



COUNTY OF FRESNO STATE OF CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For The Fiscal Year Ended
June 30, 2008**

**Vicki Crow, C.P.A.
Auditor-Controller/Treasurer-Tax Collector**

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INTRODUCTORY SECTION

- Letter of Transmittal
- Certificate of Achievement – Government Finance Officers Association
- Organization Chart
- List of Principal Officials

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County of Fresno

Vicki Crow, C.P.A.

Auditor-Controller/Treasurer-Tax Collector

December 22, 2008

The Honorable Board of Supervisors
County of Fresno
Fresno, California

Members of the Board:

The Comprehensive Annual Financial Report (CAFR) of the County of Fresno (County) for the fiscal year ended June 30, 2008, is hereby submitted in accordance with the provisions of Sections 25250 and 25253 of the Government Code of the State of California.

The report contains financial statements that have been prepared in conformity with generally accepted accounting principles (GAAP) prescribed for governmental entities. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the County's management. An established comprehensive framework of internal controls has been designed to provide reasonable assurance that the enclosed data is accurate in all material respects and that its presentation fairly depicts the financial position and changes in financial position of County funds. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls is designed to provide reasonable, rather than absolute assurance, that the financial statements will be free from material misstatements.

The County's financial statements have been audited by the certified public accounting firm of Price, Paige and Company. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2008, are free of material misstatement. The independent certified public accounting firm has issued an unqualified ("clean") opinion on the County's financial statements as of and for the year ended June 30, 2008. The auditors report is located at the front of the financial section of this report.

This letter of transmittal is designed to complement and should be read in conjunction with Management's Discussion and Analysis (MD&A). MD&A provides a narrative introduction, overview, and analysis of the financial statements and can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

The County was created from parts of Merced, Tulare and Mariposa counties in 1856 and is a political subdivision chartered by the State. It is the fifth largest county in the State in terms of area, occupying 6,018 square miles in the heart of the San Joaquin Valley and has a population of 931,000. There are 15 incorporated cities within the County: Fresno, Clovis, Reedley, Sanger, Kerman, Fowler, Selma, Kingsburg, Parlier, Orange Cove, Huron, San Joaquin, Tranquility, Mendota and Firebaugh. The largest employment categories include services, wholesale and retail trade, public administration, agriculture and manufacturing.

Policymaking and legislative authority is vested in the County Board of Supervisors (Board), which consists of an elected supervisor from each of five districts. The Board is responsible for, among other things, passing ordinances, adopting budgets, appointing committees, and appointing the County Administrative Officer (CAO). The CAO, in turn, appoints the non-elected department heads that are not otherwise appointed by law. The County has six elected department heads responsible for the offices of Assessor-Recorder, Auditor-Controller/Treasurer-Tax Collector, Clerk-Registrar of Voters, District Attorney, Coroner-Public Guardian and Sheriff. The following organization chart reflects the various functional categories reported in the government-wide Statement of Activities, and identifies principal officials in each area.

Board of Supervisors

Phil Larson District 1	Susan B. Anderson District 2	Henry R. Perea District 3	Judy Case District 4	Bob Waterston District 5
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Bart Bohn
County Administrative Officer

Janelle E. Kelly
Interim County Counsel

Public Protection	Health Sanitation & Public Assistance	Public Ways & Facilities	Education	Culture & Recreation	General Government
Margaret Mims Sheriff	Julie Hornback Employment & Temporary Assistance	Alan Weaver Director/Public Works & Planning	Karen Bosch Cobb County Librarian	Alan Weaver Director/Public Works & Planning	Robert C. Werner Assessor-Recorder
Elizabeth A. Egan District Attorney	Edward L. Moreno, MD Director/Health Officer- Public Health	Carol N. Hafner Interim Agricultural Commissioner/Sealer of Weights & Measures	Jeanette M. Sutherlin Cooperative Extension		Vicki Crow CPA Auditor-Controller/ Treasurer-Tax Collector
Linda Penner Chief Probation Officer	Giang T. Nguyen, R.N. MSN Director/ Behavioral Health				John Navarrette, Director/ General Services
Kenneth K. Taniguchi Public Defender	Robert W. Bash, Child Support Services				Ralph Jimenez Director/Personnel Services
David M. Hadden, MD Coroner-Public Administrator/Guardian	Catherine Huerta Children & Family Services				Gary Osmondson Chief Information Officer
Victor E. Salazar County Clerk/Registrar of Voters					

The County, with an average of 7,835 full-time equivalent employees, provides a full range of services to its residents as the above organization chart depicts. Included in reported operations are various component units which provide specific services county-wide or to distinct geographic areas within the County. They include, among others, the Fresno County Employees' Retirement Association (FCERA), County Service Areas (CSA's), the Fresno County Financing Authority (FCFA), the Fresno County Tobacco Funding Corporation, Friant Community Redevelopment Agency and the Children and Families Commission. While these entities are legally separate from the County, the County has some financial accountability for them, their governing bodies are substantially the same as the County's Board and in most cases they provide services exclusively to the County.

For financial planning and control, the Board adopts an annual appropriated budget for the County. Activities of the General Fund, most Special Revenue funds, and the Debt Service fund, are included in the annual budget. Budgetary control is exercised at the department level in both the General and Special Revenue funds. The legal level of control is at the object level except for capital assets which are controlled at the sub-object level. Project-length financial plans are adopted for capital improvements. The County also maintains an encumbrance accounting system to assist with budgetary control. Encumbered appropriations do not lapse at year-end; encumbrances outstanding at that time are reported as reservation of fund balance for the following year's budget. Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated annual budget has been adopted.

The County of Fresno internet site at <http://www.co.fresno.ca.us> provides extensive information about County government and its services to the citizens of Fresno County and to those who visit. The County's website includes information about the Board, including how to contact the Board, and provides Board Agendas, County job listings, bid solicitations, County directories, information on how to appeal assessments, voter information, County permits and forms, and financial information such as the County tax rate book, the annual budget, and recent CAFRs. The site also provides several online services, including the ability to view both live and archived Board meetings, look up election results and polling places, and pay property taxes.

ECONOMIC OVERVIEW

Fresno County serves as a financial, trade, commercial and educational center for central California. The County is one of eight counties in the valley that routinely accounts for one-half of California's agricultural production. In addition to an extensive highway and road system, several motor freight carriers and a railway network, the County is also home to Fresno Yosemite International Airport which provides both passenger and cargo services.

Presently, both the national and local economies have suffered significant downturns. The national housing slump, the breakdown in the mortgage markets, tighter credit, volatile financial markets and rising energy prices have affected the State and County substantially. The housing slump has affected California, including the County, more than it has most other states or areas. The current outlook for the State economy is for slower growth through 2008 with improved growth for 2009.

After years of strong growth in the County's economy, the recent economic trends have resulted in a decline in property and sales tax revenues. The slumping housing sector and mortgage crisis has slowed the residential building industry and certain property has been re-assessed at a lower value. The housing slump and higher energy prices have begun to take a significant toll on taxable sales. This is particularly notable for vehicle sales and those at home improvement outlets.

The County's unemployment rate is typically higher than average due to the seasonal nature of its large agricultural employment base. After recent experience with relatively low rates, its unemployment rate shifted upward to over 11% in 2008. This rate contrasts with the 20 year low of 9% in 2006.

In 2007, the County remained the leading agricultural county in the state and nation. Total gross production in 2007 increased by 10.35% over 2006 setting a new production record and exceeding the five billion dollar mark for the first time. While agriculture accounts for 14.9% of wage and salary employment, other important sources of employment are services 35.9%, government 19.1%, trade, transportation and utilities 16.8%, construction 5.5% and manufacturing 7.8%. In recent years, agriculture jobs have declined due to increased efficiencies, farm consolidations and farm land retirements. Construction jobs recently dropped because of the current poor housing market.

MAJOR INITIATIVES, SERVICE EFFORTS AND ACCOMPLISHMENTS

Current

The County continues to participate in the Fresno Regional Jobs Initiative (RJI), along with other governmental entities and organizations. The objective of the RJI is to generate long-term, sustainable economic development in the Fresno region by diversifying the industrial and economic base of the area to combat chronic high employment.

The County maintains the largest road system in California. The 2008-2009 Road Fund adopted budget totaled \$91.6 million, which reflects an increase of 36% from the prior years adopted budget. The budget increase is the result of programming several large special highway construction projects for 2008-2009. Major projects include the final phase of the Friant Road four-lane divided highway project, Measure "C" shoulder widening and asphalt concrete overlay work to Academy Avenue and additional phases of the Measure "C" Academy Avenue four-lane divided highway project. Various federally funded bridge replacements, intersection improvements, and safety railing installations are included in the budget. Preventative road maintenance activities and rehabilitation of County's roads are included as high priorities. Approximately 74 miles of chip seal projects, 38 miles of slurry seals on local streets and 36 miles of asphalt concrete overlay projects are programmed.

Implementation of the Long-Range Capital Projects Plan continued in fiscal year 2007-2008. Phase one of the construction of the Juvenile Justice Campus project was completed in May 2006 creating a state-of-the-art complex to house and rehabilitate juveniles.

The second phase of the Juvenile Justice Campus began in 2006-2007. The County issued \$55,350,000 in Lease Revenue Bonds in April 2007 to fund the construction of the Juvenile Court Facility on the Juvenile Justice Campus. The Juvenile Court Facility is a shared-use facility, which will include court rooms occupied by the State of California and office space for County staff, such as the District Attorney, Public Defender and Probation. A lease arrangement between the State and the County provides for the State to lease space, supplying a revenue stream to service approximately 50% of the debt service related to the Juvenile Court Facility. The Court is expected to be complete by June 2009.

The Board has approved the conceptual design for a new Coroner's building. It is anticipated that the County will issue Lease Revenue Bonds in the amount of \$40,000,000 in May 2009 to finance construction of the Coroner building.

Other proposed projects include a Center of Agriculture and Food Safety and the West Fresno Human Services One Stop Center and branch library. During 2007-2008 property was purchased for the Center of Agriculture project.

In March 2002, the Board approved a 75% securitization of tobacco settlement revenues, which generated a par amount of \$92,955,000 in bonds, with net proceeds of \$75,722,815. These funds were used for the Juvenile Justice Campus construction. In April 2006, the County issued subordinate Tobacco Settlement Asset-Backed Bonds in the amount of \$39,015,131 to fund future capital projects.

In November 2006, the voters passed a ballot measure to extend Measure “C”, which is a sales tax dedicated to transportation. It is anticipated that the measure will provide for \$1.7 billion in transportation dollars over the next 20 years. Projects include street maintenance, ADA compliance requirements, regional public transit, and alternative transportation.

Future

The County’s budget is influenced by the actions adopted in the State’s fiscal budget. The State adopted its budget late, in October 2008, without material adjustments to County managed programs. However, the State is projecting budget reductions for the 2009-2010 fiscal years and may be forced to revisit its current year budget due to slower than anticipated growth in taxes because of the housing industry slump.

The County’s 2008-2009 adopted budget was \$30 million less than the prior year. The decrease is due to lower funding as a result of the sluggish economy which caused sales tax revenues to decline and property taxes to flatten. The primary budget reductions were made in the Health and Welfare programs. It is anticipated that the decline in property and sales tax revenue will continue through the following year.

The County’s Long Range Capital Projects Plan continues in fiscal year 2008-2009 with the second phase of the Juvenile Justice Campus project. Construction is completed on the detention facility and the next phase of adding a Juvenile Courthouse is underway. The Juvenile Justice Campus is currently occupied; however juveniles continue to be transported to the existing Juvenile Court.

As a part of the Capital Projects Plan, the County approved a County-wide development impact fee. The fee is designed to fund future public facilities and capital improvements to support the growth within Fresno County. The County completed the County Impact Fee Study and is currently negotiating with cities to collect and remit the fee to the County. The fee became effective August 2008.

The County and the City of Fresno formed a Joint Powers Agreement (JPA) to pursue opportunities to integrate public safety services. The JPA will establish a public entity, separate from the City and County, to create a joint property and evidence storage unit, accelerated prisoner processing and assume management of a joint dispatch center.

OTHER INFORMATION

Pension Trust Fund Operations

The County participates in and contributes to a defined benefit plan covering all full-time employees. Contributions are made to the Fresno County Employees' Retirement Association (FCERA) by both the County and employees as recommended by the actuary and approved by the Board of Retirement and the Board. The FCERA is reported as a Pension Trust Fund in these statements; however, a complete financial report is available from the FCERA.

Cash Management

The County manages two separate pools of funds, each subject to different cash management practices; the Treasury Investment Pool (Pool) and the FCERA.

The Pool is comprised of all County and agency funds that are deposited in the County Treasury for operating purposes. A formal investment policy is administered by staff to ensure that investments satisfy legal guidelines, provide liquidity to meet the daily demands upon the Treasury, and provide the highest interest earnings within these constraints. A Treasury Oversight Committee is responsible for regulatory oversight.

Investments authorized under this policy include U.S. Treasury and agency obligations, bankers' acceptances, commercial paper, certificates of deposit, repurchase agreements, medium-term notes, the State's Local Agency Investment Fund (LAIF), mutual funds, and mortgage-backed securities. The policy further restricts investments such that the average weighted maturity of the Pool cannot exceed 550 days or 1½ years.

During the year, the Pool earned an average yield of 4.69 percent. This compares favorably with the average yield of 2.91 percent for 90 day Treasury Bills although it falls short of the Consumer Price Index of 5.02 percent. In this fiscal year, the County of Fresno earned interest of \$16,298,000.

