salaries and Benefits	203,600	203,600	200,921	2,679
Services and Supplies	3,592,989	3,592,989	3,406,905	186,084
Total Insurance	<u>3,796,589</u>	<u>3,796,589</u>	<u>3,607,826</u>	<u>188,763</u>
Central Services:				
Salaries and Benefits	52,038	52,038	68,345	(16,307)
Services and Supplies	534,300	560,474	487,760	72,714
Total Insurance	<u>586,338</u>	<u>612,512</u>	<u>556,105</u>	<u>56,407</u>



**COUNTY OF MADERA, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE (CONTINUED)  
GENERAL FUND  
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES (CONTINUED)</b>				
General Government (Continued):				
311 Customer Service Center:				
Salaries and Benefits	\$ 169,835	\$ 169,835	\$ 161,111	\$ 8,724
Services and Supplies	22,964	25,347	25,191	156
Total 311 Customer Service Center	192,799	195,182	186,302	8,880
Information Technology:				
Salaries and Benefits	2,843,043	2,557,343	2,520,079	37,264
Services and Supplies	1,540,318	1,954,936	1,766,702	188,234
Total Information Technology	4,383,361	4,512,279	4,286,781	225,498
Department 90100	-	-	(1,630)	1,630
Grand Jury	500	500	38	462
Department 6920	-	3,000	1,985	1,015
Total Misc department	500	3,500	393	3,107
Special Payments:				
Services and Supplies	712,841	1,198,436	1,465,565	(267,129)
Total General Government	28,235,690	30,408,293	28,412,868	1,995,425
Public Protection:				
Child Support Services:				
Salaries and Benefits	2,680,047	2,680,047	2,482,562	197,485
Services and Supplies	267,010	241,150	259,767	(18,617)
Total Child Support Services	2,947,057	2,921,197	2,742,329	178,868
District Attorney:				
Salaries and Benefits	2,710,106	2,710,106	2,625,299	84,807
Services and Supplies	397,627	401,647	385,065	16,582
Total District Attorney	3,107,733	3,111,753	3,010,364	101,389
District Attorney - COPS:				
Salaries and Benefits	111,420	111,420	111,043	377
Services and Supplies	1,147	1,147	1,139	8
Total District Attorney - COPS	112,567	112,567	112,182	385
District Attorney - Rape Prosecution Grant:				
Salaries and Benefits	151,721	151,721	151,796	(75)
Services and Supplies	3,029	3,029	1,516	1,513
Total District Attorney - Rape Prosecution Grant	154,750	154,750	153,312	1,438
District Attorney - DUI Program:				
Salaries and Benefits	135,362	135,362	129,632	5,730
Services and Supplies	47,827	65,013	40,959	24,054
Total District Attorney - DUI Program	183,189	200,375	170,591	29,784

**COUNTY OF MADERA, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE (CONTINUED)  
GENERAL FUND  
YEAR ENDED JUNE 30, 2017**

<b>EXPENDITURES (CONTINUED)</b>	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Public Protection (Continued):				
District Attorney - Crime Prosecution Unit:				
Salaries and Benefits	\$ 273,180	\$ 273,180	\$ 256,505	\$ 16,675
Services and Supplies	5,353	5,353	3,758	1,595
Total District Attorney - Crime Prosecution Unit	278,533	278,533	260,263	18,270
District Attorney - DA - Fed Vert Pros:				
Salaries and Benefits	158,424	158,424	162,906	(4,482)
Services and Supplies	16,135	18,785	2,047	16,738
Total District Attorney - DA - Fed Vert Pros	174,559	177,209	164,953	12,256
District Attorney - Welfare Fraud:				
Salaries and Benefits	1,131,846	1,131,846	940,015	191,831
Services and Supplies	200,945	203,948	157,556	46,392
Total District Attorney - Welfare Fraud	1,332,791	1,335,794	1,097,571	238,223
Trial Court Operations (Gen Fund Contribution):				
Services and Supplies	1,326,128	1,326,128	1,307,229	18,899
Grand Jury:				
Services and Supplies	71,700	72,100	67,368	4,732
Public Defender:				
Services and Supplies	2,943,027	2,943,027	2,938,096	4,931
Sheriff - Coroner:				
Salaries and Benefits	8,683,944	8,207,541	8,192,054	15,487
Services and Supplies	3,301,119	3,629,006	3,442,583	186,423
Total Sheriff - Coroner	11,985,063	11,836,547	11,634,637	201,910
Sheriff - EMPG Emergency Planning:				
Salaries and Benefits	245,948	245,948	227,233	18,715
Services and Supplies	68,726	124,014	73,914	50,100
Total Sheriff - EMPG Emergency Planning	314,674	369,962	301,147	68,815
Sheriff - Bass Lake Operations:				
Salaries and Benefits	91,196	111,196	104,485	6,711
Services and Supplies	50,488	52,059	45,258	6,801
Total Sheriff - Bass Lake Operations	141,684	163,255	149,743	13,512

**COUNTY OF MADERA, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE (CONTINUED)  
GENERAL FUND  
YEAR ENDED JUNE 30, 2017**

<b>EXPENDITURES (CONTINUED)</b>	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Public Protection (Continued):				
Sheriff - CalOES:				
Services and Supplies	\$ -	\$ 14,239	\$ 14,238	\$ 1
Sheriff - Fed - Cannabis Eradication:				
Salaries and Benefits	29,840	25,000	-	25,000
Services and Supplies	27,760	56,457	20,915	35,542
Total Sheriff - Fed - Cannabis Cannabis Eradication	57,600	81,457	20,915	60,542
Sheriff - COPS (SLESF):				
Salaries and Benefits	239,657	259,957	259,533	424
Services and Supplies	4,786	4,786	4,786	-
Total Sheriff - COPS (SLESF)	244,443	264,743	264,319	424
Sheriff - Chukchansi Indian Casino:				
Salaries and Benefits	674,485	674,485	674,379	106
Services and Supplies	25,624	33,262	26,537	6,725
Total Sheriff - Chukchansi Indian Casino	700,109	707,747	700,916	6,831
Sheriff - Rural Crime Prevention Task Force:				
Salaries and Benefits	259,049	268,049	267,990	59
Services and Supplies	128,043	124,485	123,756	729
Total Sheriff - Rural Crime Prevention Task Force	387,092	392,534	391,746	788
Sheriff - Civil Division:				
Salaries and Benefits	549,490	549,490	538,658	10,832
Services and Supplies	92,373	84,584	72,029	12,555
Total Sheriff - Civil Division	641,863	634,074	610,687	23,387
Sheriff - Off Highway:				
Salaries and Benefits	59,000	33,553	-	33,553
Services and Supplies	41,000	41,000	4,505	36,495
Total Sheriff - Off Highway	100,000	74,553	4,505	70,048
Sheriff - Anti-Drug Program:				
Salaries and Benefits	543,174	543,174	518,116	25,058
Services and Supplies	51,701	51,836	40,623	11,213
Total Sheriff - Anti-Drug Program	594,875	595,010	558,739	36,271
Sheriff - Cal - MMET:				
Salaries and Benefits	259,252	259,252	257,644	1,608
Services and Supplies	18,152	18,152	17,609	543
Total Sheriff - Cal - MMET	277,404	277,404	275,253	2,151

**COUNTY OF MADERA, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE (CONTINUED)  
GENERAL FUND  
YEAR ENDED JUNE 30, 2017**

<b>EXPENDITURES (CONTINUED)</b>	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Public Protection (Continued):				
Sheriff - JAG Grant:				
Services and Supplies	\$ 33,000	\$ 33,000	\$ 29,474	\$ 3,526
Sheriff - Court Security:				
Salaries and Benefits	1,789,216	1,789,216	1,747,525	41,691
Services and Supplies	138,815	145,595	135,227	10,368
Total Sheriff - Court Security	1,928,031	1,934,811	1,882,752	52,059
Sheriff - OCJP NET Project:				
Services and Supplies	93,900	95,144	46,387	48,757
Department of Corrections:				
Salaries and Benefits	9,389,631	9,456,512	9,396,804	59,708
Services and Supplies	5,175,700	5,714,438	5,676,771	37,667
Total Department of Corrections	14,565,331	15,170,950	15,073,575	97,375
Juvenile Hall:				
Salaries and Benefits	3,707,591	3,707,591	3,688,391	19,200
Services and Supplies	970,828	993,796	957,889	35,907
Total Juvenile Hall	4,678,419	4,701,387	4,646,280	55,107
Probation:				
Salaries and Benefits	3,587,040	3,587,040	3,511,783	75,257
Services and Supplies	407,070	428,554	378,162	50,392
Total Probation	3,994,110	4,015,594	3,889,945	125,649
Probation - CCP Training:				
Services and Supplies	100,000	100,000	74,695	25,305
Probation - Crime Prevention Act of 2000:				
Salaries and Benefits	467,919	467,919	449,562	18,357
Services and Supplies	46,872	49,018	40,727	8,291
Total Probation - Crime Prevention Act of 2000	514,791	516,937	490,289	26,648
Probation - Youth Offender Block Grant:				
Salaries and Benefits	468,869	468,869	388,060	80,809
Services and Supplies	175,975	185,971	97,067	88,904
Total Probation - Youth Offender Block Grant	644,844	654,840	485,127	169,713

**COUNTY OF MADERA, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE (CONTINUED)  
GENERAL FUND  
YEAR ENDED JUNE 30, 2017**

<b>EXPENDITURES (CONTINUED)</b>	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Public Protection (Continued):				
Probation - Proud Parenting Grant:				
Salaries and Benefits	\$ 56,150	\$ 63,370	\$ 63,369	\$ 1
Services and Supplies	63,111	58,239	52,297	5,942
Total Probation - Proud Parenting Grant	119,261	121,609	115,666	5,943
Fire Prevention:				
Salaries and Benefits	622,570	632,570	621,461	11,109
Services and Supplies	5,156,983	6,237,351	4,736,805	1,500,546
Total Fire Prevention	5,779,553	6,869,921	5,358,266	1,511,655
Fire - Chukchansi Indian Casino:				
Services and Supplies	850,629	1,138,884	712,513	426,371
Ag. Commissioner/Sealer of Wts. & Measures:				
Salaries and Benefits	1,496,934	1,496,934	1,398,960	97,974
Services and Supplies	154,369	202,867	108,026	94,841
Total Ag. Commissioner/Sealer of Wts. & Measures	1,651,303	1,699,801	1,506,986	192,815
CED - Fire Prevention - Land Development:				
Salaries and Benefits	237,819	237,819	284,603	(46,784)
Services and Supplies	33,335	33,335	30,978	2,357
Total Ag. Commissioner/Sealer of Wts. & Measures	271,154	271,154	315,581	(44,427)
CED - Building Inspection:				
Salaries and Benefits	1,256,701	1,256,701	1,114,589	142,112
Services and Supplies	252,618	288,300	268,906	19,394
Total CED - Building Inspection	1,509,319	1,545,001	1,383,495	161,506
County Clerk-Recorder:				
Salaries and Benefits	751,657	703,657	635,937	67,720
Services and Supplies	274,584	456,860	226,592	230,268
Total County Clerk-Recorder	1,026,241	1,160,517	862,529	297,988
CED - Planning:				
Salaries and Benefits	1,647,601	1,647,601	1,580,015	67,586
Services and Supplies	654,034	2,212,254	416,433	1,795,821
Total CED Planning	2,301,635	3,859,855	1,996,448	1,863,407