The FCERA's Pension Trust Fund is governed by the Board of Retirement and asset management advisory firms administer investments. The Board has adopted an investment policy intended to provide sufficient benefits to plan participants within an investment structure that minimizes risk and maximizes investment return. Investments include common stocks, short-term corporate and government debt instruments, mortgage backed pass-through certificates and private market investments which includes real estate and alternative investments. For fiscal year 2007-08, the ratio of net investment income to total investments was (7.0 %) with net investment income totaling (\$189,911,000) and investments totaling \$2,655,643,000.

Additional information on the County's cash management activities can be found in Note 16 to the basic financial statements.

Risk Management

The County maintains a comprehensive risk management program administered by a full-time professional risk manager and staff. The County is self-insured for workers' compensation, public liability, medical malpractice, unemployment and property damage. The County records estimated liabilities for such claims filed or expected to be filed for incidents that have occurred. The self-insurance for workers' compensation and public liability are supplemented with excess insurance policies. County officials believe that assets of the Risk Management Fund, together with funds to be provided in the future, will be adequate to meet all self-insured claims for workers' compensation, general liability, medical malpractice, unemployment and property damage claims as they come due.

Additional information on the County's risk management activities can be found in Note 11 to the basic financial statements.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its CAFR for the fiscal year ended June 30, 2007. This was the twenty-ninth consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the County is required to publish an easily readable and efficiently organized CAFR that satisfies both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to the Government Finance Officers Association to determine its eligibility for another certificate.

Acknowledgments

I wish to express my appreciation to the staff of the Auditor-Controller/Treasurer-Tax Collector's Office, whose hard work, professionalism and dedication are responsible for the timely preparation of this report, and to Price, Paige & Company for their professional assistance. Finally, I would like to thank the Board and members of the Audit Committee for their continued efforts in planning and conducting the County's financial operations in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Vicki Crow".

Vicki Crow, C.P.A.
Auditor-Controller/Treasurer-Tax Collector

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Fresno
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



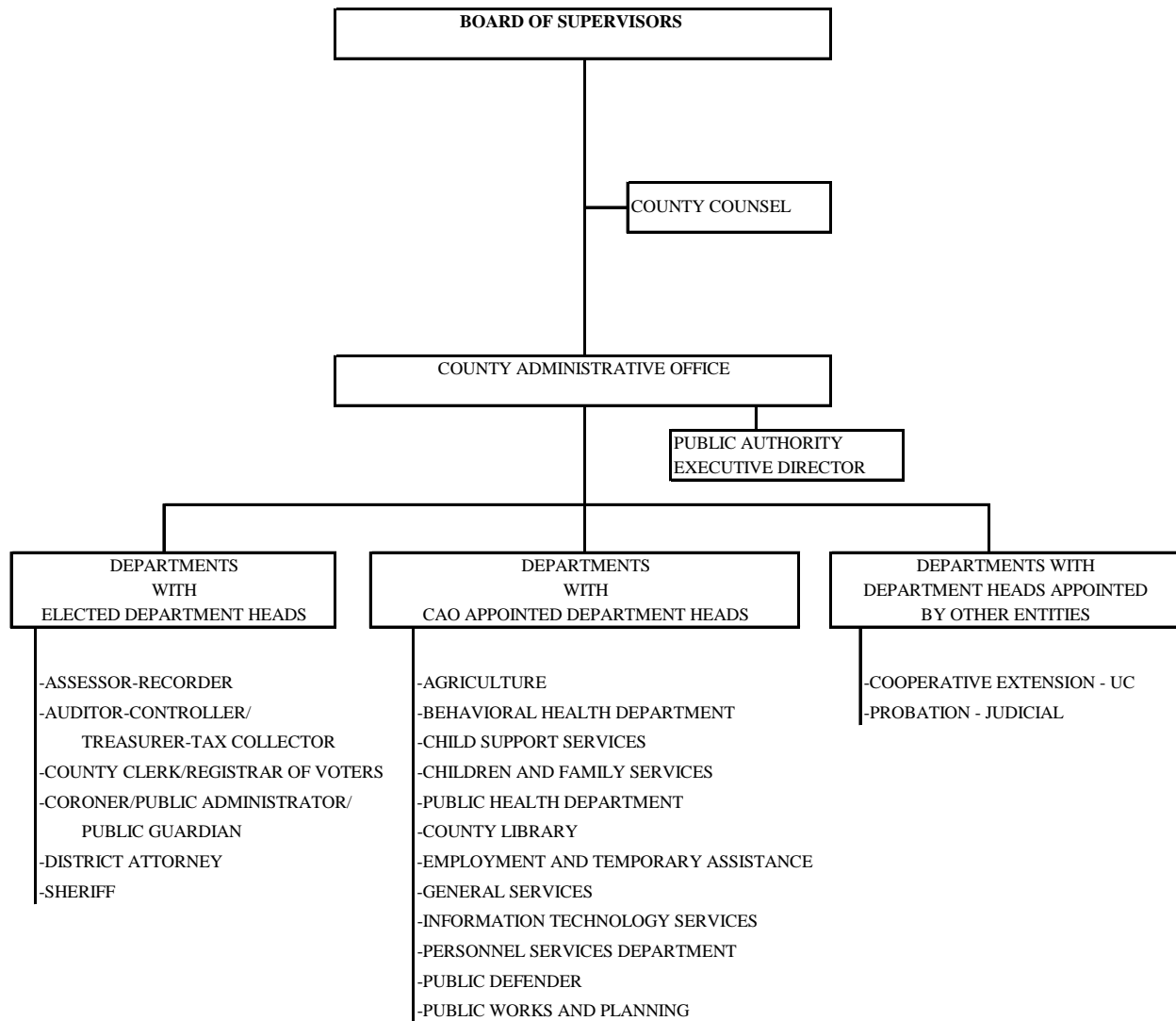
Chene S. Cox

President

Jeffrey R. Emer

Executive Director

COUNTY OF FRESNO ORGANIZATIONAL CHART



**County of Fresno
List of Principal Officials
June 30, 2008**

ELECTED OFFICIALS

Board of Supervisors:

Supervisor, District 1	Phil Larson
Chairperson, Supervisor, District 3	Henry R. Perea
Supervisor, District 2	Susan Anderson
Supervisor, District 5.	Bob Waterston
Supervisor, District 4	Judy Case
Assessor-Recorder.....	Robert C. Werner
Auditor-Controller/Treasurer-Tax Collector.	Vicki Crow, C.P.A.
County Clerk/Registrar of Voters.	Victor E. Salazar
Coroner-Public Administrator/Guardian	David M. Hadden, M.D.
District Attorney.....	Elizabeth Egan
Sheriff	Margaret Mims

APPOINTED OFFICIALS

County Administrative Officer	Bart Bohn
County Counsel (thru 6/20/08)	Dennis Marshall
Interim County Counsel	Janelle E. Kelly

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FINANCIAL SECTION

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

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INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Supervisors
County of Fresno
Fresno, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Fresno, California (the County), as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Fresno County Employees' Retirement Association (Agency), which represents 66% of the assets and negative 21% of the additions of the Statement of Fiduciary Net Assets – Fiduciary Funds and the Statement of Changes in Fiduciary Net Assets – Fiduciary Funds, respectively. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Agency, 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2008, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with the accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report, dated December 19, 2008, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audit.

The management's discussion and analysis (MD&A) on pages 3 through 13, and the required supplementary information other than MD&A, are not a required part of the basic financial statements, but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Price Paige & Company

December 19, 2008
Clovis, California

Management's Discussion and Analysis

(amounts expressed in thousands)

The County of Fresno's (County) discussion and analysis is designed to present a narrative overview of the financial activities of the County and an analysis of the County's financial performance during the fiscal year ended June 30, 2008. Please read it in conjunction with the transmittal letter at the front of this report and the County's basic financial statements following this section. All dollar amounts are expressed in thousands unless otherwise indicated.

FINANCIAL HIGHLIGHTS

- At the close of the 2007-2008 fiscal year, the assets of the County exceeded liabilities by \$407,506. This difference is referred to as "net assets". However, a deficit of \$346,882 in the unrestricted portion of net assets exists due to the addition of long-term debt obligations beginning fiscal year 2003-2004. The largest of these obligations occurred when the County issued two series of Pension Obligation Bonds totaling \$402,898 that year. The County's net assets also include restricted net assets of \$160,666 representing assets which can only be used for specific purposes, and \$593,722 representing the County's investment in capital assets, net of related debt.
- The County's long-term debt decreased by \$3,071. Long term debt totals \$932,743 at June 30, 2008.
- The government's total net assets increased by \$88,789 this is primarily due to an increase in capital assets of \$105,839 of which \$30,061 was related to a prior period adjustment. The greatest increase in revenue, \$35,631 was in Health, Sanitation, and Public Assistance operating grants.
- As of June 30, 2008, the County's governmental funds reported combined ending fund balances of \$324,761 which is a decrease of \$50,834 in comparison to the prior year. Approximately 42.3% of combined fund balances, or \$137,325 is unreserved and available for appropriation at the government's discretion, subject to reporting fund-type limitations.
- The General Fund's unreserved fund balance is \$136,892 at the end of the current fiscal year, or 11.9% of total General Fund expenditures. This entire amount is budgeted to be spent in the next fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following narrative is 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. Required supplementary information is included in addition to the basic financial statements.

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

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

The *Statement of Activities* presents information showing how net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Management's Discussion and Analysis

(amounts expressed in thousands)

Both of these government-wide financial statements distinguish functions of the County that are principally supported by intergovernmental revenues and property and sales taxes (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government; public protection; public ways and facilities; health, sanitation, public assistance; education; and culture and recreation. The business-type activities of the County include the Fresno County Solid Waste Enterprise (Landfill), the County Service Areas (CSAs), and the Crocker Building.

Component units are included in our basic financial statements and consist of legally separate entities for which the County is financially accountable and that have substantially the same Board as the County or provide services entirely to the County. Two examples of the County's blended component units are the Fresno County Financing Authority and the Fresno Employees' Retirement Association (FCERA). The Children and Families First Commission (the Commission) is reported as a discretely presented component unit. This is because while there is some financial accountability by the Commission to the Board, services provided by the Commission are not provided solely to the County.

The government-wide financial statements can be found on pages 14-15 of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains fourteen individual governmental funds. Information for the General Fund and for the Debt Service Fund is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance. Data for the other governmental funds are combined into a single, aggregated presentation. Summary fund data by fund type and individual fund data for these non-major governmental funds is provided as other supplementary information in the form of *combining statements* found on pages 68-101 of this report. The Capital Projects Fund is reported as a non-major fund.

Management's Discussion and Analysis

(amounts expressed in thousands)

The County adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement is provided for the General Fund and other governmental funds to demonstrate compliance with this budget. The County's General Fund budgetary schedule is presented as Required Supplementary Information. Budgetary comparisons for all other governmental funds are provided as other Supplementary Information.

The governmental funds financial statements can be found on pages 16-19 of this report

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

Proprietary funds provide the same type of information as the government-wide financial statements; however information is provided in more detail and includes cash flow statements. The Landfill and CSAs' operations are considered to be major funds of the County. The County's seven internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided as supplementary information in the form of combining statements can be found on pages 88-95 of this report.

The proprietary funds financial statements can be found on pages 20-23 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the County's own programs. The accounting used for fiduciary funds, except for the agency funds, is much like that used for proprietary funds. Individual fund data for agency funds is provided as supplementary information in the form of combining statements. These statements can be found on pages 98-101 of this report.

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

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. They are an integral part of the financial statements and should be read in conjunction with them. The notes can be found on pages 27-57 of this report.

Required Supplementary Information includes the General Fund Budgetary Comparison Schedule and the Fresno County Employees' Retirement Association (FCERA) Analysis of Funding Progress which provides information for the progress in funding of its obligation to provide pension benefits to County employees. Required supplementary information can be found on pages 60-62 of this report.

The combining and individual fund statements and schedules referred to earlier provide information for non-major governmental funds, internal service, and fiduciary funds, and are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 68-101 of this report.

Management's Discussion and Analysis
(amounts expressed in thousands)

Infrastructure Assets

The County capitalizes and depreciates the value of bridges, streets and traffic lights using straight line depreciation. Right of way is treated as a non-depreciable asset. During fiscal year 2007-08, the County added infrastructure totaling \$22,023. Accumulated depreciation for Infrastructure increased by \$11,120. Refer to the Capital Assets and Debt Administration section on page 11 for further information on the County's capitalization of infrastructure acquired during the fiscal year.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Prior period information is provided to facilitate comparative analysis between fiscal periods.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$407,506 at the close of the most recent fiscal year.

Summary of Net Assets
June 30, 2008

	Governmental Activities		Business-type Activities		Total	
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
Assets:						
Current and other assets	\$ 598,741	\$ 600,490	\$ 83,057	\$ 80,392	\$ 681,798	\$ 680,882
Capital assets	710,382	601,296	53,727	56,974	764,109	658,270
Total assets	<u>1,309,123</u>	<u>1,201,786</u>	<u>136,784</u>	<u>137,366</u>	<u>1,445,907</u>	<u>1,339,152</u>
Liabilities:						
Other liabilities	104,501	83,274	1,157	1,347	105,658	84,621
Long-term liabilities	900,608	905,033	32,135	30,781	932,743	935,814
Total liabilities	<u>1,005,109</u>	<u>988,307</u>	<u>33,292</u>	<u>32,128</u>	<u>1,038,401</u>	<u>1,020,435</u>
Net Assets:						
Invested in capital assets, net of related debt	544,635	470,668	49,087	52,383	593,722	523,051
Restricted	135,904	163,426	24,762	19,564	160,666	182,990
Unrestricted	(376,525)	(420,615)	29,643	33,291	(346,882)	(387,324)
Total net assets	<u>\$ 304,014</u>	<u>\$ 213,479</u>	<u>\$ 103,492</u>	<u>\$ 105,238</u>	<u>\$ 407,506</u>	<u>\$ 318,717</u>

The largest portion of the County's net assets, \$593,722, represents its investment in capital assets (e.g. land, land improvements, buildings, equipment, infrastructure and construction in progress); less any outstanding debt used to acquire those assets. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future repayment of the debt. This debt repayment must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the County's net assets represents resources that are subject to external restrictions on how they may be used.

Management's Discussion and Analysis

(amounts expressed in thousands)

The remaining balance for unrestricted net assets, (\$346,882), is a result of the County issuing debt for pension obligation bonds, lease revenue bonds, and tobacco tax bonds for governmental activities over the past several years. For business-type activities, the County reported positive balances in all three categories of net assets.

Current and other assets increased \$916 from \$680,882 to \$681,798, or 0.1% from the prior year. This increase is primarily due to increases in accounts receivable and taxes receivable along with a decrease in cash.

Capital assets increased \$105,839 from \$658,270 to \$764,109, or 16.1% from the prior year. The increase was primarily due to the addition of the Juvenile Justice Court and additions for infrastructure.

The County's long-term liabilities decreased \$3,071 from \$935,814 to \$932,743, or 0.3% from the prior year. This was mainly due to the payment of principal on bonds.

Management's Discussion and Analysis

(amounts expressed in thousands)

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

Summary of Changes in Net Assets For the Year Ended June 30, 2008

	Governmental Activities		Business-type Activities		Total	
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
Revenues:						
Program revenues:						
Charges for services	\$ 192,595	\$ 201,768	\$ 14,163	\$ 13,793	\$ 206,758	\$ 215,561
Operating grants and cont.	573,377	507,032	-	-	573,377	507,032
Capital grants and cont.	14,485	7,412	-	-	14,485	7,412
General Revenues						
Property taxes	220,356	199,714	711	657	221,067	200,371
Sales taxes	177,384	187,397	-	-	177,384	187,397
Motor vehicle in lieu taxes	45,891	45,666	-	-	45,891	45,666
Other	52,294	52,245	-	-	52,294	52,245
Investment earnings	12,495	13,263	3,808	3,519	16,303	16,782
Miscellaneous	3,891	1,681	1,765	1,712	5,656	3,393
Total revenues	<u>1,292,768</u>	<u>1,216,178</u>	<u>20,447</u>	<u>19,681</u>	<u>1,313,215</u>	<u>1,235,859</u>
Expenses:						
General government	70,697	52,001	-	-	70,697	52,001
Public protection	264,592	332,088	-	-	264,592	332,088
Public ways and facilities	117,737	54,286	-	-	117,737	54,286
Health, sanit. & public assist.	718,201	725,012	-	-	718,201	725,012
Education	10,691	25,971	-	-	10,691	25,971
Culture and recreation	2,491	3,476	-	-	2,491	3,476
Interest on long-term debt	47,909	43,136	-	-	47,909	43,136
County service areas, other	-	-	5,347	4,325	5,347	4,325
Landfill	-	-	16,533	13,181	16,533	13,181
Total expenses	<u>\$ 1,232,318</u>	<u>\$ 1,235,970</u>	<u>\$ 21,880</u>	<u>\$ 17,506</u>	<u>\$ 1,254,198</u>	<u>\$ 1,253,476</u>
Special item:						
Transfer of assets to Merced Co.	-	-	(289)	-	(289)	-
Increase(decrease) in net assets before transfers	<u>60,450</u>	<u>(19,792)</u>	<u>(1,722)</u>	<u>2,175</u>	<u>58,728</u>	<u>(17,617)</u>
Transfers	35	15	(35)	(15)	-	-
Increase(decrease) in net assets	<u>60,485</u>	<u>(19,777)</u>	<u>(1,757)</u>	<u>2,160</u>	<u>58,728</u>	<u>(17,617)</u>
Net assets beginning of year	213,479	266,116	105,238	102,772	318,717	368,888
Prior Period Adjustment	30,050	(32,860)	11	306	30,061	(32,554)
Net assets end of year	<u>\$ 304,014</u>	<u>\$ 213,479</u>	<u>\$ 103,492</u>	<u>\$ 105,238</u>	<u>\$ 407,506</u>	<u>\$ 318,717</u>

Governmental activities. Governmental-type activities increased the County's net assets by \$60,485. This accounts for the majority of the total increase in net assets of the County. In addition to changes due to operations, accounting adjustments were made to prior period net assets increasing net assets by \$30,050. These adjustments corrected accumulated depreciation for a software miscalculation of prior years' depreciation.

Management's Discussion and Analysis

(amounts expressed in thousands)

Charges for services decreased \$9,173 due to Medical paybacks to the state of California. Operating grants increased by \$66,345 because the slowing economy increased the need for public assistance and health services. Property taxes increased \$20,642. This increase in property taxes is due to collection of amounts that occurred during the phase of property valuation increases. Sales taxes decreased \$10,013 due to the slowing economy.

Expenses for public protection decreased \$67,496. Expenses for health, sanitation and public assistance decreased by \$6,811. While the fund financial statements show an increase for both these categories, these decreases are due to the expense recognition differences between modified accrual accounting and full accrual accounting. Both these categories include large purchases of capital assets that are capitalized when using full accrual accounting by removing the expense from the government-wide statements. This is the main reason why these categories show decreases in expenses. Expenditures for public ways and facilities increased due to infrastructure additions.

Interest on long-term debt increased by \$4,773, due to the addition of interest paid on the \$55 million of lease revenue bonds issued in 2006 for the Juvenile Justice Court.

One point to keep in mind when analyzing the increases/decreases noted above, is the application of the accrual basis of accounting for the County's governmental activities. Governmental activities budget and subsequently issue fund financial statements that reflect their budget and accounting practices under the modified accrual approach. Under this approach, capital asset purchases and debt principal payments are expensed. Further, revenues are accrued if measurable and available within the County's availability period (established at 60 days for general revenue or 90 days for grant revenue). In contrast, the Statement of Activities (summarized here as "Summary of Changes in Net Assets") is reported under the full accrual basis of accounting, which capitalizes capital asset purchases, reduces liabilities by principal payments and recognizes revenues regardless of if they are available within the 60 to 90 day period. See the reconciliation on page 17 which further explains the difference between changes in the County's fund balance under the modified accrual basis and changes in net assets under the accrual basis of accounting.

Business-type activities. Business-type activities decreased the County's net assets by \$1,757. In addition to changes due to operations, accounting adjustments were made to prior period net assets increasing net assets by \$11. The decrease in net assets from business-type activities is attributable to a decrease in rates. The rates were decreased because of a build up of cash in excess of what is required to fund operations and cover closure and post-closure care costs for the County Landfills. The prior period adjustments were due to prior year audit adjustments for accruals.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental funds. The general government functions are reported in the General, Special Revenue, Debt Service, and Capital Project Funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2008, the County's governmental funds reported combined ending fund balances of \$324,761, a decrease of \$50,834 in comparison with the prior fiscal year. Approximately 42.3% of the combined fund balances, or \$137,325, constitutes unreserved fund balance, which is available for spending at the government's

Management's Discussion and Analysis

(amounts expressed in thousands)

discretion, subject to reporting fund-type limitations. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has been committed; 1) to pay debt service, \$72,689, 2) to reflect inventories and imprest cash balances that are long-term in nature and thus do not represent available spendable resources, \$4,712, 3) to liquidate contractual commitments of the period, \$74,704, and 4) to reflect loans to other funds that are unpaid at year end, \$35,331.

The General Fund is the chief operating fund of the County. At June 30, 2008, unreserved fund balance of the general fund was \$136,892 while total fund balance was \$188,864. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 11.9% of total fund expenditures less transfers, while total fund balance represents 16.4% of that same amount.

The fund balance of the County's General Fund decreased by \$25,305 during the current fiscal year. This is primarily due to decreasing revenues as a result of the slowing economy. Fund balance of the Debt Service Fund decreased by \$20,730 due to extinguishing debt from funds accumulated in prior years.

Revenues for governmental functions without transfers totaled \$1,268,959, which represents an increase of 4.5% from fiscal year 2006-2007. Tax revenue increased by \$14,771 and charges for services decreased by \$7,740, while state and federal aid increased by \$48,635. Use of money and property revenue decreased by \$751 or 4.7% due to decreases in interest rates.

Expenditures without transfers for governmental functions totaled \$1,323,350 in fiscal year 2007-2008, which represents an increase of 10.9% from fiscal year 2006-2007. The largest increases occurred in the areas of public protection and public assistance, health and sanitation. The drivers for the increase in public protection expenditures include the priority for keeping citizens safe and additions of capital assets including the Juvenile Justice Court. The driver of the increase in public assistance, health and sanitation is the weakening economy which caused the need for services to increase.

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

Landfill has \$83,901 in net assets at June 30, 2008 and the CSAs, \$19,591. The Landfill's and CSA's unrestricted net assets are \$25,172 and \$4,471 or 30.0% and 22.8%, respectively of their total net assets. Overall net assets decreased \$1,746 for the Landfill and CSAs funds.

GENERAL FUND BUDGETARY HIGHLIGHTS

The total change between the original budget and the final amended budget was an increase of \$26,812. Some of the differences between the original budget and the final amended budget are briefly summarized as follows:

- The Department of Employment and Temporary Assistance received increased appropriations of \$8,632 reflecting additional revenues identified throughout the year.
- The Board of Supervisors (Board) approved \$400 in appropriations for improvements to the Lost Lake master plan project.
- The Board re-budgeted \$2,986 of prior year encumbrances in the current year.
- Revenues of \$953 for Early Periodic Screening, Diagnosis and Treatment mental health funding, received for prior year claims, were appropriated for use in the current year.

Management's Discussion and Analysis

(amounts expressed in thousands)

- The County received Mental Health Services Act (MHSA) funding to acquire a new integrated mental health information system. Current year appropriations were \$761. Additionally, \$868 in increased MHSA funding was received and appropriated to continue implementation of the State approved MHSA plan.
- Funding of \$466 was received and appropriated to implement the Help America Vote Act.
- Appropriations were increased for an additional \$1,840 in State and Federal Child Welfare Services funding received.
- The District Attorney and Probation Departments received additional appropriations of \$358 and \$388 respectively due to year end revenue adjustments.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

As of June 30, 2008, the County's investment in capital assets, net of related debt, for its governmental and business-type activities, was \$593,722. This investment in capital assets includes infrastructure, infrastructure in progress, land, right-of-way, buildings and improvements, equipment, and construction in progress. The total increase in the County's investment in capital assets for the current period was \$70,671.

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

- Construction of the Juvenile Justice Court.
- Purchasing land for a new agriculture center.
- Completion of a new Juvenile Justice Campus. This asset was transferred from construction in progress to the building asset category.
- Completion of substantial road upgrade projects.

For government-wide financial statement presentation, all depreciable capital assets except land, right-of-way, infrastructure in progress and construction in progress, were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures.

Management's Discussion and Analysis

(amounts expressed in thousands)

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

County of Fresno's Capital Assets (Net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
Assets:						
Infrastructure	\$ 294,019	\$ 283,116	\$ -	\$ -	\$ 294,019	\$ 283,116
Infrastructure in progress	14,910	7,054	-	-	14,910	7,054
Land	17,042	10,939	12,422	20,720	29,464	31,659
Buildings and Improvements	310,820	91,753	32,746	24,457	343,566	116,210
Equipment	42,277	17,569	8,559	11,797	50,836	29,366
Construction in progress	31,314	190,865	-	-	31,314	190,865
	<u>\$ 710,382</u>	<u>\$ 601,296</u>	<u>\$ 53,727</u>	<u>\$ 56,974</u>	<u>\$ 764,109</u>	<u>\$ 658,270</u>

For more detailed information on capital asset activity refer to the relevant disclosures (note 6) in the notes to the financial statements.

Long-term debt

At June 30, 2008, the County had total long-term debt outstanding of \$932,743, compared to \$935,814 for the prior fiscal year. This amount was comprised of \$42,742 in compensated absences, \$13,209 in capital leases, \$61,886 in liability for self-insurance, \$787,475 in bonds payable, \$27,431 in closure and post-closure care. Please refer to Note 9 on page 40 for further information on the County's long-term debt.

Economic Factors and Next Year's Budget and Rates

- The national, state and local economies are all currently experiencing a significant decline. However, Fresno County has been affected more than most areas. Numerous factors are contributing to this unfortunate slide including the precipitous drop in the value of area homes, the drop in new construction which had recently fueled the local economy, high foreclosure rates due to adjusted loan rates, higher than normal unemployment and sluggish consumer sales.
- Due to the County being heavily dependent on agriculture, it experiences chronically high unemployment, which places continual pressure on the County to provide adequate social and medical services. Additionally certain types of crime are considered high and public protection is a high priority to citizens.
- Due to the economy, the County's general revenue, sometimes referred to as discretionary revenue has been relatively flat and sales tax revenue, in particular, has started to decline. At the same time, the portion of the County's budget that relies on this revenue continues to experience increased costs due to general inflation and medical insurance, workers compensation, and retirement increases.