**COUNTY OF MADERA, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE (CONTINUED)  
GENERAL FUND  
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES (CONTINUED)</b>				
Public Protection (Continued):				
Animal Services:				
Salaries and Benefits	\$ 875,350	\$ 875,350	\$ 890,320	\$ (14,970)
Services and Supplies	363,780	367,644	382,704	(15,060)
Total Animal Services	1,239,130	1,242,994	1,273,024	(30,030)
Local Agency Fomation Commission				
Services and Supplies	30,685	30,685	30,685	-
Predatory Animal Control:				
Services and Supplies	76,149	76,149	69,186	6,963
Public Guardian:				
Salaries and Benefits	300,240	300,240	379,780	(79,540)
Services and Supplies	39,658	39,812	47,519	(7,707)
Total Public Guardian	339,898	340,052	427,299	(87,247)
Total Public Protection	69,824,224	73,624,243	67,621,305	6,002,938
Health and Sanitation:				
Behavioral Health Services:				
Salaries and Benefits	12,363,811	12,363,811	10,361,787	2,002,024
Services and Supplies	13,700,780	14,302,753	9,293,596	5,009,157
Total Behavioral Health Services	26,064,591	26,666,564	19,655,383	7,011,181
Health:				
Salaries and Benefits	8,830,712	9,393,128	7,683,690	1,709,438
Services and Supplies	1,674,587	3,621,034	1,606,306	2,014,728
Total Health	10,505,299	13,014,162	9,289,996	3,724,166
CED Environmental Health:				
Salaries and Benefits	1,323,608	1,323,608	1,127,616	195,992
Services and Supplies	153,211	173,567	144,158	29,409
Total CED Environmental Health	1,476,819	1,497,175	1,271,774	225,401
Total Health and Sanitation	38,046,709	41,177,901	30,217,153	10,960,748
Public Assistance:				
Department of Social Services:				
Salaries and Benefits	23,997,486	24,550,369	22,943,766	1,606,603
Services and Supplies	8,359,142	9,357,354	5,506,607	3,850,747
Total Department of Social Services	32,356,628	33,907,723	28,450,373	5,457,350
General Relief:				
Services and Supplies	953,320	959,560	802,261	157,299

**COUNTY OF MADERA, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE (CONTINUED)  
GENERAL FUND  
YEAR ENDED JUNE 30, 2017**

<b>EXPENDITURES (CONTINUED)</b>	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Public Assistance (Continued):				
Aid for CalWORKS:				
Services and Supplies	\$ 24,500,000	\$ 22,325,000	\$ 20,374,854	\$ 1,950,146
Foster Care:				
Services and Supplies	7,100,000	7,475,000	7,425,475	49,525
Aid for Adopted Children:				
Services and Supplies	2,500,000	4,100,000	3,473,995	626,005
Cal - Learn:				
Services and Supplies	20,000	20,000	8,328	11,672
GAIN Support Services (Welfare to Work):				
Services and Supplies	400,000	400,000	302,627	97,373
In-home Supportive Service:				
Services and Supplies	3,467,676	3,467,676	3,467,676	-
CalWORKS Child Care:				
Services and Supplies	300,000	300,000	247,810	52,190
Kin Gap:				
Services and Supplies	500,000	700,000	643,154	56,846
Cash Assistance Program for Immigrants:				
Services and Supplies	32,000	32,000	26,725	5,275
Housing Assistance/Transitional Program:				
Services and Supplies	150,000	154,003	109,949	44,054

**COUNTY OF MADERA, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE (CONTINUED)  
GENERAL FUND  
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES (CONTINUED)</b>				
Public Assistance (Continued):				
Veterans Service:				
Salaries and Benefits	\$ 90,844	\$ 90,844	\$ 129,730	\$ (38,886)
Services and Supplies	73,435	79,346	60,133	19,213
Total Veterans Service	<u>164,279</u>	<u>170,190</u>	<u>189,863</u>	<u>(19,673)</u>
Community Action Partnership:				
Salaries and Benefits	175,084	175,084	181,895	(6,811)
Services and Supplies	41,262	56,262	54,815	1,447
Total Community Action Partnership	<u>216,346</u>	<u>231,346</u>	<u>236,710</u>	<u>(5,364)</u>
Total Public Assistance	72,660,249	74,242,498	65,759,800	8,482,698
Education:				
Library:				
Salaries and Benefits	907,900	907,900	982,366	(74,466)
Services and Supplies	376,532	382,932	381,431	1,501
Total Library Department	<u>1,284,432</u>	<u>1,290,832</u>	<u>1,363,797</u>	<u>(72,965)</u>
Agricultural Extension Service:				
Salaries and Benefits	-	-	-	-
Services and Supplies	76,100	76,100	76,079	21
Total Agricultural Extension Service	<u>76,100</u>	<u>76,100</u>	<u>76,079</u>	<u>21</u>
Total Education	1,360,532	1,366,932	1,439,876	(72,944)
Recreation and Cultural Services:				
Services and Supplies	-	-	450	(450)
Total Recreation and Cultural Services:	<u>-</u>	<u>-</u>	<u>450</u>	<u>(450)</u>
Debt Service:				
Principal	300,700	1,891,752	\$ 2,131,160	(239,408)
Interest	2,292,535	692,423	1,169,018	(476,595)
Total Debt Service	<u>2,593,235</u>	<u>2,584,175</u>	<u>3,300,178</u>	<u>(716,003)</u>
Capital Outlay	2,097,973	4,049,204	\$ 2,419,298	1,629,906
Appropriations for Contingencies	2,424,416	751,978	-	751,978
Establish Reserve for Future Budgetary Needs	-	-	-	-
Total Expenditures	<u>217,243,028</u>	<u>228,205,224</u>	<u>199,170,928</u>	<u>29,034,746</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(25,618,462)	(28,114,721)	(22,452,845)	5,661,876



**COUNTY OF MADERA, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE (CONTINUED)  
GENERAL FUND  
YEAR ENDED JUNE 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Capital Assets	\$ -		\$ 16,617	\$ 16,617
Capital Leases	-		143,487	143,487
Transfers in	21,345,644	21,853,737	18,874,015	(2,979,722)
Transfers out	-	(1,009,223)	(1,035,713)	(26,490)
Total Other Financing Sources (Uses)	<u>21,345,644</u>	<u>20,844,514</u>	<u>17,998,406</u>	<u>(2,846,108)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (4,272,818)</u>	<u>\$ (7,270,207)</u>	(4,454,439)	<u>\$ 2,815,768</u>

Explanation of Differences Between Budgetary Outflows and GAAP Expenditures

Sources/Inflows of Resources

Actual Amounts from the Budgetary Comparison Schedule - Total Revenues	\$ 176,718,083
Revenues for funds not meeting the special revenue fund definition which are presented with the General Fund for financial reporting purposes.	<u>5,188,361</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 181,906,444</u>

Uses/Outflows of Resources

Actual amounts from the budgetary comparison schedule - Total Expenditures	\$ 199,170,928
Expenditures for funds not meeting the special revenue fund definition which are presented with the General Fund for financial reporting purposes.	<u>399,434</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 199,570,362</u>

Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	\$ 334,488
Fund balance - General fund	23,310,776
Fund Balance for funds not meeting the special revenue fund definition which are presented with the General Fund for financial reporting purposes	<u>50,613,886</u>
Fund Balance - Ending	<u>\$ 74,259,150</u>

**COUNTY OF MADERA, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE  
ROAD FUND  
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 3,781,680	\$ 3,781,680	\$ 1,975,074	\$ (1,806,606)
Licenses and Permits	-	-	177,501	177,501
Use of Money and Property	86,880	86,880	117,260	30,380
Aid from Other Governments	10,819,474	10,819,474	9,687,810	(1,131,664)
Charges for Services	1,860,175	1,860,175	1,241,022	(619,153)
Other Revenues	12,000	12,000	143,737	131,737
Total Revenues	<u>16,560,209</u>	<u>16,560,209</u>	<u>13,342,404</u>	<u>(3,217,805)</u>
<b>EXPENDITURES</b>				
Current:				
Public Way and Facilities	25,048,287	26,896,980	11,487,120	15,409,860
Capital Outlay	1,769,275	2,425,443	2,798,440	(372,997)
Total Expenditures	<u>26,817,562</u>	<u>29,322,423</u>	<u>14,285,560</u>	<u>15,036,863</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(10,257,353)	(12,762,214)	(943,156)	11,819,058
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Capital Assets	-	-	56,455	56,455
<b>NET CHANGE IN FUND BALANCES</b>	(10,257,353)	(12,762,214)	(886,701)	11,875,513
Fund Balances - Beginning of Year	<u>12,449,647</u>	<u>12,449,647</u>	<u>12,449,647</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 2,192,294</u>	<u>\$ (312,567)</u>	<u>\$ 11,562,946</u>	<u>\$ 11,875,513</u>

**COUNTY OF MADERA, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE  
PUBLIC PROTECTION SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 173,850	\$ 173,850	\$ 188,058	\$ 14,208
Fines, Forfeitures, and Penalties	354,500	354,500	346,261	(8,239)
Use of Money and Property	11,541	11,541	39,845	28,304
Aid from Other Governments	9,294,277	9,352,925	13,218,733	3,865,808
Charges for Services	398,630	398,630	570,361	171,731
Other Revenues	520,000	520,000	2,283	(517,717)
Total Revenues	<u>10,752,798</u>	<u>10,811,446</u>	<u>14,365,541</u>	<u>3,554,095</u>
<b>EXPENDITURES</b>				
Current:				
Public Protection	8,455,985	10,577,130	5,591,457	4,985,673
Capital Outlay	294,040	527,195	527,195	-
Appropriations for Contingencies	6,722,109	3,927,495	-	3,927,495
Total Expenditures	<u>15,472,134</u>	<u>15,031,820</u>	<u>6,118,652</u>	<u>8,913,168</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(4,719,336)	(4,220,374)	8,246,889	12,467,263
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(8,592,390)</u>	<u>(11,864,629)</u>	<u>(10,506,688)</u>	<u>1,357,941</u>
<b>NET CHANGE IN FUND BALANCES</b>	(13,311,726)	(16,085,003)	(2,259,799)	13,825,204
Fund Balances - Beginning of Year	<u>14,749,478</u>	<u>14,749,478</u>	<u>14,749,478</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 1,437,752</u>	<u>\$ (1,335,525)</u>	<u>\$ 12,489,679</u>	<u>\$ 13,825,204</u>

**COUNTY OF MADERA, CALIFORNIA  
REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2017**

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

Last 10 Fiscal Years*	2016-17 (MD June 30, 2016)		2015-16 (MD June 30, 2015)		2014-15 (MD June 30, 2014)	
	Miscellaneous	Safety	Miscellaneous	Safety	Miscellaneous	Safety
<b>Total Pension Liability:</b>						
Service Cost	\$ 7,967,800	\$ 3,594,452	\$ 7,683,576	\$ 3,162,968	\$ 8,157,719	\$ 3,267,969
Interest on Total Pension Liability	25,278,398	8,611,631	23,765,848	7,905,321	22,719,323	7,438,687
Changes in assumptions	-	-	(5,749,451)	(2,106,263)	-	-
Differences between actual and expected experience	1,067,872	2,614,614	(2,908,580)	(27,941)	-	-
Benefit Payments, including Refunds of Employee Contributions	(17,000,742)	(4,672,414)	(15,804,469)	(4,659,227)	(14,759,285)	(4,070,640)
<b>Net Change in Total Pension Liability</b>	<b>17,313,328</b>	<b>10,148,283</b>	<b>6,986,924</b>	<b>4,274,858</b>	<b>16,117,757</b>	<b>6,636,016</b>
Total Pension Liability - Beginning	329,403,073	110,494,704	322,416,149	106,219,846	306,298,392	99,583,830
<b>Total Pension Liability - Ending</b>	<b>\$ 346,716,401</b>	<b>\$ 120,642,987</b>	<b>\$ 329,403,073</b>	<b>\$ 110,494,704</b>	<b>\$ 322,416,149</b>	<b>\$ 106,219,846</b>
<b>Plan Fiduciary Net Position:</b>						
Contributions - Employer	\$ 10,869,044	\$ 4,207,414	\$ 9,996,596	\$ 3,656,075	\$ 8,914,032	\$ 3,121,564
Contributions - Employee	3,678,812	1,450,374	3,399,169	1,352,807	3,389,966	1,130,044
Net Investment Income	1,255,335	397,608	5,066,190	1,656,920	33,850,283	11,244,037
Administrative expenses	(140,151)	(46,851)	(256,676)	(86,468)	(277,446)	(83,334)
Plan to plan resource movement	(384)	419	(1,667)	7,463	-	-
Benefit Payments	(17,000,742)	(4,672,414)	(15,804,469)	(4,659,227)	(14,759,285)	(4,070,640)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(1,338,086)</b>	<b>1,336,550</b>	<b>2,399,143</b>	<b>1,927,570</b>	<b>31,117,550</b>	<b>11,341,671</b>
Plan Fiduciary Net Position - Beginning	227,596,025	76,873,718	225,196,882	74,946,148	194,079,332	63,604,477
<b>Plan Fiduciary Net Position - Ending</b>	<b>\$ 226,257,939</b>	<b>\$ 78,210,268</b>	<b>\$ 227,596,025</b>	<b>\$ 76,873,718</b>	<b>\$ 225,196,882</b>	<b>\$ 74,946,148</b>
Net Pension Liability - Ending	<b>\$ 120,458,462</b>	<b>\$ 42,432,719</b>	<b>\$ 101,807,048</b>	<b>\$ 33,620,986</b>	<b>\$ 97,219,267</b>	<b>\$ 31,273,698</b>
Plan Fiduciary Net Percentage as a Percentage of the Total Pension Liability	65.26%	64.83%	69.09%	69.57%	69.85%	70.56%
Covered Payroll	\$ 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	258.08%	261.53%	226.99%	225.79%	228.19%	242.13%

**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, 2015 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 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense to 7.65% (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5% discount rate.

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

**COUNTY OF MADERA, CALIFORNIA  
REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2017**

**3. SCHEDULE OF CONTRIBUTIONS**

Last 10 Fiscal Years*	2016-17 (MD June 30, 2016)		2015-16 (MD June 30, 2015)		2014-15 (MD June 30, 2014)	
	Miscellaneous	Safety	Miscellaneous	Safety	Miscellaneous	Safety
Actuarially Determined Contribution	\$ 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	(13,423,896)	(5,316,125)	(10,764,709)	(4,206,633)	(9,757,659)	(3,660,890)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's Covered Payroll	\$ 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	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	15-year smoothed market
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 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates includes 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

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

**COUNTY OF MADERA, CALIFORNIA  
REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2017**

**4. OTHER POST-EMPLOYMENT BENEFITS**

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (A-B)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a % of Covered Payroll [(B-A)/C]
June 30, 2011	\$ -	\$ 107,385,000	\$ 107,385,000	0.00%	\$ 55,217,000	194.48%
June 30, 2013	-	109,063,000	109,063,000	0.00%	56,107,000	194.38%
June 30, 2015	-	170,475,000	170,475,000	0.00%	62,298,000	273.64%

## **SUPPLEMENTARY INFORMATION**





**NONMAJOR GOVERNMENTAL FUNDS**



**COUNTY OF MADERA, CALIFORNIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2017**

	Special Revenue				
	Tobacco Program	Housing	Madera County Tourism Bid	Special Districts Road/Lighting	Development Impact Fees: Library
<b>ASSETS</b>					
Cash and Investments	\$ -	\$1,185,237	\$ 15,655	\$ 9,025,987	\$ 70,917
Receivables:					
Accounts	-	-	247,205	57,135	148
Interest	-	4,203	-	20,729	195
Due from Other Governments	-	1,226,741	-	-	-
Taxes Receivable	-	-	-	42,030	-
Due from Other Funds	-	-	-	-	-
Restricted cash and investments	-	-	-	21,389	-
Loans Receivable	-	5,942,065	-	-	-
Advances to Other Funds	-	-	-	-	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$8,358,246</b>	<b>\$ 262,860</b>	<b>\$ 9,167,270</b>	<b>\$ 71,260</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ 255,916	\$ 14,386	\$ -
Due to Other Funds	-	1,226,742	-	103,189	-
Due to Other Governments	-	-	-	-	-
Deposits from Others	-	-	-	150	-
Advances from Other Funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>1,226,742</b>	<b>255,916</b>	<b>117,725</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	-	569,410	-	37,191	-
<b>FUND BALANCES</b>					
Restricted	-	6,562,094	6,944	9,012,354	71,260
Assigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>6,562,094</b>	<b>6,944</b>	<b>9,012,354</b>	<b>71,260</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ -</b>	<b>\$8,358,246</b>	<b>\$ 262,860</b>	<b>\$ 9,167,270</b>	<b>\$ 71,260</b>

**COUNTY OF MADERA, CALIFORNIA  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2017**

	Special Revenue				
	Development Impact Fees: Parks	General Government	Public Ways and Facilities	Health and Sanitation	Public Assistance
<b>ASSETS</b>					
Cash and Investments	\$ 65,425	\$ 173,892	\$ 4,048,231	\$ 3,427,545	\$ 674,696
Receivables:					
Accounts	196	-	38,366	91	-
Interest	180	479	11,170	2,965	814
Due from Other Governments	-	-	-	534,809	998,506
Taxes Receivable	-	-	103	-	-
Due from Other Funds	-	-	400,000	9,070	-
Restricted cash and investments	-	-	-	-	-
Loans Receivable	-	657,806	-	-	-
Advances to Other Funds	-	-	606,701	-	-
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
Total Assets	<u>\$ 65,801</u>	<u>\$ 832,177</u>	<u>\$ 5,104,571</u>	<u>\$ 3,974,480</u>	<u>\$ 1,674,016</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ 442,956	\$ 23,791	\$ -
Due to Other Funds	-	-	-	96,835	557,368
Due to Other Governments	-	-	-	27,195	13,548
Deposits from Others	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-
Total Liabilities	<u>        </u>	<u>        </u>	<u>442,956</u>	<u>147,821</u>	<u>570,916</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	-	-	-	-	-
<b>FUND BALANCES</b>					
Restricted	65,801	832,177	4,661,615	3,826,659	1,103,100
Assigned	-	-	-	-	-
Total Fund Balances	<u>65,801</u>	<u>832,177</u>	<u>4,661,615</u>	<u>3,826,659</u>	<u>1,103,100</u>
	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 65,801</u>	<u>\$ 832,177</u>	<u>\$ 5,104,571</u>	<u>\$ 3,974,480</u>	<u>\$ 1,674,016</u>

**COUNTY OF MADERA, CALIFORNIA  
COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2017**

	Capital Projects	Total
<b>ASSETS</b>		
Cash and Investments	\$ 1,649,035	\$ 20,336,620
Receivables:		
Accounts	-	343,141
Interest	3,942	44,677
Due from Other Governments	-	2,760,056
Taxes Receivable	-	42,133
Due from Other Funds	2,300	411,370
Restricted cash and investments	-	21,389
Loans Receivable	-	6,599,871
Advances to Other Funds	60,949	667,650
Total Assets	\$ 1,716,226	\$ 31,226,907
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 564,239	\$ 1,301,288
Due to Other Funds	-	1,984,134
Due to Other Governments	-	40,743
Deposits from Others	-	150
Advances from Other Funds	27,231	27,231
Total Liabilities	591,470	3,353,546
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable Revenue	-	606,601
<b>FUND BALANCES</b>		
Restricted	-	26,142,004
Assigned	1,124,756	1,124,756
Total Fund Balances	1,124,756	27,266,760
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 1,716,226	\$ 31,226,907

**COUNTY OF MADERA, CALIFORNIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2017**

	Special Revenue				
	Tobacco Program	Housing	Madera County Tourism Bid	Special Districts Roads/Lighting	Development Impact Fees: Library
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ 1,060,814	\$ -
Fines, Forfeitures, and Penalties	-	-	-	-	-
Use of Money and Property	-	15,688	-	92,827	635
Intergovernmental	-	651,593	-	-	-
Charges for Services	-	-	719,676	866,011	34,137
Miscellaneous	-	-	-	-	-
Total Revenues	-	667,281	719,676	2,019,652	34,772
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	-	-	-
Public Protection	-	-	-	-	-
Public Ways and Facilities	-	-	-	1,691,735	-
Health and Sanitation	-	-	-	-	-
Public Assistance	-	1,273,681	-	-	-
Recreation and Cultural Services	-	-	719,965	37,998	-
Capital Outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	18,594	-
Interest	-	-	-	1,916	-
Total Expenditures	-	1,273,681	719,965	1,750,243	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(606,400)	(289)	269,409	34,772
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(201,422)	-
Sale of Capital Assets	-	(2,799)	-	-	-
Total Other Financing Sources (Uses)	-	(2,799)	-	(201,422)	-
<b>NET CHANGE IN FUND BALANCES</b>	-	(609,199)	(289)	67,987	34,772
Fund Balances - Beginning of Year, Restated	-	7,171,293	7,233	8,944,367	36,488
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 6,562,094</u>	<u>\$ 6,944</u>	<u>\$ 9,012,354</u>	<u>\$ 71,260</u>

**COUNTY OF MADERA, CALIFORNIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2017**

	Special Revenue				
	Development Impact Fees: Parks	General Government	Public Ways and Facilities	Health and Sanitation	Public Assistance
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ 166,245	\$ -	\$ -
Fines, Forfeitures, and Penalties	-	-	-	233,847	-
Use of Money and Property	582	220	52,542	9,327	2,873
Intergovernmental	-	6,395	-	4,388,744	7,359,120
Charges for Services	39,295	-	404,078	7,502	12,154
Miscellaneous	-	1,830	-	-	-
Total Revenues	<u>39,877</u>	<u>8,445</u>	<u>622,865</u>	<u>4,639,420</u>	<u>7,374,147</u>
<b>EXPENDITURES</b>					
Current:					
General Government	-	561	-	-	-
Public Protection	-	-	-	-	-
Public Ways and Facilities	-	-	2,534,683	-	-
Health and Sanitation	-	-	-	364,193	-
Public Assistance	-	-	-	-	131,999
Recreation and Cultural Services	20,061	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>20,061</u>	<u>561</u>	<u>2,534,683</u>	<u>364,193</u>	<u>131,999</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	19,816	7,884	(1,911,818)	4,275,227	7,242,148
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	9,070	-
Transfers out	(31,147)	(45,599)	-	(3,576,796)	(7,211,877)
Sale of Capital Assets	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(31,147)</u>	<u>(45,599)</u>	<u>-</u>	<u>(3,567,726)</u>	<u>(7,211,877)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(11,331)	(37,715)	(1,911,818)	707,501	30,271
Fund Balances - Beginning of Year, Restated	<u>77,132</u>	<u>869,892</u>	<u>6,573,433</u>	<u>3,119,158</u>	<u>1,072,829</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 65,801</u>	<u>\$ 832,177</u>	<u>\$ 4,661,615</u>	<u>\$ 3,826,659</u>	<u>\$ 1,103,100</u>