Management's Discussion and Analysis

(amounts expressed in thousands)

- Realignment funds support the County's social services, health and mental health programs. These are comprised of vehicle license fees and sales tax. Realignment funds declined this year, affecting both the current year budget and the base available for budgeting next year. The drop in this funding creates a \$5.8 million shortfall.
- The State's fiscal crisis is also impacting County revenues. The State has historically reduced city and county revenues in order to help balance their own budget. The State is delaying payments due the County and cuts, potentially significant, in county funding are anticipated.

All of these factors were considered in preparing the County's budget for fiscal year 2008-09.

Request for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Auditor-Controller/Treasurer-Tax Collector, 2281 Tulare Street, Fresno, CA 93721.

Questions concerning any of the information provided in this report regarding the discretely presented component unit, Children and Families First Commission, or requests for additional information should be addressed to the Executive Director, 550 E. Shaw, Suite 215 Fresno, CA 93710.

County of Fresno
Statement of Net Assets
June 30, 2008
(amounts expressed in thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Children and Families Commission
ASSETS				
Cash and investments	\$ 383,298	\$ 40,524	\$ 423,822	\$ 42,685
Restricted cash and investments	-	39,638	39,638	-
Receivables				
Accounts (net of allowances for uncollectibles)	86,892	2,300	89,192	211
Taxes	66,509	-	66,509	-
Interest	3,361	830	4,191	396
Loans	34,605	-	34,605	-
Internal balances	433	(433)	-	-
Due from other governmental units	6,066	-	6,066	2,124
Inventories of supplies	5,629	8	5,637	-
Deposits and other assets	172	-	172	-
Deferred bond issuance charges	11,776	190	11,966	-
Capital assets (net of accumulated depreciation):				
Land	17,042	12,422	29,464	-
Building and improvements	310,820	32,746	343,566	-
Equipment	42,277	8,559	50,836	-
Construction in progress	31,314	-	31,314	-
Infrastructure	294,019	-	294,019	-
Infrastructure in progress	14,910	-	14,910	-
Total assets	1,309,123	136,784	1,445,907	45,415
LIABILITIES				
Accounts payable	50,418	757	51,175	4,886
Salaries and benefits payable	25,345	71	25,416	66
Loans payable	-	-	-	-
Interest payable	9,039	103	9,142	-
Due to other governmental units	17,341	226	17,567	-
Deposits and other liabilities	137	-	137	-
Unearned revenue	2,221	-	2,221	-
Noncurrent liabilities:				
Due within one year	62,155	193	62,348	-
Due beyond one year	838,453	31,942	870,395	-
Total liabilities	1,005,109	33,292	1,038,401	4,952
NET ASSETS				
Investment in capital assets, net of related debt	544,635	49,087	593,722	-
Restricted for :				
Public ways and facilities	38,463	24,762	63,225	-
Health, sanitation and public assistance	3,773	-	3,773	-
Education	18,098	-	18,098	10,565
Capital projects	2,881	-	2,881	-
Debt service	72,689	-	72,689	-
Unrestricted	(376,525)	29,643	(346,882)	29,899
Total net assets	\$ 304,014	\$ 103,492	\$ 407,506	\$ 40,464

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

County of Fresno
Statement of Activities
For the Fiscal Year Ended June 30, 2008
(amounts expressed in thousands)

Function/Program	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-Type Activities	Total	
Primary government:								
Governmental activities								
General government	\$ 70,697	\$ 35,320	\$ 4,563	\$ -	\$ (30,814)	\$ -	\$ (30,814)	\$ -
Public protection	264,592	86,146	38,690	-	(139,756)	-	(139,756)	-
Public ways and facilities	117,737	8,392	12,257	14,485	(82,603)	-	(82,603)	-
Health, sanitation, and public assistance	718,201	59,210	515,993	-	(142,998)	-	(142,998)	-
Education	10,691	2,549	1,874	-	(6,268)	-	(6,268)	-
Culture and recreation	2,491	978	-	-	(1,513)	-	(1,513)	-
Interest and fiscal charges	47,909	-	-	-	(47,909)	-	(47,909)	-
Total governmental activities	<u>1,232,318</u>	<u>192,595</u>	<u>573,377</u>	<u>14,485</u>	<u>(451,861)</u>	<u>-</u>	<u>(451,861)</u>	<u>-</u>
Business activities								
Water and sewer	5,347	2,792	-	-	-	(2,555)	(2,555)	-
Landfill	16,533	11,371	-	-	-	(5,162)	(5,162)	-
Total business-type activities	<u>21,880</u>	<u>14,163</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,717)</u>	<u>(7,717)</u>	<u>-</u>
Total primary government	<u>\$ 1,254,198</u>	<u>\$ 206,758</u>	<u>\$ 573,377</u>	<u>\$ 14,485</u>	<u>\$ (451,861)</u>	<u>\$ (7,717)</u>	<u>\$ (459,578)</u>	<u>\$ -</u>
Component Unit:								
Children and families commission	\$ 21,310	\$ -	\$ 14,795	\$ -	\$ -	\$ -	\$ -	\$ (6,515)
Total component units	<u>\$ 21,310</u>	<u>\$ -</u>	<u>\$ 14,795</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,515)</u>

General revenues:			
Property tax	220,356	711	221,067
Sales tax	177,384	-	177,384
Franchise tax	4,880	-	4,880
Unrestricted motor vehicle in-lieu taxes	45,891	-	45,891
Road use tax	23,839	-	23,839
Tobacco settlement proceeds	23,575	-	23,575
Other	3,891	1,765	5,656
Unrestricted investment earnings	12,495	3,808	16,303
Transfers in (out)	35	(35)	-
Total general revenues and transfers	<u>512,346</u>	<u>6,249</u>	<u>518,595</u>
Special item:			
Transfer of assets to Merced Co.	-	(289)	(289)
Change in net assets	60,485	(1,757)	58,728
Net assets - beginning	213,479	105,238	318,717
Prior period adjustment	30,050	11	30,061
Net assets - ending	<u>\$ 304,014</u>	<u>\$ 103,492</u>	<u>\$ 407,506</u>

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

County of Fresno
Balance Sheet
Governmental Funds
June 30, 2008
(amounts expressed in thousands)

	General Fund	Debt Service	Other Governmental Funds	Total
ASSETS				
Cash and investments	\$ 179,433	\$ 72,331	\$ 63,612	\$ 315,376
Receivables:				
Accounts (net of allowance for uncollectible)	52,122	-	30,412	82,534
Taxes	65,739	-	770	66,509
Interest	1,703	358	604	2,665
Loans	34,605	-	-	34,605
Due from other funds	17,671	-	6,376	24,047
Due from other governmental units	3,885	-	61	3,946
Advances to other funds	713	-	-	713
Inventory of supplies	3,440	-	1,064	4,504
Total assets	<u>\$ 359,311</u>	<u>\$ 72,689</u>	<u>\$ 102,899</u>	<u>\$ 534,899</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accrued liabilities	\$ 33,194	\$ -	\$ 9,187	\$ 42,381
Salaries and benefits payable	23,085	-	1,464	24,549
Due to other governmental units	17,197	-	141	17,338
Advances from other funds	-	-	583	583
Due to other funds	9,780	-	15,995	25,775
Deposits and other liabilities	137	-	-	137
Deferred revenue	87,054	-	12,321	99,375
Total liabilities	<u>170,447</u>	<u>-</u>	<u>39,691</u>	<u>210,138</u>
Fund balances:				
Reserved for encumbrances	12,998	-	61,706	74,704
Reserved for imprest and postage funds	203	-	5	208
Reserved for inventory	3,440	-	1,064	4,504
Reserved for loans	35,331	-	-	35,331
Reserved for debt service	-	72,689	-	72,689
Unreserved, reported in:				
General fund	136,892	-	-	136,892
Special revenue funds	-	-	15,461	15,461
Capital projects funds	-	-	(15,028)	(15,028)
Total fund balances	<u>188,864</u>	<u>72,689</u>	<u>63,208</u>	<u>324,761</u>
Total liabilities and fund balances	<u>\$ 359,311</u>	<u>\$ 72,689</u>	<u>\$ 102,899</u>	<u>\$ 534,899</u>

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

County of Fresno
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2008
(amounts expressed in thousands)

Fund balances - total governmental funds	\$ 324,761
Amounts reported for governmental activities of the net assets are different because:	
Capital assets are not recorded in governmental fund types but recorded in government-wide statement to conform with GAAP requirements. This amount is net of internal service fund activity.	678,396
Bond issue costs are not financial resources and, therefore, are not reported in the funds.	11,776
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. This amount is net of internal service fund activity.	(830,133)
Unmatured interest on long-term debt is not accrued in the funds, but rather is recognized as an expenditure when due. This amount is net of internal service fund activity.	(9,039)
Because the focus of governmental funds is not short-term financing, some assets will not be available to pay current period expenditures. Those assets are offset by deferred revenues in the funds. This amount is net of internal service fund activity.	97,971
Internal service funds are used by management to charge the cost of fleet services, information systems, printing and mailing services, central warehouse, risk management and communications to individual funds. The assets and liabilities of the internal services funds are included in the statement of net assets.	30,282
Net assets of governmental activities	\$ 304,014

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

County of Fresno
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2008
(amounts expressed in thousands)

	General Fund	Debt Service	Other Governmental Funds	Total
REVENUES:				
Taxes	\$ 206,087	\$ -	\$ 32,040	\$ 238,127
Licenses and permits	8,901	-	366	9,267
Fines, forfeitures and penalties	10,218	-	1,728	11,946
Use of money and property	9,929	3,020	2,410	15,359
Aid from other governmental agencies:				
State	387,469	-	129,668	517,137
Federal	283,225	-	8,535	291,760
Other	2,630	-	-	2,630
Charges for current services	96,621	-	9,835	106,456
Other revenues	72,868	2,858	551	76,277
Total revenues	<u>1,077,948</u>	<u>5,878</u>	<u>185,133</u>	<u>1,268,959</u>
EXPENDITURES:				
General government	87,131	-	-	87,131
Public ways and facilities	12	-	61,417	61,429
Public protection	321,020	-	-	321,020
Public assistance, health and sanitation	736,563	-	3,272	739,835
Education	744	-	29,823	30,567
Culture and recreation	3,551	-	-	3,551
Capital outlay	-	-	31,864	31,864
Debt service:	-			
Principal		13,975	2,045	16,020
Interest and fiscal charges	2,663	24,177	5,093	31,933
Total expenditures	<u>1,151,684</u>	<u>38,152</u>	<u>133,514</u>	<u>1,323,350</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(73,736)</u>	<u>(32,274)</u>	<u>51,619</u>	<u>(54,391)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	183,142	43,253	95,813	322,208
Transfers out	<u>(136,318)</u>	<u>(31,709)</u>	<u>(153,716)</u>	<u>(321,743)</u>
Total other financing sources (uses)	<u>46,824</u>	<u>11,544</u>	<u>(57,903)</u>	<u>465</u>
 Net change in fund balances	 (26,912)	 (20,730)	 (6,284)	 (53,926)
Fund balance - beginning	214,169	93,419	68,007	375,595
Prior period adjustment	<u>1,607</u>	<u>-</u>	<u>1,485</u>	<u>3,092</u>
Fund balance - ending	<u>\$ 188,864</u>	<u>\$ 72,689</u>	<u>\$ 63,208</u>	<u>\$ 324,761</u>

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

County of Fresno
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2008
(amounts expressed in thousands)

Net change in fund balances - total governmental funds	\$ (53,926)
--	-------------

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

Governmental funds report capital outlays as expenditures.

However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. This amount is net of internal service fund activity.	79,777
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Bond issue costs and interest are expended in the governmental funds when paid, and are capitalized and amortized in the statement of net assets. This is the amount by which the current year issuance costs and interest costs exceeded amortization expense and interest expense.	(1,058)
--	---------

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets. This amount is net of internal service fund activity.	18,046
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Bonds issued in the current period are shown as a liability in the government-wide statement, but as a current resource in the governmental funds	-
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. This amount is net of internal service fund activity.	(9,839)
---	---------

Certain revenues are deferred because they are not available within the County's 90 day availability period. However, they are recognized in the government-wide financial statements. Amounts at the beginning of the fiscal year are netted with those at the end of the fiscal year. This amount is net of internal service fund activity.	23,931
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Internal service funds are used by management to charge the cost of fleet services, information systems, printing and mailing services, central warehouse, risk management and communications to individual funds. The net expense of certain activities of the internal service funds is reported with governmental activities.	3,554
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Change in net assets of governmental activities	\$ 60,485
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The notes to the financial statements are an integral part of this statement.