**COUNTY OF MADERA, CALIFORNIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (CONTINUED)  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2017**

	Capital Projects	Total
<b>REVENUES</b>		
Taxes	\$ -	\$ 1,227,059
Fines, Forfeitures, and Penalties	-	233,847
Use of Money and Property	20,209	194,903
Intergovernmental	1,585,795	13,991,647
Charges for Services	50,000	2,132,853
Miscellaneous	40,189	42,019
Total Revenues	1,696,193	17,822,328
<b>EXPENDITURES</b>		
Current:		
General Government	125,763	126,324
Public Protection	9,817	9,817
Public Ways and Facilities	-	4,226,418
Health and Sanitation	-	364,193
Public Assistance	-	1,405,680
Recreation and Cultural Services	57,039	835,063
Capital Outlay	4,216,173	4,216,173
Debt service		
Principal	-	18,594
Interest	-	1,916
Total Expenditures	4,408,792	11,204,178
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,712,599)	6,618,150
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	4,080,066	4,089,136
Transfers out	(158,909)	(11,225,750)
Sale of Capital Assets	-	(2,799)
Total Other Financing Sources (Uses)	3,921,157	(7,139,413)
<b>NET CHANGE IN FUND BALANCES</b>	1,208,558	(521,263)
Fund Balances - Beginning of Year, Restated	(83,802)	27,788,023
<b>FUND BALANCES - END OF YEAR</b>	\$ 1,124,756	\$ 27,266,760



**COUNTY OF MADERA, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE  
HOUSING AND COMMUNITY DEVELOPMENT FUND  
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Use of Money and Property	\$ 1,110	\$ 1,110	\$ 15,688	\$ 14,578
Aid from Other Governments	-	-	651,593	651,593
Total Revenues	<u>1,110</u>	<u>1,110</u>	<u>667,281</u>	<u>666,171</u>
<b>EXPENDITURES</b>				
Current:				
Public Assistance	-	-	1,273,681	(1,273,681)
Appropriations for Contingencies	370,264	370,264	-	370,264
Total Expenditures	<u>370,264</u>	<u>370,264</u>	<u>1,273,681</u>	<u>(903,417)</u>
<b>EXCESS(DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(369,154)	(369,154)	(606,400)	(237,246)
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	(2,799)	(2,799)
<b>NET CHANGE IN FUND BALANCES</b>	(369,154)	(369,154)	(609,199)	(240,045)
Fund Balances - Beginning of Year	<u>7,171,293</u>	<u>7,171,293</u>	<u>7,171,293</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 6,802,139</u></u>	<u><u>\$ 6,802,139</u></u>	<u><u>\$ 6,562,094</u></u>	<u><u>\$ (240,045)</u></u>

**COUNTY OF MADERA, CALIFORNIA  
 BUDGETARY COMPARISON SCHEDULE  
 TOURISM  
 YEAR ENDED JUNE 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Use of Money and Property	\$ -	\$ -	\$ -	\$ -
Charges for Services	<u>500,000</u>	<u>500,000</u>	<u>719,676</u>	<u>219,676</u>
Total Revenues	<u>500,000</u>	<u>500,000</u>	<u>719,676</u>	<u>219,676</u>
<b>EXPENDITURES</b>				
Current:				
Recreation and Cultural Services	<u>501,000</u>	<u>501,000</u>	<u>719,965</u>	<u>(218,965)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(1,000)	(1,000)	(289)	711
Fund Balances - Beginning of Year	<u>7,233</u>	<u>7,233</u>	<u>7,233</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 6,233</u></u>	<u><u>\$ 6,233</u></u>	<u><u>\$ 6,944</u></u>	<u><u>\$ 711</u></u>

**COUNTY OF MADERA, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL DISTRICTS ROAD/LIGHTING  
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 965,363	\$ 935,363	\$ 1,060,814	\$ 125,451
Use of Money and Property	35,995	35,995	92,827	56,832
Charges for Services	774,885	774,885	866,011	91,126
Total Revenues	<u>1,776,243</u>	<u>1,746,243</u>	<u>2,019,652</u>	<u>273,409</u>
<b>EXPENDITURES</b>				
Current:				
Public Way and Facilities	7,064,603	7,180,534	1,691,735	5,488,799
Recreation and Cultural Services	3,820	39,220	37,998	1,222
Debt Service				
Principal	-	-	18,594	(18,594)
Interest	-	-	1,916	(1,916)
Appropriations for Contingencies	2,373,371	2,332,371	-	2,332,371
Total Expenditures	<u>9,441,794</u>	<u>9,552,125</u>	<u>1,750,243</u>	<u>7,801,882</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(7,665,551)	(7,805,882)	269,409	8,075,291
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(195,000)</u>	<u>(205,000)</u>	<u>(201,422)</u>	<u>3,578</u>
<b>NET CHANGE IN FUND BALANCES</b>	(7,860,551)	(8,010,882)	67,987	8,078,869
Fund Balances - Beginning of Year	<u>8,944,367</u>	<u>8,944,367</u>	<u>8,944,367</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 1,083,816</u>	<u>\$ 933,485</u>	<u>\$ 9,012,354</u>	<u>\$ 8,078,869</u>

**COUNTY OF MADERA, CALIFORNIA  
 BUDGETARY COMPARISON SCHEDULE  
 DEVELOPMENT IMPACT FEES – LIBRARY  
 YEAR ENDED JUNE 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Use of Money and Property	\$ 75	\$ 75	\$ 635	\$ 560
Charges for Services	11,000	11,000	34,137	23,137
Total Revenues	<u>11,075</u>	<u>11,075</u>	<u>34,772</u>	<u>23,697</u>
<b>EXPENDITURES</b>				
Appropriations for Contingencies	43,885	43,885	-	43,885
Total Expenditures	<u>43,885</u>	<u>43,885</u>	<u>-</u>	<u>43,885</u>
<b>NET CHANGE IN FUND BALANCES</b>	(32,810)	(32,810)	34,772	67,582
Fund Balances - Beginning of Year	<u>36,488</u>	<u>36,488</u>	<u>36,488</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 3,678</u>	<u>\$ 3,678</u>	<u>\$ 71,260</u>	<u>\$ 67,582</u>

**COUNTY OF MADERA, CALIFORNIA  
 BUDGETARY COMPARISON SCHEDULE  
 DEVELOPMENT IMPACT FEES – PARKS  
 YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Use of Money and Property	\$ 350	\$ 350	\$ 582	\$ 232
Charges for Services	16,000	16,000	39,295	23,295
Total Revenues	<u>16,350</u>	<u>16,350</u>	<u>39,877</u>	<u>23,527</u>
<b>EXPENDITURES</b>				
Current:				
Recreation and Cultural Services	-	20,100	20,061	39
Appropriations for Contingencies	51,206	30,059	-	30,059
Total Expenditures	<u>51,206</u>	<u>50,159</u>	<u>20,061</u>	<u>30,098</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(34,856)	(33,809)	19,816	53,625
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(36,000)</u>	<u>(37,047)</u>	<u>(31,147)</u>	<u>5,900</u>
<b>NET CHANGE IN FUND BALANCES</b>	(70,856)	(70,856)	(11,331)	59,525
Fund Balances - Beginning of Year	<u>77,132</u>	<u>77,132</u>	<u>77,132</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 6,276</u></u>	<u><u>\$ 6,276</u></u>	<u><u>\$ 65,801</u></u>	<u><u>\$ 59,525</u></u>

**COUNTY OF MADERA, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE  
GENERAL GOVERNMENT  
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Use of Money and Property	\$ 100	\$ 100	\$ 220	\$ 120
Intergovernmental Revenues	-	-	6,395	6,395
Other Revenues	1,000	1,000	1,830	830
Total Revenues	<u>1,100</u>	<u>1,100</u>	<u>8,445</u>	<u>7,345</u>
<b>EXPENDITURES</b>				
Current:				
General Government	12,000	12,673	561	12,112
Appropriations for Contingencies	9,408	9,408	-	9,408
Total Expenditures	<u>21,408</u>	<u>22,081</u>	<u>561</u>	<u>21,520</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(45,599)	(45,599)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(45,599)</u>	<u>(45,599)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(10,900)	(57,172)	(37,715)	19,457
Fund Balances - Beginning of Year	<u>869,892</u>	<u>869,892</u>	<u>869,892</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 858,992</u></u>	<u><u>\$ 812,720</u></u>	<u><u>\$ 832,177</u></u>	<u><u>\$ 19,457</u></u>

**COUNTY OF MADERA, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE  
PUBLIC WAYS AND FACILITIES  
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	140,000	140,000	166,245	26,245
Use of Money and Property	27,925	34,626	52,542	17,916
Charges for Services	730,000	730,000	404,078	(325,922)
Total Revenues	<u>897,925</u>	<u>904,626</u>	<u>622,865</u>	<u>(281,761)</u>
<b>EXPENDITURES</b>				
Current:				
Public Way and Facilities	3,630,000	3,630,000	2,534,683	1,095,317
Appropriations for Contingencies	3,513,890	3,513,890	-	3,513,890
Total Expenditures	<u>7,143,890</u>	<u>7,143,890</u>	<u>2,534,683</u>	<u>4,609,207</u>
<b>NET CHANGE IN FUND BALANCES</b>	(6,245,965)	(6,239,264)	(1,911,818)	4,327,446
Fund Balances - Beginning of Year	<u>6,573,433</u>	<u>6,573,433</u>	<u>6,573,433</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 327,468</u></u>	<u><u>\$ 334,169</u></u>	<u><u>\$ 4,661,615</u></u>	<u><u>\$ 4,327,446</u></u>

**COUNTY OF MADERA, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE  
HEALTH AND SANITATION  
YEAR ENDED JUNE 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Fines, Forfeitures, and Penalties	\$ 246,207	\$ 246,207	\$ 233,847	\$ (12,360)
Use of Money and Property	7,109	7,109	9,327	2,218
Aid from Other Governments	3,045,175	3,045,175	4,388,744	1,343,569
Charges for Services	<u>16,250</u>	<u>16,250</u>	<u>7,502</u>	<u>(8,748)</u>
Total Revenues	3,314,741	3,314,741	4,639,420	1,324,679
<b>EXPENDITURES</b>				
Current:				
Health and Sanitation	517,393	541,066	364,193	176,873
Appropriations for Contingencies	<u>859,326</u>	<u>859,326</u>	<u>-</u>	<u>859,326</u>
Total Expenditures	<u>1,376,719</u>	<u>1,400,392</u>	<u>364,193</u>	<u>1,036,199</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	1,938,022	1,914,349	4,275,227	2,360,878
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	9,070	9,070
Transfers out	<u>(3,253,490)</u>	<u>(3,253,490)</u>	<u>(3,576,796)</u>	<u>(323,306)</u>
Total Other Financing Sources (Uses)	<u>(3,253,490)</u>	<u>(3,253,490)</u>	<u>(3,567,726)</u>	<u>(314,236)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(1,315,468)	(1,339,141)	707,501	2,046,642
Fund Balances - Beginning of Year	<u>3,119,158</u>	<u>3,119,158</u>	<u>3,119,158</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 1,803,690</u>	<u>\$ 1,780,017</u>	<u>\$ 3,826,659</u>	<u>\$ 2,046,642</u>



**COUNTY OF MADERA, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE  
PUBLIC ASSISTANCE  
YEAR ENDED JUNE 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Use of Money and Property	\$ 1,400	\$ 1,400	\$ 2,873	\$ 1,473
Aid from Other Governments	7,619,432	7,619,432	7,359,120	(260,312)
Charges for Services	11,000	11,000	12,154	1,154
<b>Total Revenues</b>	<u>7,631,832</u>	<u>7,631,832</u>	<u>7,374,147</u>	<u>(257,685)</u>
<b>EXPENDITURES</b>				
Current:				
Public Assistance	129,000	129,000	131,999	(2,999)
Appropriations for Contingencies	2,491,508	1,857,935	-	1,857,935
<b>Total Expenditures</b>	<u>2,620,508</u>	<u>1,986,935</u>	<u>131,999</u>	<u>1,854,936</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	5,011,324	5,644,897	7,242,148	1,597,251
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>6,966,427</u>	<u>7,600,000</u>	<u>(7,211,877)</u>	<u>(14,811,877)</u>
<b>NET CHANGE IN FUND BALANCES</b>	11,977,751	13,244,897	30,271	(13,214,626)
Fund Balances - Beginning of Year	<u>1,072,829</u>	<u>1,072,829</u>	<u>1,072,829</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 13,050,580</u></u>	<u><u>\$ 14,317,726</u></u>	<u><u>\$ 1,103,100</u></u>	<u><u>\$ (13,214,626)</u></u>

**COUNTY OF MADERA, CALIFORNIA  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS  
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Use of Money and Property	\$ 1,000	\$ 1,000	\$ 20,209	\$ 19,209
Aid from Other Governments	153,746	255,264	1,585,795	1,330,531
Charges for Services	-	-	50,000	50,000
Other Revenues	-	40,189	40,189	-
Total Revenues	<u>154,746</u>	<u>296,453</u>	<u>1,696,193</u>	<u>1,399,740</u>
<b>EXPENDITURES</b>				
Current:				
General Government	2,600	21,732	125,763	(104,031)
Public Protection	-	-	9,817	(9,817)
Recreation and Cultural Services	211,317	329,171	57,039	272,132
Capital Outlay	1,217,102	6,318,951	4,216,173	2,102,778
Appropriations for Contingencies	537,895	307,395	-	307,395
Total Expenditures	<u>1,968,914</u>	<u>6,977,249</u>	<u>4,408,792</u>	<u>2,568,457</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,814,168)	(6,680,796)	(2,712,599)	3,968,197
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	4,433,524	4,080,066	(353,458)
Transfers out	<u>(5,610)</u>	<u>(164,519)</u>	<u>(158,909)</u>	<u>5,610</u>
Total Other Financing Sources (Uses)	<u>(5,610)</u>	<u>4,269,005</u>	<u>3,921,157</u>	<u>(347,848)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(1,819,778)	(2,411,791)	1,208,558	3,620,349
Fund Balances - Beginning of Year	<u>(83,802)</u>	<u>(83,802)</u>	<u>(83,802)</u>	<u>-</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ (1,903,580)</u></u>	<u><u>\$ (2,495,593)</u></u>	<u><u>\$ 1,124,756</u></u>	<u><u>\$ 3,620,349</u></u>

## **INTERNAL SERVICE FUNDS**



**COUNTY OF MADERA, CALIFORNIA**  
**COMBINING STATEMENT OF FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2017**

	Central Garage	Self Insurance	Microwave Radio Services	Total
<b>ASSETS</b>				
Current Assets:				
Cash and Investments	\$ 823,485	\$ 7,443,513	\$ 392,513	\$ 8,659,511
Receivables:				
Accounts	957	148,714	-	149,671
Interest	2,241	20,325	1,083	23,649
Due from Other Funds	6,031	-	-	6,031
Prepaid Items	-	-	53,051	53,051
Inventories	43,637	-	-	43,637
Total Current Assets	<u>876,351</u>	<u>7,612,552</u>	<u>446,647</u>	<u>8,935,550</u>
Noncurrent Assets:				
Capital Assets:				
Nondepreciable	293,563	-	-	293,563
Depreciable	3,947,247	-	1,165,725	5,112,972
Total Noncurrent Assets	<u>4,240,810</u>	<u>-</u>	<u>1,165,725</u>	<u>5,406,535</u>
Total Assets	<u>5,117,161</u>	<u>7,612,552</u>	<u>1,612,372</u>	<u>14,342,085</u>
<b>DEFERRED OUTFLOWS</b>				
Deferred Outflows - Pension	<u>123,128</u>	<u>-</u>	<u>-</u>	<u>123,128</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	44,021	185,629	20,477	250,127
Accrued Salaries and Benefits	5,761	-	-	5,761
Due to Other Funds	292	312,479	-	312,771
Due to other Governments	835	-	1	836
Claims Payable	-	2,575,586	-	2,575,586
Long-Term Debt, Due in One Year	-	-	199,140	199,140
Total Current Liabilities	<u>50,909</u>	<u>3,073,694</u>	<u>219,618</u>	<u>3,344,221</u>
Noncurrent Liabilities:				
Compensated Absences	41,499	-	-	41,499
Long-Term Debt, Due in More than One Year	-	-	100,995	100,995
Liability for Other Postemployment Benefits	525,947	-	-	525,947
Claims Payable	-	8,368,414	-	8,368,414
Net Pension Liability	636,385	-	-	636,385
Total Noncurrent Liabilities	<u>1,203,831</u>	<u>8,368,414</u>	<u>100,995</u>	<u>9,673,240</u>
Total Liabilities	<u>1,254,740</u>	<u>11,442,108</u>	<u>320,613</u>	<u>13,017,461</u>
<b>DEFERRED INFLOWS</b>				
Deferred Inflows - Pension	<u>15,158</u>	<u>-</u>	<u>-</u>	<u>15,158</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	4,240,810	-	865,590	5,106,400
Unrestricted	(270,419)	(3,829,556)	426,169	(3,673,806)
Total Net Position	<u>\$ 3,970,391</u>	<u>\$ (3,829,556)</u>	<u>\$ 1,291,759</u>	<u>\$ 1,432,594</u>

**COUNTY OF MADERA, CALIFORNIA  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2017**

	Central Garage	Self Insurance	Microwave Radio Services	Total
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 1,735,113	\$ 5,416,440	\$ 615,233	\$ 7,766,786
Other	1,839	-	-	1,839
Total Operating Revenues	<u>1,736,952</u>	<u>5,416,440</u>	<u>615,233</u>	<u>7,768,625</u>
<b>OPERATING EXPENSES</b>				
Salaries and Benefits	410,931	-	-	410,931
Services and Supplies	740,347	1,916,811	204,642	2,861,800
Maintenance	187,304	-	117,467	304,771
Insurance	22,538	1,978,563	-	2,001,101
Utilities	13,124	-	-	13,124
Claims	-	1,396,253	-	1,396,253
Depreciation	464,117	-	89,025	553,142
Other Operating Expense	1,451	-	-	1,451
Total Operating Expenses	<u>1,839,812</u>	<u>5,291,627</u>	<u>411,134</u>	<u>7,542,573</u>
<b>OPERATING INCOME (LOSS)</b>	(102,860)	124,813	204,099	226,052
<b>NONOPERATING REVENUE (EXPENSES)</b>				
Investment Income	7,107	64,168	5,087	76,362
Interest and Fiscal Charges	-	-	(21,346)	(21,346)
Loss on Disposition of Capital Assets	(8,874)	-	-	(8,874)
Total Nonoperating Revenue (Expenses)	<u>(1,767)</u>	<u>64,168</u>	<u>(16,259)</u>	<u>46,142</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	(104,627)	188,981	187,840	272,194
Transfers	-	(125,000)	-	(125,000)
<b>CHANGE IN NET POSITION</b>	(104,627)	63,981	187,840	147,194
Net Position - Beginning of Year	<u>4,075,018</u>	<u>(3,893,537)</u>	<u>1,103,919</u>	<u>1,285,400</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 3,970,391</u>	<u>\$ (3,829,556)</u>	<u>\$ 1,291,759</u>	<u>\$ 1,432,594</u>

**COUNTY OF MADERA, CALIFORNIA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2017**

	Central Garage	Self Insurance	Microwave Radio Services	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Receipts from Interfund Services	1,735,995	5,537,040	615,233	\$ 7,888,268
Cash Paid to Suppliers	(968,237)	(5,058,158)	(279,481)	(6,305,876)
Cash Paid to Employees	(389,955)	-	-	(389,955)
Net Cash Provided (Used) by Operating Activities	377,803	478,882	335,752	1,192,437
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Interfund Loans	(92,801)	312,479	-	219,678
Transfers Out	-	(125,000)	-	(125,000)
Net Cash Provided (Used) by Noncapital Financing Activities	(92,801)	187,479	-	94,678
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of Capital Assets	(733,973)	-	-	(733,973)
Principal Payments on Debt	-	-	(189,314)	(189,314)
Interest Payments	-	-	(21,346)	(21,346)
Proceeds from Sale of Capital Assets	29,785	-	-	29,785
Net Cash Provided (Used) by Capital and Related Financing Activities	(704,188)	-	(210,660)	(914,848)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Received	7,740	59,370	4,621	71,731
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
	(411,446)	725,731	129,713	443,998
Cash and Cash Equivalents - Beginning of Year	1,234,931	6,717,782	262,800	8,215,513
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>823,485</b>	<b>7,443,513</b>	<b>392,513</b>	<b>\$ 8,659,511</b>

continued

**COUNTY OF MADERA, CALIFORNIA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2017**

	Central Garage	Self Insurance	Microwave Radio Services	Total
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	(102,860)	124,813	204,099	\$ 226,052
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	464,117	-	89,025	553,142
Changes in Assets and Liabilities:				
(Increase) Decrease in:				
Accounts Receivable	(4,634)	120,600	28,121	144,087
Deposits from Others	-	-	-	-
Increase (Decrease) in:				
Accounts Payable and Other Liabilities	(11,440)	136,469	14,507	139,536
Compensated Absences Payable	(6,441)	-	-	(6,441)
Net Pension Liability	(22,541)	-	-	(22,541)
Post Employment Benefits Liability	61,602	-	-	61,602
Claims Payable	-	97,000	-	97,000
Net Cash Provided (Used) by Operating Activities	<u>377,803</u>	<u>478,882</u>	<u>335,752</u>	<u>\$ 1,192,437</u>
<b>SCHEDULE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Contribution of Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>



## **AGENCY FUNDS**

**COUNTY OF MADERA, CALIFORNIA  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
YEAR ENDED JUNE 30, 2017**

	Beginning Balance	Additions	Deductions	Ending Balances
<b>Assets</b>				
Cash and investments	\$ 7,626,591	389,203,494	388,337,680	\$ 8,492,405
Accounts receivable	11,076	515,076	525,763	389
Due from other governments	5,573	-	5,573	-
Taxes receivable	209,766	98,101	209,767	98,100
Interest receivable	13,592	3,688	-	\$ 17,280
Total Assets	<u>\$ 7,866,598</u>	<u>\$ 389,820,359</u>	<u>\$ 389,078,783</u>	<u>\$ 8,608,174</u>
<b>Liabilities</b>				
Accounts payable	396,153	35,531,378	35,648,488	\$ 279,043
Due to other governments	1,170,590	4,569,135	5,243,559	496,166
Deposits from others	150	420	570	-
Agency obligations	6,299,705	381,616,970	380,083,710	7,832,965
Total Liabilities	<u>\$ 7,866,598</u>	<u>\$ 421,717,903</u>	<u>\$ 420,976,327</u>	<u>\$ 8,608,174</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)**