County of Fresno
Statement of Net Assets
Proprietary Funds
June 30, 2008
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities
	Solid Waste Enterprise	County Service Areas and Other	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and investments	\$ 35,808	\$ 4,716	\$ 40,524	\$ 67,923
Restricted cash and investments	38,232	1,406	39,638	-
Accounts receivable	1,946	354	2,300	3,771
Interest receivable	772	58	830	696
Due from other funds	4	225	229	3,934
Due from other governmental units	-	-	-	2,116
Inventory of supplies	8	-	8	1,125
Deferred bond issuance costs	-	190	190	0
Other assets	-	-	-	172
Total current assets	<u>76,770</u>	<u>6,949</u>	<u>83,719</u>	<u>79,737</u>
Noncurrent assets:				
Accounts receivable	-	-	-	588
Capital assets:				
Nondepreciable:				
Land	11,832	590	12,422	406
Depreciable:				
Buildings and improvements	37,108	26,886	63,994	3,129
Equipment	15,599	4,258	19,857	96,919
Less accumulated depreciation	(28,850)	(13,696)	(42,546)	(68,469)
Total noncurrent assets	<u>35,689</u>	<u>18,038</u>	<u>53,727</u>	<u>32,573</u>
Total assets	<u>\$ 112,459</u>	<u>\$ 24,987</u>	<u>\$ 137,446</u>	<u>\$ 112,310</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 498	\$ 259	\$ 757	\$ 8,036
Salaries and benefits payable	71	-	71	797
Due to other funds	267	265	532	1,903
Due to other governmental units	226	-	226	-
Advances from other funds	-	129	129	-
Liability for self-insurance	-	-	-	61,886
Interest payable	-	103	103	-
Compensated leave and absences	13	-	13	492
Deferred revenue	-	-	-	815
General obligation bonds payable	-	180	180	-
Capital lease obligations	-	-	-	2,874
Total current liabilities	<u>1,075</u>	<u>936</u>	<u>2,011</u>	<u>76,803</u>
Noncurrent liabilities				
Compensated leave and absences	51	-	51	1,031
General obligation bonds payable	-	4,460	4,460	-
Accrued closure/postclosure liability	27,431	-	27,431	-
Capital lease obligations	-	-	-	4,194
Total noncurrent liabilities	<u>27,482</u>	<u>4,460</u>	<u>31,942</u>	<u>5,225</u>
Total liabilities	<u>28,557</u>	<u>5,396</u>	<u>33,953</u>	<u>82,028</u>
NET ASSETS				
Invested in capital assets, net of related debt	35,689	13,398	49,087	24,917
Restricted	23,040	1,722	24,762	-
Unrestricted	25,172	4,471	29,643	5,365
Total net assets	<u>\$ 83,901</u>	<u>\$ 19,591</u>	<u>\$ 103,492</u>	<u>\$ 30,282</u>

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

County of Fresno
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2008
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities
	Solid Waste Enterprise	County Service Areas, Other	Total	Internal Service Funds
Operating revenues:				
Charges for services	\$ 11,371	\$ 2,792	\$ 14,163	\$ 136,677
Other operating revenues	-	1,493	1,493	4,073
Total operating revenues	11,371	4,285	15,656	140,750
Operating expenses:				
Salaries and benefits	1,690	-	1,690	17,850
Insurance	123	45	168	80,063
Professional services	3,327	2,061	5,388	4,770
Special departmental	2,429	172	2,601	9,877
General and administrative	546	348	894	9,406
Repairs and maintenance	1,816	772	2,588	2,386
Rents and leases	430	326	756	1,063
Parts and supplies	58	-	58	4,966
Accrued closure-postclosure	1,954	-	1,954	-
Utilities	69	546	615	569
Depreciation	4,213	763	4,976	7,293
Total operating expenses	16,655	5,033	21,688	138,243
Operating income (loss)	(5,284)	(748)	(6,032)	2,507
Non-operating revenues (expenses):				
Loss on sale of equipment	-	(36)	(36)	(1,560)
Interest income	3,531	275	3,806	3,038
Interest expense	-	(313)	(313)	-
Tax revenues	-	711	711	-
Closure/postclosure expense/fees	402	-	402	-
Grant and other revenues	31	(2)	29	-
Total non-operating revenues	3,964	635	4,599	1,478
Net income (loss) before transfers	(1,320)	(113)	(1,433)	3,985
Transfers in (out):				
Transfers in	-	274	274	1,019
Transfers out	(117)	(192)	(309)	(1,449)
Total transfers in (out)	(117)	82	(35)	(430)
Special item:				
Transfer of assets to Merced Co.		(289)	(289)	-
Change in net assets	(1,437)	(320)	(1,757)	3,555
Net assets - beginning	85,368	19,870	105,238	25,565
Prior period adjustment	(30)	41	11	1,162
Net assets - ending	\$ 83,901	\$ 19,591	\$ 103,492	\$ 30,282

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

County of Fresno
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2008
(amounts expressed in thousands)

Page 1 of 2

	Business-type	Activities - Enterprise Funds	Governmental
	Solid Waste Enterprise	County Service Areas, Other	Internal Service Funds
		Total	
Cash flows from operating activities:			
Cash received from users	\$ 11,368	\$ 2,539	\$ 13,907
Cash paid to suppliers	(9,514)	(4,177)	(13,691)
Cash paid to employees	(1,672)	-	(1,672)
Cash paid for claims	-	-	-
Cash received from other operating revenues	-	1,517	1,517
Net cash (used) by operating activities	182	(121)	61
Cash flows from non-capital financing activities:			
Tax revenues	-	719	719
Cash received from other activities	16	-	16
Transfers in	-	274	274
Transfers out	(8)	(190)	(198)
Cash held for others	4	-	4
Cash paid to Merced County	-	(289)	(289)
Cash from/to closure/postclosure liability	(79)	-	(79)
Loan Repayments	-	-	-
Net cash provided by (used in) non-capital financing activities	(67)	514	447
Cash flows from capital and related financing activities:			
Proceeds from sale of equipment	-	-	-
Acquisition of capital assets	(1,877)	-	(1,877)
Principal paid on bonds	-	(160)	(160)
Interest paid on bonds/notes	-	(317)	(317)
Net cash (used in) capital and related financing activities	(1,877)	(477)	(2,354)
Cash flows from investing activities:			
Interest on investments	3,656	284	3,940
Net cash provided by investing activities	3,656	284	3,940
Net decrease in cash and cash equivalents	1,894	200	2,094
Cash and cash equivalents - beginning	72,146	5,922	78,068
Cash and cash equivalents - ending	\$ 74,040	\$ 6,122	\$ 80,162
Reconciliation of cash and cash equivalents to the balance sheet:			
Cash and cash equivalents in cash and investments	\$ 35,808	\$ 4,716	\$ 40,524
Cash and cash equivalents in restricted cash and investments	38,232	1,406	39,638
Total	\$ 74,040	\$ 6,122	\$ 80,162

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

County of Fresno
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2008
(amounts expressed in thousands)

Page 2 of 2

	Solid Waste Enterprise	County Service Areas, Other	Total	Governmental Activities Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (5,284)	\$ (748)	\$ (6,032)	\$ 2,507
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	4,213	763	4,976	7,293
Decrease (increase) in accounts receivable	(4)	(14)	(18)	(1,134)
(Increase) in interest receivable	6	-	6	-
Decrease (increase) in due from other funds	(8)	(220)	(228)	700
(Increase) in inventory	2	-	2	(11)
Decrease (increase) in deposits and other assets	-	-	-	1,084
(Decrease) in accounts payable	(55)	(149)	(204)	(1,311)
(Decrease) in salaries and benefits payable	18	-	18	(27)
Increase in deferred revenue	-	-	-	281
Increase (decrease) in due to other funds	(564)	241	(323)	553
Increase in due to other government units	(96)	-	(96)	-
Increase in closure/postclosure liability	1,954	6	1,960	-
Increase in liability for self-insurance	-	-	-	4,071
Total adjustments	<u>5,466</u>	<u>627</u>	<u>6,093</u>	<u>11,499</u>
Net cash provided by (used in) operating activities	<u>\$ 182</u>	<u>\$ (121)</u>	<u>\$ 61</u>	<u>\$ 14,006</u>

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

County of Fresno
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2008
(amounts expressed in thousands)

	Employees' Retirement Association	Investment Trust	Agency
ASSETS			
Cash and investments	\$ 464,363	\$ 1,505,054	\$ 187,069
Other investments			
Stocks	1,550,054	-	-
Bonds	765,519	-	-
Mortgages	105,607	-	-
Alternative assets	234,463	-	-
Taxes receivable	-	-	8,441
Accounts receivable	163,850	-	2,683
Due from other governmental units	-	143	3,554
Deposits and other assets	2,550	-	-
Property held by public administrator	-	-	5,776
Total assets	<u>\$ 3,286,406</u>	<u>\$ 1,505,197</u>	<u>\$ 207,523</u>
LIABILITIES			
Accounts payable	\$ 559,801	\$ -	\$ 87,444
Due to other taxing units	-	-	11,597
Due to other governmental units	-	22,028	48,582
Fiduciary liabilities	-	-	59,900
Total liabilities	<u>559,801</u>	<u>22,028</u>	<u>207,523</u>
NET ASSETS			
Held in trust for pension benefits	2,726,605	-	
Held in trust for pool participants	-	1,483,169	
Total net assets	<u>\$ 2,726,605</u>	<u>\$ 1,483,169</u>	

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

County of Fresno
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2008
(amounts expressed in thousands)

	Employees' Retirement Association	Investment
ADDITIONS:		
Contributions:		
Employer	\$ 97,305	\$ -
Member	30,272	-
Contributions of pooled investments	-	235,944
Total contributions	<u>127,577</u>	<u>235,944</u>
Investment income		
From investment activities:		
Net appreciation in fair value of investments	(264,694)	-
Interest	39,752	104,327
Dividends	35,389	-
Private markets	11,159	-
Net income from investment activities	<u>(178,394)</u>	<u>104,327</u>
From securities lending activities:		
Securities lending income	18,174	-
Borrower rebate expenses	(14,015)	-
Security lending management fees	(838)	-
Net income from securities lending activities	<u>3,321</u>	<u>-</u>
Miscellaneous income	1,354	-
Investment expense	(13,192)	-
Net investment income	<u>(186,911)</u>	<u>104,327</u>
Total additions	<u>(59,334)</u>	<u>340,271</u>
DEDUCTIONS:		
Benefits and refunds paid to participants	149,144	-
Disbursements on behalf of participants	0	375,106
Administrative expense	3,569	-
Total deductions	<u>152,713</u>	<u>375,106</u>
Net increase (decrease)	(212,047)	(34,835)
Net assets - beginning	2,938,652	1,518,004
Net assets held in trust - ending	<u>\$ 2,726,605</u>	<u>\$ 1,483,169</u>

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

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County of Fresno
Notes to the Basic Financial Statements
June 30, 2008
(amounts expressed in thousands)

NOTE 1 - The Financial Reporting Entity

The County of Fresno (County) is a political subdivision chartered by the State of California (State) and, as such, can exercise the powers specified by the Constitution and laws of the State. The County operates under its Charter and is governed by an elected five member Board of Supervisors (Board). The Board is responsible for the legislative and executive control of the County. The County provides various services on a countywide basis including law and justice, education, detention, social, health, road construction, road maintenance, park and recreation facilities, elections and records, communications, planning, zoning, and tax collection.

The governmental reporting entity consists of the County (Primary Government) and its component units. Component units are legally separate organizations for which the Board is financially accountable or other organizations whose nature and significant relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and 1) either the County's ability to impose its will on the organization or 2) the potential for the organization to provide a financial benefit to or impose a financial burden on the County.

The basic financial statements include both blended and discretely presented component units. The blended component units, although legally separate entities are, in substance, part of the County's operations and data from these units is combined with data of the primary government. The discretely presented component unit, however, is reported in a separate column in the government-wide financial statements because it provides services that extend beyond the County.

For financial reporting purposes, the County's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the County's Board. The financial statements of the individual component units may be obtained by making a request to the County of Fresno, Auditor-Controller/Treasurer-Tax Collector's Office, 2281 Tulare Street, Room 105, and Fresno, California 93721.

Blended Component Units: The following organizations are included in the County's financial statements as blended components.

Fresno County Employees' Retirement Association (FCERA) is reported as a Pension Trust Fund in the financial statements because it is an integral part of the County. A separate financial report can be reviewed at the Auditor-Controller/Treasurer-Tax Collector's office.

County Service Areas, Other (CSA's) which include County Service Areas, Lighting and Maintenance Districts and Waterworks Districts, are blended as Special Revenue funds and Enterprise funds because they are an integral part of the County and their governing bodies are comprised of the Board.

The Friant Community Redevelopment Agency is reported as a Special Revenue fund in the financial statements because the Board is also the board of the Redevelopment Agency.

The Fresno County Financing Authority (FCFA) was formed to finance the construction, installation and equipping of the County facilities. The bonds issued by the FCFA are recorded in the County financial statements. The FCFA and the County have a financial and operational

County of Fresno
Notes to the Basic Financial Statements
June 30, 2008
(amounts expressed in thousands)

relationship, which requires the FCFA's financial statements be blended into the County's financial statements. The FCFA's policies are determined by a five-member board appointed by the Board.

The Fresno County Tobacco Funding Corporation is reported as a Special Revenue fund in the financial statements because it is an integral part of the County. The Fresno County Tobacco Funding Corporation Board consists of members of the Board or members appointed by the Board. A separate financial report can be reviewed at the Auditor-Controller/Treasurer-Tax Collector's office.

Discretely Presented Component Unit: The Children and Families Commission is governed by a nine-member board whose members are appointed by the Board which can also remove members at will. The Commission was created under the California Children and Families First Act of 1998. Revenue is derived from a state surtax on cigarettes and tobacco products. The revenue is used to create and implement a comprehensive, and integrated system of information and services to promote, support, and optimize early childhood development. The Commission is a discretely presented component unit because the Commission's governing body is not substantially the same as that of the County and the Commission doesn't provide services entirely to the County. A separate financial report can be reviewed at the Children and Families Commission office headed at 550 E. Shaw Avenue, Suite 215.