	Fiscal Year									
	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Governmental Activities:										
Invested in Capital Assets,										
Net of Related Debt	\$ 197,922	\$ 197,760	\$ 197,768	\$ 209,852	\$ 226,771	\$ 238,910	\$ 242,644	\$ 241,415	\$ 237,185	\$ 247,343
Restricted	36,220	37,806	37,863	44,050	91,589	90,499	102,820	101,690	104,482	99,024
Unrestricted	41,901	19,660	1,176	9,530	(42,467)	(52,203)	(67,464)	(200,639)	(211,549)	(221,281)
Total Governmental										
Activities Net Position	<u>\$ 276,043</u>	<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>
Business-Type Activities:										
Invested in Capital Assets,										
Net of Related Debt	\$ 28,120	\$ 28,464	\$ 28,769	\$ 30,192	\$ 30,224	\$ 31,953	\$ 33,495	\$ 41,224	\$ 52,857	\$ 45,856
Restricted	6,647	8,758	1,630	1,847	21,313	-	-	-	-	-
Unrestricted	4,001	1,754	10,678	16,105	148	20,892	19,596	19,678	21,795	23,817
Total Business-Type										
Activities Net Position	<u>\$ 38,768</u>	<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>
Total Primary Government:										
Invested in Capital Assets,										
Net of Related Debt	\$ 226,042	\$ 226,224	\$ 226,537	\$ 240,044	\$ 256,995	\$ 270,863	\$ 276,139	\$ 282,639	\$ 290,042	\$ 293,199
Restricted	42,867	46,564	39,493	45,897	112,902	90,499	102,820	101,690	104,482	99,024
Unrestricted	45,902	21,414	11,854	25,635	(42,319)	(31,311)	(47,868)	(180,961)	(189,754)	(197,464)
Total Primary Government										
Net Position	<u>\$ 314,811</u>	<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>

Source: Statements of Net Assets, 2007-08 through 2012-13, and Net Position, 2013-14 through 2016-17.

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

	Fiscal Year									
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
<b>EXPENSES</b>										
Governmental Activities:										
General Government	\$ 27,853	\$ 27,617	\$ 35,060	\$ 40,626	\$ 41,296	\$ 38,322	\$ 30,530	\$ 27,367	\$ 30,278	\$ 34,640
Public Protection	61,014	63,393	63,796	58,354	54,354	56,800	64,077	71,347	74,905	78,768
Public Ways and Facilities	16,156	20,396	19,193	17,854	18,719	18,300	17,905	20,709	20,904	20,731
Health and Sanitation	29,644	28,998	28,390	25,649	27,069	26,437	26,291	27,708	28,556	32,321
Public Assistance	53,381	53,023	54,130	56,544	54,927	53,225	55,979	60,060	61,982	69,492
Education	2,236	2,338	1,992	1,191	1,030	1,010	1,186	1,366	1,363	1,621
Recreation	58	45	60	51	674	831	934	946	973	1,251
Interest and Fiscal Charges	1,463	873	876	830	859	833	743	889	1,228	1,214
Total Governmental Activities										
Expenses	<u>\$ 191,805</u>	<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>
Business-Type Activities:										
Maintenance Districts	\$ 1,683	\$ 1,953	\$ 1,652	\$ 1,852	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance District 22A	989	1,113	1,942	1,648	-	-	-	-	-	-
Special Districts -										
Water/Sewer	-	-	-	-	-	-	-	-	7,323	10,323
County Landfill	3,003	2,818	2,590	2,838	1,817	3,630	4,469	4,467	5,498	(407)
Service Areas	-	-	1,520	1,475	-	-	-	-	-	-
Nonmajor Enterprise Funds	1,847	2,989	1,154	1,491	6,387	6,680	6,874	6,503	-	-
Total Business-Type Activities										
Expenses	<u>\$ 7,522</u>	<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>
Total Primary Government										
Expenses	<u>\$ 199,327</u>	<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>

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

	Fiscal Year									
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
<b>PROGRAM REVENUES</b>										
Governmental Activities:										
Fees, Fines, Charges for Services:										
General Government	\$ 7,645	\$ 7,557	\$ 7,551	\$ 8,169	\$ 8,193	\$ 9,211	\$ 9,634	\$ 10,483	\$ 10,612	\$ 13,233
Public Protection	7,663	8,410	8,445	7,121	7,901	7,413	8,036	7,078	9,912	10,149
Public Ways and Facilities	2,743	2,263	2,197	2,759	2,101	4,310	2,957	5,737	1,760	3,258
Health and Sanitation	3,300	1,271	2,953	4,979	4,254	2,860	2,024	2,929	3,236	2,544
Public Assistance	232	150	87	178	149	146	127	270	122	143
Education	187	113	112	71	60	64	59	70	74	80
Recreation	16	180	61	23	598	464	545	550	608	759
Operating Grants and Contributions:										
General Government	4,910	711	336	22,441	4,588	2,033	1,986	11,571	10,178	11,504
Public Protection	17,031	16,729	16,175	9,815	25,448	26,378	23,839	17,595	26,610	15,541
Public Ways and Facilities	8,552	9,432	8,291	8,698	14,045	7,349	10,413	10,496	4,855	5,032
Health and Sanitation	25,338	22,954	23,153	20,316	24,597	29,995	23,868	26,924	28,466	31,523
Public Assistance	43,513	42,812	51,146	45,286	50,809	50,363	54,341	59,968	63,780	65,398
Education	77	74	54	-	25	-	6	93	13	5
Recreation	-	-	-	-	195	26	34	-	-	-
Capital Grants and Contributions:										
General Government	420	341	74	-	175	110	32	-	6	-
Public Protection	-	-	-	-	14,124	8,434	4,806	1,204	1,901	326
Public Ways and Facilities	254	724	5,672	2,444	-	2,176	2,080	2,508	525	8,150
Health and Sanitation	-	-	-	-	-	-	-	10	-	-
Public Assistance	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	40
Recreation	-	-	1,219	-	-	-	-	257	64	-
<b>Total Program Revenues</b>	<b>\$ 121,881</b>	<b>\$ 113,721</b>	<b>\$ 127,526</b>	<b>\$ 132,300</b>	<b>\$ 157,262</b>	<b>\$ 151,332</b>	<b>\$ 144,787</b>	<b>\$ 157,743</b>	<b>\$ 162,722</b>	<b>\$ 167,685</b>

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

	Fiscal Year									
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Business-Type Activities:										
Fees, Fines, Charges for Services:										
Maintenance Districts	\$ 1,075	\$ 1,463	\$ 1,460	\$ 1,520	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance District 22A	1,578	1,592	1,585	1,423	-	-	-	-	-	-
Special Districts -										
Water/Sewer	-	-	-	-	-	-	-	-	5,919	7,130
County Landfill	2,663	2,424	2,693	2,602	2,941	3,859	4,060	3,839	4,472	5,710
Service Areas	-	-	1,008	1,065	-	-	-	-	-	-
Nonmajor Enterprise Funds	1,842	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	-	-	-	-	-	-	-	-	-	-
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
County Landfill	-	-	-	-	-	-	-	-	-	-
Service Areas	-	-	-	31	-	-	-	-	-	-
Nonmajor Enterprise Funds	-	-	-	97	551	69	87	3,249	-	-
Total Business-Type Activities Revenues	<u>\$ 7,158</u>	<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>
Total Primary Government Revenues	<u>\$ 129,039</u>	<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>

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

	Fiscal Year									
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
<b>NET (EXPENSE)/REVENUES</b>										
Governmental Activities	\$ (69,924)	\$ (82,962)	\$ (75,971)	\$ (68,799)	\$ (41,666)	\$ (44,426)	\$ (52,858)	\$ (52,649)	\$ (57,467)	\$ (72,353)
Business-Type Activities	(364)	1,721	(1,234)	(1,587)	(183)	101	(663)	2,671	2,354	4,433
Total Primary Government										
Net Expense	<u>\$ (70,288)</u>	<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>
<b>GENERAL REVENUE AND OTHER CHANGES IN NET POSITION</b>										
Governmental Activities:										
Taxes:										
Property Taxes	\$ 20,773	\$ 28,658	\$ 26,567	\$ 34,150	\$ 38,639	\$ 38,962	\$ 40,464	\$ 38,200	\$ 37,419	\$ 40,303
Sales and Use Taxes	10,674	10,147	9,147	8,151	9,718	8,835	8,726	7,983	9,470	9,021
Motor Vehicle In-lieu	16,310	16,217	14,718	13,818	-	-	-	-	-	-
Other Taxes	2,530	2,426	2,847	1,916	2,984	2,573	3,048	2,849	3,982	4,139
Investment Earnings	2,799	2,292	1,716	1,317	1,009	454	658	803	895	1,126
Gain (Loss) on Sale of Assets	(4,098)	23	-	-	112	43	29	495	14	-
Miscellaneous	-	4,867	1,318	1,120	968	-	1,172	2,064	2,533	2,305
Contributed Capital	122	-	3,294	-	-	-	-	-	-	-
Transfers	(4)	(88)	-	-	(25)	-	70	(377)	108	70
Total Governmental Activities	<u>49,106</u>	<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>

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

	Fiscal Year									
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Business-Type Activities:										
Taxes:										
Property Taxes	-	-	-	367	465	367	376	422	1,175	576
Other Taxes			396	-	-	-	-	-	-	-
Investment Earnings	(46)	(234)	330	207	190	85	129	157	191	272
Gain (Loss) on Sale of Assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous	615	526	60	83	108	54	206	198	235	82
Contributed Capital	-	-	9	-	-	-	-	-	-	-
Change in Landfill Closure Estimate	-	-	-	-	3,023	-	-	-	-	-
Transfers	4	88	-	-	25	-	(70)	377	(108)	(70)
Total Business-Type Activities	<u>573</u>	<u>380</u>	<u>795</u>	<u>657</u>	<u>3,811</u>	<u>506</u>	<u>641</u>	<u>1,154</u>	<u>1,493</u>	<u>860</u>
Total Primary Government	<u>\$ 49,679</u>	<u>\$ 64,922</u>	<u>\$ 60,402</u>	<u>\$ 61,129</u>	<u>\$ 57,216</u>	<u>\$ 51,373</u>	<u>\$ 54,808</u>	<u>\$ 53,171</u>	<u>\$ 55,914</u>	<u>\$ 57,824</u>
<b>CHANGE IN NET POSITION</b>										
Governmental Activities	\$ (20,818)	\$ (18,420)	\$ (16,364)	\$ (8,327)	\$ 11,739	\$ 6,441	\$ 1,309	\$ (632)	\$ (3,046)	\$ (15,389)
Business-Type Activities	<u>209</u>	<u>2,101</u>	<u>(439)</u>	<u>(930)</u>	<u>3,628</u>	<u>607</u>	<u>(22)</u>	<u>3,825</u>	<u>3,847</u>	<u>5,293</u>
Total Primary Government	<u>\$ (20,609)</u>	<u>\$ (16,319)</u>	<u>\$ (16,803)</u>	<u>\$ (9,257)</u>	<u>\$ 15,367</u>	<u>\$ 7,048</u>	<u>\$ 1,287</u>	<u>\$ 3,193</u>	<u>\$ 801</u>	<u>\$ (10,096)</u>

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

	Fiscal Year				
	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
General Fund:					
Reserved	\$ 19,100	\$ 19,552	\$ 16,192	\$ 2,639	\$ 36,678
Unreserved	12,749	3,703	5,909	57,359	10,733
Total General Fund	<u>\$ 31,849</u>	<u>\$ 23,255</u>	<u>\$ 22,101</u>	<u>\$ 59,998</u>	<u>\$ 47,411</u>
All Other Governmental Funds:					
Reserved	\$ 5,356	\$ 5,732	\$ 14,878	\$ 52,311	\$ 57,480
Unreserved, Reported in:					
Special Revenue Funds	31,589	35,214	-	(247)	16
Nonmajor Funds	-	-	38,889	(654)	5,214
Capital Project Funds	-	-	-	-	-
Total, All Other Governmental Funds	<u>\$ 36,945</u>	<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
General Fund:					
Nonspendable	\$ -	\$ 2,800	\$ 2,134	\$ 3,460	\$ 1,333
Restricted	39,474	43,439	43,441	42,064	41,535
Committed				5,405	766
Assigned				3,345	13,518
Unassigned	11,137	6,221	17,142	19,879	17,107
Total General Fund	<u>\$ 50,611</u>	<u>\$ 52,460</u>	<u>\$ 62,717</u>	<u>\$ 74,153</u>	<u>\$ 74,259</u>
All Other Governmental Funds:					
Nonspendable	\$ -	\$ 280	\$ 285	\$ 347	\$ 300
Restricted	51,916	59,395	58,263	51,514	49,894
Committed	-	-	-	321	-
Unassigned, Reported in:					
Special Revenue Funds	-	-	-	-	1,125
Nonmajor Funds	2,193	969	316	(405)	-
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>



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

	Fiscal Year									
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
<b>REVENUES</b>										
Taxes	\$ 50,288	\$ 57,449	\$ 53,279	\$ 58,035	\$ 50,058	\$ 48,954	\$ 53,795	\$ 51,718	\$ 53,257	\$ 53,082
Licenses, Permits, and Franchises	3,788	3,542	3,496	3,346	3,390	3,521	4,136	4,710	5,567	5,712
Intergovernmental	100,503	97,285	109,524	108,733	135,112	122,975	121,824	124,579	134,753	141,617
Charges for Services	13,332	13,598	14,482	16,864	15,679	16,217	14,706	17,519	17,090	18,805
Fines, Forfeitures, and Penalties	2,378	2,806	3,428	3,090	4,187	3,929	4,541	4,044	4,294	4,866
Revenue from Use of Money and Property	3,470	1,976	1,435	1,199	858	414	603	686	910	1,050
Miscellaneous Revenues	2,206	1,359	1,318	1,046	968	1,430	1,172	2,064	2,331	2,305
Total Revenues	175,965	178,015	186,962	192,313	210,252	197,440	200,777	205,320	218,202	227,437

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

	Fiscal Year									
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
<b>EXPENDITURES</b>										
Current:										
General Government	\$ 24,096	\$ 24,265	\$ 29,684	\$ 26,972	\$ 30,998	\$ 29,262	\$ 26,660	\$ 23,084	\$ 25,008	\$ 28,582
Public Protection	54,490	56,474	57,178	55,450	52,253	53,893	59,419	64,251	68,755	73,431
Public Ways and Facilities	10,066	13,768	11,907	13,075	14,032	17,161	11,319	15,422	16,345	15,714
Health and Sanitation	26,874	26,244	25,083	24,964	26,447	25,566	24,797	26,496	27,592	30,581
Public Assistance	51,656	51,959	51,432	54,405	53,631	51,894	54,419	58,218	60,410	67,206
Education	1,825	2,000	1,604	1,143	968	929	1,048	1,208	1,226	1,440
Recreation and Cultural										
Services	32	20	22	17	462	456	544	551	579	857
Capital Outlay	11,594	5,722	13,514	10,715	24,235	18,038	15,221	31,036	10,540	10,047
Debt Service:										
Principal	1,301	1,021	1,094	940	971	1,021	1,105	1,218	1,313	2,150
Interest and Fiscal Charges	1,175	889	875	824	814	784	705	867	1,197	1,171
Total, All Governmental Funds	<u>183,109</u>	<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>

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

	Fiscal Year									
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) TOTAL EXPENDITURES</b>	(7,144)	(4,347)	(5,431)	3,808	5,441	(1,564)	5,540	(17,031)	5,237	(3,742)
<b>OTHER FINANCING SOURCES (USES)</b>										
Proceeds from Sale of Capital Assets	74	2	14	-	67	69	2,109	584	305	70
Capital Leases	-	-	-	-	-	112	332	24,109	14,105	143
Payment to Refunding Escrow Agent	-	-	-	-	-	-	-	-	(13,560)	-
Insurance Recoveries	-	-	-	-	-	-	-	-	10	-
Transfers In	2,197	7,173	3,138	2,395	84	13,655	18,710	27,756	22,561	22,963
Transfers Out	(2,151)	(7,419)	(6,772)	(2,171)	-	(13,530)	(18,252)	(28,009)	(22,328)	(22,768)
Total Other Financing Sources (Uses):	120	(244)	(3,620)	224	151	306	2,899	24,440	1,093	408
<b>NET CHANGE IN FUND BALANCE</b>	(7,024)	(4,591)	(9,051)	4,032	5,592	(1,258)	8,439	7,409	6,330	(3,334)
<b>FUND BALANCES</b>										
Beginning of Year, as Restated	75,817	68,793	84,919	107,376	104,528	105,978	104,664	114,172	119,601	128,912
End of Year	<u>\$ 68,793</u>	<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>
Debt Service as a Percentage of Noncapital Expenditures	0.69%	0.50%	0.49%	0.46%	0.45%	0.43%	0.39%	0.45%	1.24%	1.50%

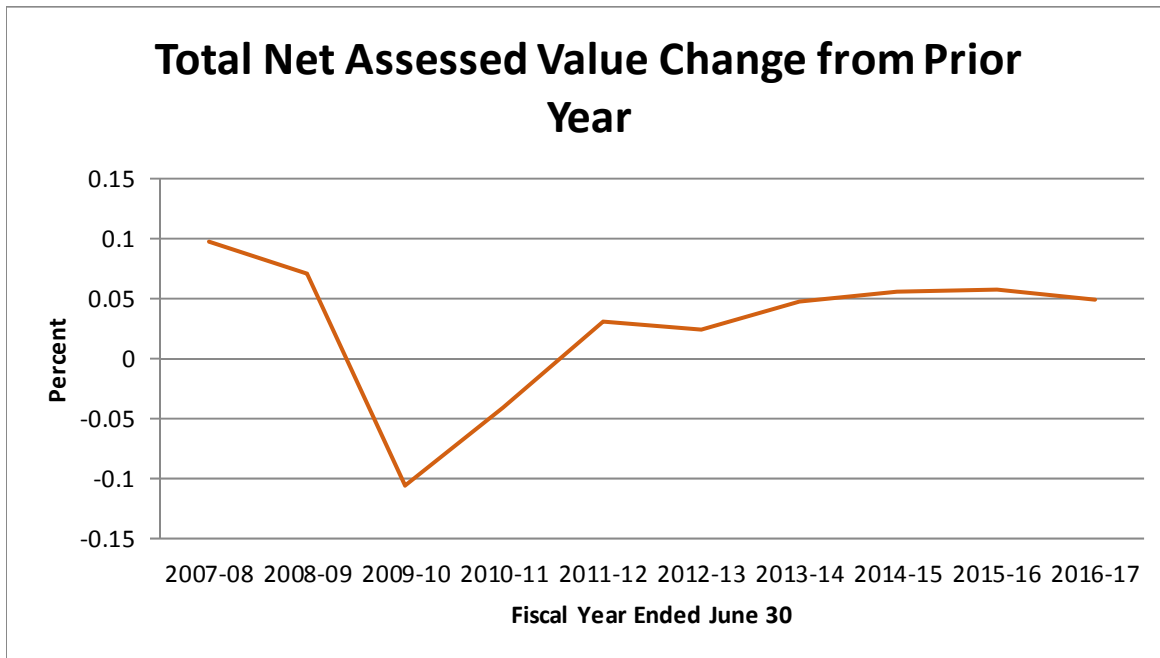


## **REVENUE CAPACITY**

**COUNTY OF MADERA, CALIFORNIA  
 ASSESSED VALUATION<sup>a</sup>  
 LAST TEN FISCAL YEARS  
 (IN THOUSANDS)  
 (UNAUDITED)**

<u>Fiscal Year</u>	<u>Secured</u>	<u>Unsecured</u>	<u>Exemptions</u>	<u>Net Assessed Avaluations</u>	<u>Percentage Increase from Prior Year</u>	<u>Tax Rate</u>
2007-08	\$ 11,687,954	\$ 354,462	\$ 406,832	\$ 11,635,584	9.65	1.0000
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

Source: Assessor to Auditor Certified Values



<sup>a</sup> 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									
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-2017
<b>COUNTY DIRECT RATES</b>										
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	0.999211	0.999188	0.999222	0.999051	0.998926	0.998936	0.998771	0.998445	0.998288	0.998027
Public Utility Unitary										
Regulated Railroad Property	-	-	-	-	-	-	-	1.000000	0.998194	1.000000
Lower San Joaquin Levee (Negative Rate)	(0.033650)	(0.031422)	(0.031022)	(0.032830)	(0.033775)	(0.040456)	(0.034433)	(0.043238)	(0.030948)	0.038080
<b>CITIES, SCHOOLS, AND SPECIAL DISTRICTS COMBINED RATES</b>										
Bass Lake ESD Bond 2006	0.007862	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
Chawanakee USD Bond 2006	0.040064	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
Chawanakee USD Refunding Bond 2015	-	-	-	-	-	-	-	-	0.060259	0.049420
Coarsegold ESD Refinancing Bonds 1A & 1B	0.023197	0.033446	0.029433	0.018615	-	-	-	-	-	-
Chowchilla UHS Bond 2005	0.018567	0.010555	0.019869	0.016118	0.015583	0.014651	0.015056	0.014782	0.004675	0.004748
Chowchilla UHS Bond 2006	0.004990	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
Yosemite UHS Bond 1998	0.014530	0.011457	0.019337	0.015879	0.015354	-	-	-	-	-
Yosemite UHS Bond 2000	0.010488	0.008543	0.013868	0.011764	0.011553	-	-	-	-	-
Yosemite UHS Refunding Bond 2011	-	-	-	-	-	0.043157	0.009103	0.026243	0.022184	0.022153
Firebaugh-Las Deltas USD Building Override	0.141978	0.021840	0.080750	0.073788	0.078314	0.000206	-	-	-	-
Firebaugh-Las Deltas USD Bond 1998	0.076720	0.024124	0.000484	0.067630	0.068814	0.052224	0.045732	0.041236	0.036286	0.024558
Firebaugh-Las Deltas USD Bond 2002	0.057938	0.000002	0.000002	0.007740	0.077418	-	-	-	-	-
Firebaugh-Las Deltas USD Bond 2006	0.142908	0.042633	0.037249	0.011412	0.036922	0.063906	0.048390	0.044922	0.038816	0.027688
Golden Valley USD Refinancing Bond 2005	0.054715	0.042224	0.068012	0.067050	0.088803	0.073421	0.074863	0.074717	0.078247	0.075847
Golden Valley USD Bond 2007 C	0.025095	0.015349	0.018877	0.019971	0.024733	0.020622	0.016055	0.016923	0.021121	0.001995
Golden Valley USD Bond 2007 D	0.007903	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
Golden Valley USD Bond 2007 A	0.058760	0.040792	0.060000	0.056770	0.049514	0.051295	0.049049	0.050654	0.063393	0.018133
Golden Valley USD Bond 2016	-	-	-	-	-	-	-	-	-	0.053897