NOTE 2 - Summary of Significant Accounting Policies.

(A) Basis of Presentation

Government-wide Financial Statements

The statement of net assets and statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the County and between the County and its discretely presented component unit. Governmental activities, which normally are supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and therefore are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

When both restricted and unrestricted net assets are available for use, restricted resources are used prior to depleting unrestricted resources.

County of Fresno
Notes to the Basic Financial Statements
June 30, 2008
(amounts expressed in thousands)

Fund Financial Statements

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

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

The County reports two major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out the basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes the following services: public protection, public ways and facilities, health and sanitation, public assistance, education, and recreation.
- The *Debt Service Fund* accounts for all activities involving the issuance and payment of debt. This includes receipt of bond issuance proceeds, the distribution of those proceeds, along with the payment of principal and interest to extinguish the debt.

The County reports both of its enterprise activities as major proprietary funds:

- The *Solid Waste Enterprise Fund* is used to account for the County's operation of one transfer station, three disposal sites located in various areas of the County, and one planning joint powers agreement.
- The *County Service Areas, Other Fund* is used to account for special districts, governed by the Board, which include County Service Areas and Waterworks districts. They were established to provide water and sewer services within specific areas of the County. This category also includes the Crocker Building which is a property management fund.

The County reports the following additional fund types:

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

The *Pension Trust Fund* accumulates contributions from the County, its employees and other participating employers, and earnings from the fund's investments. Disbursements are made from the fund for retirement, disability and death benefits (based on a defined benefit formula), and administrative

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expenses. This fund includes all assets of the FCERA. The Pension Trust Fund uses the economic resources measurement focus and the accrual basis of accounting.

The *Investment Trust Fund* accounts for the investments of legally separate entities that deposit cash with the County Treasurer. These entities include school and community college districts, other special districts governed by local boards, and regional boards and authorities. The Investment Trust Fund also accounts for tax collections passed through to cities. This fund reports the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand. This fund uses the economic resources measurement focus and the accrual basis of accounting.

The *Agency Funds* account for assets held by the County as an agent for various local governments. These funds do not have a measurement focus and use the accrual basis of accounting.

(B) Basis of Accounting

The government-wide, proprietary, investment trust, and pension trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. Other agency funds do not use a measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property taxes are accrued when their receipt is within sixty days after the end of the accounting period so as to be both measurable and available. Sales taxes, interest, certain state and federal grants, and charges for services are accrued when their receipt occurs within ninety days after the end of the accounting period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

For its business-type activities and enterprise funds, the County has elected, under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board, or any Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

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

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

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

(C) Budgeting

In accordance with the provisions of Sections 29000 through 29143 of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares and legally adopts a final balanced budget on or before August 30 for each fiscal year. Until the adoption of this final balanced budget, the appropriations are based on the budget of the preceding year as allowed per Government Code 29124. The final adopted budget (County Budget) is available for review in the Auditor-Controller/Treasurer-Tax Collector's office.

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

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

The General Fund Budgetary Comparison Schedule is part of Required Supplementary Information on pages 60-61. Special Revenue budget schedules are shown on pages 74 through 83.

Encumbrances, which are commitments related to executory contracts for goods or services, are recorded for budgetary control purposes in the General, Special Revenue, and Capital Project funds. Encumbrance accounting is utilized to assure effective budgetary control and accountability and to facilitate effective cash planning and control. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. Unencumbered appropriations lapse at year-end and encumbrances outstanding at that time are reported as reservations of fund balance for subsequent year expenditures.

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(D) Investments

Statutes authorize the County to invest its surplus cash (excluding cash belonging to the FCERA) in obligations of the U.S. Treasury, agencies and instrumentalities, corporate bonds rated P-1 by Standard & Poor's Corporation or A-1 by Moody's Investor Service, bankers' acceptances, certificates of deposit, commercial paper, repurchase agreements, and the State of California Local Agency Investment Fund. Gains and losses are recognized based upon the specific identification method. All pooled investments are reported at book value based upon the passive management and short duration of the portfolio that minimizes material changes in market value. The current year's book value, as reported, closely approximates fair value. FCERA investments are made subject to guidelines of the investment plan approved by the Retirement Board (see note 10).

(E) Inventories and Prepaid Items

Inventories are valued at cost, which is determined on a first-in, first-out basis. Inventories in the General and Special Revenue funds consist of expendable supplies held for consumption. Inventories are charged to operations as consumed in both the government-wide and fund financial statements.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

(F) Capital Assets

Capital assets, including infrastructure, are recorded at historical cost, or at estimated historical cost, if the actual cost is not available. Contributed capital assets are valued at their estimated fair value on the date contributed. The County defines capital assets as assets with an initial, individual, cost of more than \$5 having an estimated useful life in excess of one year. Capital assets used in operations are depreciated or amortized (applicable to assets procured under capital leases) using the straight-line method over the lesser of the asset's estimated life (or capital lease period) in the government-wide statements and proprietary fund financial statements.

The County's infrastructure consists of components of one overall roadway network. This network is comprised of the following subsystems: pavement; curbs, gutters, and sidewalks; bridges; traffic signals and right of way. Incomplete projects are reported as infrastructure in progress.

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of fixed assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations. Depreciation on capital assets is taken over the following estimated lives:

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

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(G) Unbilled Service Receivables

The County does not record unbilled service receivables from the enterprise funds because they are insignificant.

(H) Liability for Earned Compensated Absences

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

(I) Bond Issuance Costs and Discounts

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities; business-type activities, or proprietary fund statement of net assets. Bond discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond discount or premium. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, government fund types recognize bond discounts, as well as bond issuance costs, during the current period. Issuance costs, whether or not withheld from the actual debt proceeds received are reported as debt service expenditures.

(J) Special Assessments

The total amount of special assessments paid at June 30, 2008 was \$562. The County is not liable for this; rather, it acts solely as an agent for the property owners, who are liable for the debt, by collecting the assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings, if appropriate. Accordingly, this liability is not reflected in these financial statements.

(K) Cash and Cash Equivalents

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

(L) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial

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statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3 - Property Taxes

The County is responsible for the assessment, collection, and apportionment of property taxes for all jurisdictions including the school and special districts within the County. The Board levies property taxes as of September 1, on property values certified on July 1. Secured property tax payments are due in two equal installments. The first is generally due November 1 and delinquent with penalties after December 10, and the second is generally due on February 1 and delinquent with penalties after April 10. Secured property taxes become a lien on the property on January 1. Property taxes on the unsecured roll are due upon receipt of the tax bill and become delinquent if unpaid on August 31. Property taxes are accounted for in the Property Tax Collection fund, an Agency fund, until apportionment and disbursement to taxing jurisdictions.

All jurisdictions within California derive their taxing authority from the State Constitution and various legislative provisions contained in the State Government Codes and Revenue and Taxation Codes. Pursuant to Article XIII A (known as Proposition 13) of the State of California Constitution, the County is permitted to levy a maximum tax of 1 percent of full cash value. For fiscal year 2007-08, the County received \$220,356 in property taxes that were used to finance general governmental services.

Teeter Plan - The County elected the alternative property tax treatment (Teeter Plan) effective July 1, 1993, whereby the County, through the Property Tax Collection fund, purchases the current secured unpaid taxes remaining at year-end from participating agencies. In return, the Property Tax Collection fund records tax receivable and receives the delinquent penalties and redemption interest accruing to delinquent collections related to participating agencies. The participating agencies, including the County, special districts and school districts, in turn, receive their full tax distribution with no liability for uncollected taxes to the Property Tax Collection fund. Therefore, for participating agencies, revenue is measurable and available and is recorded in the period the payment of current secured unpaid taxes is received. Funding for the buyout has been incorporated into the County's Tax and Revenue Anticipation Notes.

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NOTE 4 - Receivables

Taxes and accounts receivable balances for the General, Debt Service and non-major governmental funds, Internal Service, and Proprietary funds are stated net of allowances for uncollectibles.

The following is a schedule of receivables and allowances for uncollectibles applicable to each fund at June 30, 2008.

Receivables - Governmental activities	General Fund	Non-major Funds/Debt Service	Internal Service Funds	Total Governmental Activities
Taxes	\$ 65,739	\$ 770	\$ -	\$ 66,509
Accounts	52,345	30,412	4,392	87,149
Interest	1,703	962	696	3,361
Loans	35,308	-	-	35,308
Gross receivables	155,095	32,144	5,088	192,327
Less: allowance for uncollectibles	(926)	-	(33)	(959)
Total	<u>\$ 154,169</u>	<u>\$ 32,144</u>	<u>\$ 5,055</u>	<u>\$ 191,368</u>

Receivables - Business type activities	Solid Waste Enterprise	County Service Areas, Other	Total Business Type Activities
Accounts	\$ 1,948	\$ 354	\$ 2,302
Interest	772	58	830
Gross receivables	2,720	412	3,132
Less: allowance for uncollectibles	(2)	-	(2)
Total	<u>\$ 2,718</u>	<u>\$ 412</u>	<u>\$ 3,130</u>

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NOTE 5 - Interfund Transactions and Balances

Short-term interfund transactions between funds which are not reimbursed by the receiving fund at year end are reported as "due to and due from other funds."

The composition of interfund balances as of June 30, 2008 was as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General fund	\$ 17,671	\$ 9,780
Non-major governmental funds	6,376	15,995
Enterprise funds	229	532
Internal service funds	3,934	1,903
	<u><u>\$ 28,210</u></u>	<u><u>\$ 28,210</u></u>

During the course of normal operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Transfers are comprised principally of transfers between the General and Special Revenue funds and are related to State/Local Program Realignment (AB 1288), Vehicle License Fees, and to debt service transfers to pay principal and interest payments on pension obligation bonds. All interfund transfers between individual governmental funds have been eliminated on the government-wide statements.

The following schedule briefly summarizes the County's transfer activity for the fiscal year ended June 30, 2008:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 183,142	\$ 136,318
Debt service	43,253	31,709
Non-major governmental funds	95,813	153,716
Proprietary fund	274	309
Internal service funds	1,019	1,449
	<u><u>\$ 323,501</u></u>	<u><u>\$ 323,501</u></u>

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NOTE 6 - Capital Assets

Capital asset activity for the year ended June 30, 2008 was as follows:

	<u>Balance July 1, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments</u>	<u>Balance June 30, 2008</u>
Government activities					
Capital assets, not being depreciated					
Land	\$ 10,939	\$ 6,131	\$ -	\$ (28)	\$ 17,042
Construction in progress	190,865	31,369	(190,920)	-	31,314
Infrastructure in progress	7,054	18,396	(10,540)	-	14,910
Total capital assets, not being depreciated	<u>208,858</u>	<u>55,896</u>	<u>(201,460)</u>	<u>(28)</u>	<u>63,266</u>
Capital assets, being depreciated					
Buildings and improvements	221,436	203,992	(469)	1,350	426,309
Equipment	157,304	16,798	(15,902)	(11,929)	146,271
Infrastructure	455,224	22,023	-	-	477,247
Total capital assets, being depreciated	<u>833,964</u>	<u>242,813</u>	<u>(16,371)</u>	<u>(10,579)</u>	<u>1,049,827</u>
Less accumulated depreciation for:					
Buildings and improvements	(129,683)	(4,773)	264	18,703	(115,489)
Equipment	(139,735)	(11,199)	9,747	37,193	(103,994)
Infrastructure	(172,108)	(10,304)	-	(816)	(183,228)
Total accumulated depreciation	<u>(441,526)</u>	<u>(26,276)</u>	<u>10,011</u>	<u>55,080</u>	<u>(402,711)</u>
Total capital assets, being depreciated, net	<u>392,438</u>	<u>216,537</u>	<u>(6,360)</u>	<u>44,501</u>	<u>647,116</u>
Government activities capital assets, net	<u>\$ 601,296</u>	<u>\$ 272,433</u>	<u>\$ (207,820)</u>	<u>\$ 44,473</u>	<u>\$ 710,382</u>
Business-type activities					
Capital assets, not being depreciated					
Land	\$ 20,720	\$ 157	\$ (7)	\$ (8,448)	\$ 12,422
Total capital assets, not being depreciated	<u>20,720</u>	<u>157</u>	<u>(7)</u>	<u>(8,448)</u>	<u>12,422</u>
Capital assets, being depreciated					
Buildings and improvements	50,924	-	(148)	13,217	63,993
Equipment	23,297	1,611	(282)	(4,768)	19,858
Total capital assets, being depreciated	<u>74,221</u>	<u>1,611</u>	<u>(430)</u>	<u>8,449</u>	<u>83,851</u>
Less accumulated depreciation for:					
Buildings and improvements	(26,466)	(3,622)	137	(1,296)	(31,247)
Equipment	(11,501)	(1,354)	261	1,295	(11,299)
Total accumulated depreciation	<u>(37,967)</u>	<u>(4,976)</u>	<u>398</u>	<u>(1)</u>	<u>(42,546)</u>
Total capital assets being depreciated, net	<u>36,254</u>	<u>(3,365)</u>	<u>(32)</u>	<u>8,448</u>	<u>41,305</u>
Business-type activities capital assets, net	<u>\$ 56,974</u>	<u>\$ (3,208)</u>	<u>\$ (39)</u>	<u>\$ -</u>	<u>\$ 53,727</u>

The County increased its threshold for capitalization to \$5 this fiscal year. Therefore those assets under \$5 that were previously capitalized were removed from the financial statements and the resulting expense was charged as a prior period adjustment. Assets removed totaled \$12,810 and related accumulated depreciation, \$10,571, for a net adjustment of \$2,239. Additionally, a software error was discovered which caused excess depreciation to be taken in prior years. To correct for this error, accumulated depreciation was reduced by \$28,919. The effects of these changes are reported in the adjustment column of this schedule.