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

	Fiscal Year									
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
<b>CITIES, SCHOOLS, AND SPECIAL DISTRICTS COMBINED RATES (CONTINUED)</b>										
Madera USD Bond 2003	0.011668	0.009187	0.012509	0.016029	0.016541	-	-	-	-	-
Madera USD Bond 2005	0.023694	0.016537	0.023583	0.028031	0.027784	0.027548	0.030358	0.029905	-	-
Madera USD Bond 2006	0.003127	0.002430	0.004091	0.003950	0.004041	0.004064	0.004370	0.004134	-	-
Madera USD Bond 2007	0.020431	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
Madera USD Refunding Bond 2014	-	-	-	-	-	-	-	-	0.045962	0.054690
Madera USD Bond 2015	-	-	-	-	-	-	-	-	0.045013	0.047002
Merced CC Bond 2003	0.020000	0.001871	0.003580	0.013700	0.013000	0.012900	0.011800	0.013500	0.011400	0.011100
State Center CC Bond 2003	0.000898	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	0.004140	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
State Center CCBond 2009 B	-	-	0.001548	0.000810	0.000722	0.000752	0.000726	0.000720	0.000834	0.000540
State Center CC Refunding Bond 2012	-	-	-	-	-	0.002028	0.002350	0.003448	0.002534	0.002562
State Center CC Refunding Bond 2015	-	-	-	-	-	-	-	-	0.004140	0.003172
West Hills Community College Bond 2001 A	0.003662	0.000002	0.000002	0.000002	0.000002	0.007426	-	-	-	-
West Hills CC Refunding Bond 2005	0.015598	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
West Hills CC Refunding Bond 2012	-	-	-	-	-	0.002770	0.001722	0.002562	0.001672	0.001618
West Hills CC SFID Bond B 2008	-	-	-	-	-	-	0.011306	0.011292	0.011162	0.009866
West Hills CC Bond 2014 A	-	-	-	-	-	-	-	-	0.011512	0.006996
West Hills CC Refunding Bond A 2015	-	-	-	-	-	-	-	-	0.003574	0.001952
West Hills CC Refunding Bond B 2015	-	-	-	-	-	-	-	-	0.011700	0.007640

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 2016-17			Fiscal Year 2007-08		
		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	\$ 345,382	1	2.51 %	\$ 172,449	1	1.48%
PARAMOUNT FARMS INTERNATIONAL LLC	FARMING	165,804	2	1.21			
CANANDAIGUA WEST INC	MANUFACTURING	132,940	3	0.97	140,960	2	1.21%
GILL RANCH STORAGE LLC	FARMING	112,539	4	0.82			
ARDAGH GLASS INC	MANUFACTURING	89,964	5	0.65	72,317	4	0.62%
SOUTHERN CALIFORNIA EDISON COMPANY	PUBLIC UTILITY	96,227	6	0.70	76,906	3	0.66%
PARAMOUNT LAND COMPANY LLC	LAND DEVELOPMENT	92,869	7	0.68			
CERTAINTEED CORPORATION	MANUFACTURING	71,242	8	0.52	41,041	6	0.35%
PACIFIC ETHANOL MADERA LLC	MANUFACTURING	49,682	9	0.36	71,191	5	
SAN JOAQUIN RIVER RANCH LLC	FARMING	43,919	10	0.32			
CANANDAIGUA VINTNERS ACQUISITION CORPORATION	MANUFACTURING				35,962	7	0.31%
SIERRA TELEPHONE COMPANY INC	COMMUNICATIONS				29,329	9	0.25%
JEFFREY A LION ET AL	LAND DEVELOPMENT				30,596	8	0.26%
RIO MESA HOLDINGS LLC	LAND DEVELOPMENT				26,010	10	0.22%
Total		<u>\$ 1,200,568</u>		<u>8.74 %</u>	<u>\$ 696,761</u>		<u>5.38%</u>
Total County Assessed Value		\$ 13,743,440			\$ 11,635,584		

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 Delinquent
		Collected Amount	Percent of Original Levy			
2007-08	\$ 130,899,885	\$ 121,905,516	93.13 %	\$ 8,100,520	\$ 893,849	0.68%
2008-09	137,028,225	126,768,613	92.51	9,433,170	826,442	0.60%
2009-10	130,376,443	124,575,167	95.55	4,782,265	1,019,011	0.78%
2010-11	120,870,312	115,026,254	95.17	4,604,892	1,239,166	1.03%
2011-12	125,739,868	120,987,412	96.22	3,568,517	1,183,939	0.94%
2012-13	127,721,903	123,931,194	97.03	2,486,914	1,303,795	1.02%
2013-14	132,124,915	129,673,691	98.14	1,222,758	1,228,466	0.93%
2014-15	142,834,780	139,107,373	97.39	1,931,977	1,795,430	1.26%
2015-16	152,760,751	149,840,573	98.09	1,250,047	1,670,131	1.09%
2016-17	166,571,258	162,692,153	97.67	-	3,879,105	2.33%

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									
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Governmental Activities</b>										
Mello-Roos Bonds	\$ 510,000	\$ 265,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Certificates of Participation	21,055,000	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
Capital Leases	465,555	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
Total Bonds and Notes Payable	22,030,555	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
Less: Resources Restricted for Principal Repayment	666,818	423,358	210,542	311,261	107,502	98,303	45,237	69,319	-	-
Net Total Bonds and Notes Payable	21,363,737	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
<b>Business Type:</b>										
Bonds Payable	10,074,710	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
Notes Payable	4,620,499	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
Total Bonds and Notes Payable	14,695,209	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
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
Net Total Bonds and Notes Payable	14,695,209	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
Total Outstanding Debt Less Retriected Resources	<u>\$36,058,946</u>	<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>
Percentage of Personal Income	1.02%	N/A	N/A	0.89%	0.78%	0.69%	0.64%	N/A	N/A	N/A
Percentage of Assessed Value of Taxable Property (a)	0.31%	0.28%	0.32%	0.33%	0.31%	0.29%	0.27%	0.45%	0.12%	0.40%
Net Outstanding Debt Per Capita	\$247.56	\$240.92	\$237.46	\$229.07	\$222.14	\$214.71	\$205.96	\$364.36	\$336.89	N/A

**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									
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Assessed Value of Property (a)	\$12,042,416	\$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
Debt Limit, 1.25% of Assessed Value	\$ 150,530	\$ 160,917	\$ 148,862	\$ 139,202	\$ 144,311	\$ 147,921	\$ 155,313	\$ 163,531	\$ 172,970	\$ 180,909
<i>Amount of Debt Applicable to Limit</i>										
General Obligation Bonds (b)	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<u>\$ 150,530</u>	<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>
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	
<b>Public Facilities Bonds/Loans</b>						
2007-08	\$ 2,115,799	\$ 1,626,424	\$ 489,375	\$ 145,891	\$ 537,880	0.72
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





## **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)
2008	150,887	N/A	\$ 26,880	29,394	9.5%
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	N/A	N/A	N/A	31,468	8.0%*

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 2017

## **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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government	209	186	N/A	225	220	201	202	200	199	211
Public Protection	555	505	N/A	468	481	466	492	474	497	511
Public Ways and Facilities	83	83	N/A	71	71	74	76	77	76	77
Health and Sanitation	335	320	N/A	242	237	244	248	253	254	247
Public Assistance	230	218	N/A	224	235	259	275	302	315	341
Education	40	24	N/A	25	26	23	25	24	24	25
Recreation	9	7	N/A	4	4	4	5	5	5	6
Total	<u>1,460</u>	<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>

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

<u>Function/Department</u>	Fiscal Year									
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Public Protection</b>										
<b>Planning and Building</b>										
<i>Total Permits Issued</i>	N/A	N/A	1,179	N/A	657	440	537	913	636	756
<b>Corrections</b>										
<i>Jail Bookings</i>	6,763	6,819	4,850	5,823	5,425	5,381	4,913	4,575	4,193	4,350
<i>Average Daily Population</i>	400	405	450	408	388	440	482	443	405	415
<b>Probation</b>										
<i>Juvenile Hall</i>										
<i>Average Daily Population</i>	72	80	60	47	50	54	57	49	43	44
<b>Health and Sanitation</b>										
<b>Environmental Health</b>										
<i>Septic Permits Issued</i>	N/A	N/A	N/A	N/A	78	99	124	127	104	88
<i>Wells Permits Issued</i>	N/A	N/A	N/A	N/A	167	316	296	525	573	303
<b>Health and Sanitation</b>										
<i>Mental Health</i>										
<i>Services Provided to Youth</i>	11,398	10,494	10,494	9,205	8,470	8,729	12,346	16,239	20,350	25,224
<i>Services Provided to Adults</i>	57,234	43,286	43,286	37,451	33,669	32,944	31,837	27,665	27,594	27,400
<i>Public Health</i>										
<i>Number of Children Enrolled in the Healthy Families Program<sup>a</sup></i>	108	119	112	140	160	121	N/A	N/A	N/A	N/A
<i>Percentage of the State Allocated Caseload Enrolled in the Women, Infants &amp; Children (WIC) Program</i>	103.0%	102.9%	101.9%	100.2%	98.8%	98.0%	98.7%	97.9%	97.0%	95.5%

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

<u>Function/Department</u>	Fiscal Year									
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Health and Sanitation (Continued)</b>										
<i>Percentage of Live Born Infants Whose Mothers Received Prenatal Care in the First Trimester</i>	71%	68%	74%	72%	71%	70%	73%	74%	73%	75%
<b>Solid Waste</b>										
<i>Fairmead Landfill</i>										
<i>Cubic Yards per year</i>	209,921	229,443	184,353	174,879	176,184	204,854	254,395	350,677	312,420	493,958
<i>% of Capacity</i>	58%	66%	72%	77%	83%	53% *	55%	58%	60%	34%*
<b>Public Assistance</b>										
<b>Social Services</b>										
<i>Rate per 1,000 Children Entering Out-of-Home Care for the First Time (State Rate is 2.8)</i>	2.7	3.6	3.5	3.3	2.6	5.4	5.6	4.4	5.1	5.7
<i>Percentage of Child Abuse/Neglect Referrals Where a Response is Required within 10 Days that were Timely</i>	33%	6%	2%	3%	6%	6%	12%	21%	71%	61%
<b>Education</b>										
<b>Library</b>										
<i>Annual Expenditure per Capita for Total Library Budget (\$)</i>	12	N/A	11	7	5	6	6	7	8	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.

<sup>a</sup> 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									
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Recreation and Cultural Services</b>										
Park Acreage	14	14	14	14	14	14	325	325	325	325
<b>Public Protection</b>										
Correctional Facility Capacities:										
Main Jail	419	419	419	419	419	563	563	563	563	563
Juvenile Hall	70	70	70	74	74	74	74	74	74	74
Juvenile Boot Camp	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	30	30
<b>Public Ways and Facilities</b>										
Miles of County Roads	1,536	1,532	1,529	1,529	1,525	1,512	1,512	1,511	1,511	1,511
Number of Bridges	170	170	170	170	170	170	170	170	170	147
<b>Libraries</b>										
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