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Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 1,330
Public protection	5,313
Public ways and facilities	10,361
Health, sanitation, and public assistance	1,047
Education	866
Culture and recreation	66
Depreciation on capital assets held by the County's internal service fund is charged to the various functions based on their usage of the assets	<u>7,293</u>
Total depreciation expense - governmental functions	<u><u>\$ 26,276</u></u>

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

Solid waste enterprise	\$ 4,213
County service areas, other	<u>763</u>
Total depreciation expense - business-type functions	<u><u>\$ 4,976</u></u>

NOTE 7 - Short-Term Borrowing

Each fiscal year the County issues Tax and Revenue Anticipation Notes (TRANs) to provide financing of seasonal cash flow requirements for the General Fund's current year expenditures and to discharge its obligations and indebtedness during this period. The principal of the notes and the interest thereon are paid from pledged property taxes and revenues the County expects to receive during the fiscal year.

Short-term debt activity for the year ended June 30, 2008 was as follows:

	Beginning Balance July 1, 2007	Draws	Repayment	Ending Balance June 30, 2008
TRANS	<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ (60,000)</u>	<u>\$ -</u>

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NOTE 8 - Leases

Operating Leases

The county conducts some of its operations from leased facilities. The total rental expense for the year ended June 30, 2008, for operating leases was \$5,379.

The following is a schedule of future minimum rental payments required under operating leases entered into by the County that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2008:

<u>Fiscal year ended June 30</u>	<u>Governmental Activities</u>
2009	\$ 4,133
2010	3,189
2011	3,094
2012	2,891
2013	2,113
2014-2018	3,128
2019-2023	151
Totals	<u>\$ 18,699</u>

Capital Leases

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

The following is a schedule of future minimum lease payments under capital leases together with the present value of future minimum lease payments as of June 30, 2008:

Governmental activities	<u>Total Payments</u>	<u>Imputed Interest</u>	<u>Net Present Value of Minimum Lease Payments</u>
<u>Fiscal year ended June 30</u>			
2009	\$ 5,409	\$ 483	\$ 4,926
2010	4,800	260	4,540
2011	3,385	99	3,286
2012	465	8	457
Totals	<u>\$ 14,059</u>	<u>\$ 850</u>	<u>\$ 13,209</u>

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The following is a schedule of property under capital leases segregated by major class at June 30, 2008:

	Governmental Activities
Buildings	\$ 1,895
Equipment	21,018
Accumulated depreciation	(9,071)
Net	<u>\$ 13,842</u>

NOTE 9 - Long-Term Debt

Long-term obligations of the County consist of bonds, capital lease obligations, post-closure care costs of landfills, earned compensated absences and a liability for self-insurance.

The following is a schedule of long-term liabilities for governmental activities for the year ended June 30, 2008:

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008	Amounts due within one year
Earned compensated absences	\$ 41,421	\$ 43,692	\$ 42,435	\$ 42,678	\$ 17,592
Capital lease obligations (Note 8)	13,803	5,278	5,872	13,209	4,926
Liability for self-insurance (Note 12)	57,826	30,555	26,495	61,886	20,417
Bonds payable	785,497	13,170	15,832	782,835	19,220
Post-closure care costs	6,486	-	6,486	-	-
General long-term debt payable	<u>\$ 905,033</u>	<u>\$ 92,695</u>	<u>\$ 97,120</u>	<u>\$ 900,608</u>	<u>\$ 62,155</u>

Compensated absences typically have been liquidated in the General, Other Governmental, Proprietary, and Internal Service Funds.

Capital lease obligations are discussed at Note 8. The County's liability for self-insurance is detailed at Note 11.

Pension Obligation Bonds

In March 2002, the County issued \$117,055 in Taxable Pension Obligation Bonds, Refunding Series 2002 to advance refund a portion of the County's Taxable Pension Obligation Bonds, Series 1998. The 1998 Series bonds were originally issued in March 1998 in the amount of \$184,910. The proceeds of the refunding issue were used to purchase U.S. Government Securities and to provide cash, which was placed into an irrevocable escrow account with a trustee bank. The purpose of the escrow account is to provide resources to service a portion of the 1998 Series when the respective bonds come due between August 2002 and August 2008. As a result, the refunded bonds are considered defeased and the liability is not reported in the government activities column of the statement of net assets. This advance refunding was undertaken to

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reduce the debt service requirements for the next six fiscal years by extending the overall payments by eleven years and resulted in a net present value loss of \$7,704.

The portion of the County's taxable Pension Obligation Bonds, Series 1998 that were not refunded have various maturity dates between 2002 and 2008. The interest rates range from 6.01% to 6.26%. The County's taxable Pension Obligation Bonds, Refunding Series 2002 include both serial and term bonds. The serial bonds have various maturity dates between 2009 and 2014 with interest rates ranging between 6.06% and 6.45%. The term bonds mature in 2018 with an interest rate of 6.67% and a mandatory sinking fund redemption commencing in 2015.

In March 2004 the County issued Series 2004 A and B Pension Obligation Bonds for \$327,898 and \$75,000, respectively. These were issued to fund a portion of the County's unfunded accrued actuarial liability in the retirement system. The Series 2004 A Pension Obligation Bonds include current interest bonds, term bonds, and capital appreciation bonds. The Series 2004 B bonds were issued as auction rate bonds. The debt matures between 2005 and 2033. In September 2006, the Series 2004 B Pension Obligation Bonds were converted from auction rate to fixed rate securities.

The Debt Service fund is utilized to pay for pension obligation bonds. Payments for pension obligation bonds for the current year are shown as transfers out in the General and Special Revenue funds and as transfers-in in the Debt Service fund.

Lease Revenue Bonds

In February 2004 the Fresno County Financing Authority (FCFA), which was established to provide for the acquisition, disposition and/or financing of capital improvements and/or working capital for the County, issued \$26,000 in lease revenue bonds for the Juvenile Justice Campus. The debt matures between 2006 and 2024.

The FCFA issued \$14,375 of lease revenue bonds October 1, 2004 to fund the County's Energy Project. The majority of the debt issued was to fund a gas energy generating plant, which will produce energy for the County Jail and other facilities. The remaining portion was used to upgrade lighting and electrical fixtures. The source of funds to pay off the bonds is the savings incurred from the use of the generating facility and the new more efficient fixtures. The face value of the debt is \$14,375, along with a premium of \$75, and issuance costs of \$375.

On April 16, 2007, the FCFA issued \$55,350 in lease revenue bonds for the construction of a juvenile court and offices for joint occupancy and use by the County and the County of Fresno Superior Court. The Series 2007 Bonds consist of \$25,605 in serial bonds maturing between 2010 and 2021 with interest rates ranging from 4.0% to 4.125%, and \$29,745 in term bonds maturing between 2023 and 2030 with interest rates ranging between 4.3% and 4.75%. The County has entered into an agreement with the Administrative Office of the Courts to lease a portion of the building to the Superior Court.

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Tobacco Settlement Asset-Backed Bonds

In July 2002 the California County Tobacco Securitization Agency (the Agency) issued \$9,925 in Series 2002 asset-backed serial maturities and \$83,030 in Series 2002 asset-backed term bonds. These bonds mature between 2005 and 2038. The interest rates for the asset-backed serial maturities range from 3% to 5%. The interest rates for the asset-backed term bonds range from 5.625% to 6.125%.

On April 1, 2006 the Agency issued the Tobacco Settlement Asset-Backed Bonds, Subordinate Series 2006 in the amount of \$39,015. The Fresno County Tobacco Funding Corporation entered into a loan agreement with the Agency to borrow the bond proceeds and to secure the loan with County Tobacco Assets consisting of seventy-five percent of its rights to future tobacco settlement revenues. The 2006 Tobacco Bonds are turbo capital appreciation bonds, issued in four series and maturing in 2046 through 2055. The interest rates on the bonds range from 6.50% to 7.75%.

The following is a schedule of future debt service requirements for governmental activities:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2009	\$ 19,220	\$ 28,334	\$ 47,554
2010	19,005	27,479	46,484
2011	21,065	26,587	47,652
2012	23,480	25,572	49,052
2013	26,060	24,318	50,378
2014-2018	171,315	99,066	270,381
2019-2023	146,452	58,018	204,470
2024-2028	106,736	44,092	150,828
2029-2033	90,616	37,259	127,875
2034-2038	115,965	11,626	127,591
2039-2043	-	-	-
2044-2048	22,361	-	22,361
2049-2053	-	-	-
2054-2055	22,790	-	22,790
Sub-total	<u>785,065</u>	<u>382,351</u>	<u>1,167,416</u>
Less: Original issue premium	407	-	407
Original issue discount	<u>(2,637)</u>	<u>-</u>	<u>(2,637)</u>
Total	<u>\$ 782,835</u>	<u>\$ 382,351</u>	<u>\$ 1,165,186</u>

Capital Appreciation Bonds

The County of Fresno has issued two series of capital appreciation bonds. The first series is the Series 2004 A Pension Obligation Bonds for \$327,898. The second is the Series 2006 Tobacco Settlement Asset-Backed Bonds. Capital appreciation bonds are debt securities on which the investment return on an initial principal amount is reinvested at a stated compounded rate until maturity, at which time the investor receives a single payment (the "maturity value") representing both the initial principal amount and the total investment return.

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The following schedule represents the capital appreciation bonds issued by the County of Fresno and the California County Tobacco Securitization Agency:

Pension Obligation Bonds

Series	Maturity Date	Interest Rate	Initial Principal Amount	Accreted Value at 6/30/08	Accreted Value at Maturity
2004B	August 15, 2033	1.3% to 5.67%	\$ 327,898	\$ 364,575	\$ 711,250

Tobacco Securitization Tax Bonds

Series	Maturity Date	Interest Rate	Initial Principal Amount	Accreted Value at 6/30/08	Accreted Value at Maturity
2006A	June 1, 2046	6.50%	\$ 16,606	\$ 19,038	\$ 216,420
2006B	June 1, 2046	6.65%	2,890	3,323	39,920
2006C	June 1, 2055	7.00%	9,757	11,303	286,800
2006D	June 1, 2055	7.75%	9,762	11,487	409,500
Total			\$ 39,015	\$ 45,151	\$ 952,640

The following is a schedule of long-term liabilities for business-type activities for the year ended June 30, 2008:

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008	Due within one year
Earned compensated absences	\$ 53	\$ 60	\$ 49	\$ 64	\$ 13
Bonds	4,800	-	160	4,640	180
Closure and post-closure	25,928	1,503	-	27,431	-
Totals	\$ 30,781	\$ 1,563	\$ 209	\$ 32,135	\$ 193

Limited Obligation Improvement Bonds

On September 2, 1997 the Fresno County Financing Authority issued \$5,392 limited obligation improvement bonds reported in the County Service Areas, Other fund with an average interest rate of 5.92% payable semi-annually to purchase infrastructure improvements for Quail Lakes, a planned community. The bonds are payable from assessments on the property owners within the district and are not payable from any funds of the County.

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General Obligation Bonds

Waterworks District 41 issued \$600 in bonds in January of 1989. The bonds are general obligations of the Waterworks District 41 which levies annual ad valorem taxes upon land within the District to pay the principal and interest on the bonds. The bonds began maturing on 2/1/1990 and mature every year thereafter until the final principal amounts are paid on 2/1/2009. The proceeds were split between the Waterworks 41 Sewer and Waterworks 41 Water enterprise funds.

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

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2009	\$ 180	\$ 306	\$ 486
2010	125	293	418
2011	135	285	420
2012	140	276	416
2013	150	267	417
2014-2018	910	1,165	2,075
2019-2023	1,260	805	2,065
2024-2028	1,740	307	2,047
Total	<u>\$ 4,640</u>	<u>\$ 3,704</u>	<u>\$ 8,344</u>

Landfill closure and post-closure costs

The County accounts for all solid waste landfill closure and post-closure costs based on the provisions of GASB Statement No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Post-closure Care Costs." State and federal laws and regulations require the County to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure costs as an operating expense and liability in each period based on landfill capacity used as of each balance sheet date.

The County owns two solid waste landfills which are currently operating, the American Avenue Disposal Site and the Coalinga Disposal Site, as well as one landfill which ceased accepting waste in fiscal year 1991, the Southeast Regional Disposal Site. Southeast Regional completed its closure activities during fiscal year 1998-99 and began post-closure activities which are still ongoing as of June 30, 2008.

The \$27,431 reported as landfill closure and post-closure care liability at June 30, 2008, 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 \$40,948 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, 2008. Actual costs may be higher when the respective landfills close due to inflation, changes in technology, or changes in regulations.

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The percentage of landfill capacity used to date, the estimated remaining landfill life, the liability for closure and post-closure care at the balance sheet date, and the estimated remaining local closure and post-closure costs to be recognized for the three landfills are as follows:

Landfill	Capacity used at June 30, 2008	Estimated Years Remaining	Total Estimated Liability June 30, 2008	Liability Recognized June 30, 2008	Remaining Liability to be Recognized
American Avenue	35.04%	31	\$ 59,431	\$ 20,823	\$ 38,608
Coalinga	46.86%	26	4,403	2,063	2,340
Southeast Regional	100.00%		4,545	4,545	-
Totals			<u>\$ 68,379</u>	<u>\$ 27,431</u>	<u>\$ 40,948</u>

The increase from 2006-2007 in the closure and post-closure care liability for American Avenue and Coalinga is reported as an operating expense in 2007-2008. Closure and post-closure costs for Southeast Regional are reported as non-operating expenses. The County is required by state and federal laws to finance closure and post-closure care. Amounts collected from current users for these costs are reported in restricted cash and investments and as reserved retained earnings. Reserved retained earnings also include certain accounts receivable and amounts due from other funds restricted for closure and post-closure care costs. Regarding the American Avenue and Coalinga Disposal Sites, the County expects that future user fees and interest earnings over the remaining landfill lives will fund the closure and post-closure liabilities. Regarding Southeast Regional, the County expects any on-going costs to be funded from interest earnings and from quarterly payments from waste haulers and cities by agreement.

Additionally, Title 22 of the California Code of Regulations requires that counties finance certain closure and post-closure maintenance and monitoring activities for their hazardous waste disposal sites. Post-closure activities are required for a minimum of 30 years after closure. The County's Blue Hills Hazardous Waste Disposal Site, closed in the fiscal year 1992-93.

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. During the current year, the County performed calculations of excess investment earnings on various bonds, and at June 30, 2008 does not expect to incur a liability.

NOTE 10 - Fresno County Employees' Retirement Association (FCERA)

Plan Description - The FCERA is governed by the Board of Retirement under the 1937 County Employees Retirement Law (1937 Act). Readers should refer to the 1937 Act for more complete information. The FCERA is a contributory defined benefit plan initially organized under the provisions of the 1937 Act on January 1, 1945. It provides retirement, death, and disability benefits to members. The FCERA is a cost-sharing, multiple-employer plan that includes substantially all full-time employees and permanent part-time employees who work 50% or more for the County of Fresno, the Superior Court

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of California-County of Fresno, Clovis Memorial District, Fresno Mosquito and Vector Control District, North Central Fire Protection District, and Fresno/Madera Area Agency on Aging. An employee becomes eligible for membership commencing with the pay period following the date of employment in a permanent position. The FCERA issues a stand alone financial report that can be reviewed at the Auditor-Controller/Treasurer-Tax Collector's office.

Funding Policy - Contributions are made by the members and the employers at rates recommended by the FCERA's independent actuary and approved by the Board of Retirement and the County Board of Supervisors. Employee contribution rates vary according to age and classification (safety or general), and are designed to provide funding for approximately one-fourth of the regular retirement benefits and one-half of all cost of living benefits. Members are required to contribute between 3.63% and 11.96% of their annual covered salary. Employee contribution rates are established and may be amended pursuant to Articles 6 and 6.8 of the 1937 Act. Employer contribution rates are determined pursuant to Section 31453 of the 1937 Act and are designed to provide funding for the remaining regular retirement and cost of living benefits, as well as all regular disability and survivor's benefits.

The County of Fresno adopted a second retirement tier effective September 5, 2005. The optional Tier II retirement benefit offers a lower contribution rate for active members and a lower retirement benefit established at 2.0% at 55 for General members and 3.0% at 55 for Safety members compared to the Tier I benefit of 2.5% at 55 for General members and 3.27% at 55 for Safety members. The Tier II retirement option is available to new employees of the County of Fresno beginning September 5, 2005. Existing members were given the option to make a one-time, irrevocable election to transition to Tier II within 30 days of the adopted date.

The County of Fresno adopted a new retirement tier for general members under Government Code section 31676.15 that was effective June 18, 2007. Under this section of the code the benefit ranges from 2% at 55 to 3.13% at age 65. Benefits are calculated using a three year average final compensation. The new tier is mandatory for any new general member in a job classification covered by a collective bargaining agreement negotiated by Service Employees International Union (SEIU).

The following table shows the County's annual required contributions and the percentage contributed, for the current year and each of the two preceding years:

<u>Fiscal Year</u>	<u>Annual Required Contributions (ARC)</u>	<u>Percentage of ARC Contributed</u>
6/30/2006	56,664	100%
6/30/2007	69,997	100%
6/30/2008	97,305	100%

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NOTE 11 - Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has established a Risk Management fund (an Internal Service fund) to account for and finance its uninsured risks of loss. The fund is also used to account for the unemployment benefits program and for employee medical coverage provided through contracts with various health maintenance organizations.

The Risk Management fund provides coverage of the general liability, workers' compensation, medical malpractice, and property other which consists of fire, bond, and miscellaneous insurance and damaged vehicle loss programs. General liability coverage is self-insured up to a maximum of \$750 per claim. Excess coverage up to \$15,000 per claim is provided through a risk pool agreement with the California State Association of Counties (CSAC) Excess Insurance Authority.

Crime bond coverage is self-insured up to a maximum of \$25. A crime bond deductible buy down with a maximum of \$25 per occurrence less a deductible of \$2.5 is also provided. Excess coverage of \$10,000 per occurrence is provided through a risk pool agreement with CSAC Excess Insurance Authority.

Pollution liability coverage is self insured for \$100 per claim and excess coverage up to a maximum of \$10,000 is provided through a risk pool agreement with CSAC Excess Insurance Authority.

Workers' compensation claims are self-insured up to a maximum of \$500 per claim. Excess coverage up to \$300,000 per claim is provided through a risk pool agreement with CSAC Excess Insurance Authority.

The County is entirely self-insured for medical malpractice claims.

Property-other is self-insured up to a deductible of \$25 per claim with a maximum of \$600,000 in excess coverage per claim. Flood and earthquake coverage have maximums in excess insurance of \$575,000 and \$425,000 respectively. Excess insurance is provided through a risk pool agreement with CSAC.

Aircraft coverage has a deductible of \$1 with a maximum limit in excess insurance of \$25,000 provided through a risk pool agreement with CSAC Excess Insurance Authority.

County departmental contributions to the workers' compensation, general liability, and medical malpractice programs are based on actuarial recommendations. The reported actuarial liabilities for workers compensation and general liability assume a long-term annual rate of return of 4 percent. The undiscounted actuarial liability for these programs is \$62,778. Reserves for self-insurance for these programs include estimated liability amounts for claims filed against the County for their programs, as well as the estimated amount of claims incurred but not reported, as computed by the actuary. Contributions to the property damage, unemployment, and vehicle damage programs are based on actual historical claim loss experience.

The claims liability of \$61,886 reported in the Risk Management fund at June 30, 2008 is based on the requirement that claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The claims liability includes all allocated loss adjustment expenses. While the ultimate amount of claims is dependent on future developments, management is of the opinion that the claims liability at June 30,

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2008 is adequate to cover such claims. Changes in the Risk Management fund's claims liability amount during the last two fiscal years were as follows:

	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Beginning of fiscal year liability	\$ 57,826	\$ 54,389
Current year claims provision and changes in estimates	30,555	23,264
Claim payments	<u>(26,495)</u>	<u>(19,827)</u>
Balance at fiscal year end	<u><u>\$ 61,886</u></u>	<u><u>\$ 57,826</u></u>

NOTE 12 - Designated Fund Balances

The County's Governmental Funds' Balance Sheet includes in its Unreserved Fund balance various designations. These designations reflect unreserved fund balances that have been tentatively allocated for financial resource utilization in future fiscal years. The amounts and purpose of these designations are as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>
1. The Board established a general designation of fund balance in the General Fund to provide additional financial stability	\$ 9,000	\$ -
2. A designation for the accrued current year Compensated Absences (annual leave) liability.	5,227	-
3. A designation established for the potential buyout of the delinquent tax roll for those taxing agencies within the County that have not yet opted into the Teeter Plan.	300	-
4. A designation established for Information Technology Services depreciation.	594	-
5. A designation for low/moderate income housing required of the Friant Community Redevelopment Agency.	-	241
6. Funds reclassified from Agency funds according to GASB 34.	<u>96,646</u>	<u>-</u>
	<u><u>\$ 111,767</u></u>	<u><u>\$ 241</u></u>

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NOTE 13 - Net Assets for Business-type Activities

Individual Net Assets balances at June 30, 2008 are as follows:

Solid Waste Enterprise	
Net assets	
Invested in capital assets, net of related debt	\$ 35,689
Restricted - post closure care	23,040
Unrestricted	25,172
Total	<u>83,901</u>
County Service Areas, Other	
Net assets	
Invested in capital assets, net of related debt	13,398
Restricted:	
Debt service, bond repayment/construction	1,722
Unrestricted	4,471
Total	<u>19,591</u>
Total net assets for business-type activities	<u><u>\$ 103,492</u></u>

NOTE 14 - Restricted Cash

Cash is restricted for various purposes in the governmental funds and proprietary funds. Restricted Cash consists of the following:

Enterprise funds:	
Solid Waste Enterprise	
American Avenue landfill expansion	\$ 15,483
American Avenue closure and post-closure	20,645
Coalinga closure and post-closure	2,104
Subtotal	<u>38,232</u>
County Service Areas, Other:	
Fixed assets replacement	1,406
Subtotal	<u>1,406</u>
Total	<u><u>\$ 39,638</u></u>

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NOTE 15 - Contingent Liabilities and Commitments

The County is involved in a lawsuit brought by employees of the Fresno County Sheriff's Department. Employees seek recovery under the Fair Labor Standards Act for time spent donning and doffing uniforms and safety gear; preparing and maintaining vehicles and equipment, travel time to and from work; and unpaid lunch breaks for bailiffs. There are also various other lawsuits and claims filed against the County. In the opinion of management, and County Counsel, these claims will be resolved with no material adverse effect on the County's financial condition or results of operations.

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

On November 5, 1996, California voters approved Proposition 218 which provides certain limitations over the ability of local governments within the State of California to impose, increase, and extend taxes, assessments and fees. This Proposition applies to all taxes, assessments, fees, and charges enacted or increased on or after January 1, 1995. The Board resolved to set forth initial procedures for bringing existing and new assessments, fees or charges into conformity with requirements of Proposition 218. The full impact of Proposition 218 on local government finances is difficult to assess and may be resolved only when the legislature enacts implementing statutes or a court ruling becomes available. Accordingly, no adjustments have been made to these financial statements for Proposition 218.

On August 27, 1996, the Board approved a master agreement with Community Hospitals of Central California (CHCC) to provide medical services for the indigent and inmate populations effective October 7, 1996. Valley Medical Center ceased operations as a County hospital on October 6, 1996 and its name changed to University Medical Center. The annual payment to CHCC for such services will be \$19,217 adjusted for inflation.

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NOTE 16 - Cash and Investments

Cash and investments as of June 30, 2008 are classified in the accompanying financial statements as follows:

Statement of Net Assets:	
Cash and investments	\$ 506,145
Fiduciary Funds:	
Cash and investments	<u>4,812,129</u>
Total cash and investments	<u><u>\$ 5,318,274</u></u>

Cash and investments as of June 30, 2008 consist of the following:

Cash on hand	\$ 5,725
Deposits with financial institutions	61,439
Investments	<u>5,251,110</u>
Total Cash and Investments	<u><u>\$ 5,318,274</u></u>

The following represents a condensed statement of net assets and changes in net assets for the Treasury Investment Pool as of June 30, 2008.

Statement of Net Assets

Cash and investments	\$ 2,130,913
Less: warrants payable	<u>(375,106)</u>
Net assets held in trust for pool participants	<u><u>\$ 1,755,807</u></u>

Equity of internal pool participants	\$ 272,638
Equity of external pool participants (voluntary and involuntary)	<u>1,483,169</u>
	<u><u>\$ 1,755,807</u></u>

Statement of Changes in Net Assets

Net assets at July 1, 2007	\$ 1,913,579
Net change in investments by pool participants	<u>(157,772)</u>
Net assets held in trust for pool participants at June 30, 2008	<u><u>\$ 1,755,807</u></u>

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Investments authorized by California Government Code and the County of Fresno Treasury Investment Pool Policy

The following table identifies the investment types that are authorized for the County by California Government Code (CGC), or the County of Fresno Treasury Investment Pool Policy (IP), where more restrictive. The table also identifies the more restrictive provision of the CGC or the IP that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investment of debt proceeds held by bond trustee's that are governed by the provisions of the County's debt agreements, rather than the general provisions of either the CGC or the IP.

<u>Authorized Investment Types</u>	<u>Maximum Percentage Of Portfolio</u>	<u>Maximum Maturity</u>
U.S. Treasury Bills, Notes and Bonds*	0 to 85%	5 Years
U.S. Government Agency Obligations*	0 to 85%	5 Years
Bankers Acceptances	40%	180 Days
Commercial Paper	40%	270 Days
Negotiable Certificates of Deposit	30%	13 Months
Non-negotiable Certificates of Deposit	50%	13 Months
Repurchase Agreements	15%	Overnight/Weekend
Local Agency Investment Fund	\$40,000	5 Years
Medium Term Notes	30%	5 Years
Mutual Funds	20%	5 Years
Mortgage-Backed Securities	10%	5 Years

**Investments in US Treasury Bills, Notes and Bonds and US Government Agency Obligations may not exceed 85% of the money in the Treasury Investment Pool.*

Investment Authorized by Debt Agreements

The County and its component units have \$42,582 in investments held by bond trustees pledged to the payment or security of certain debt issues. These funds are invested in accordance with bond covenants and are pledged for payment of principal, interest, and specified capital improvements.

Interest Rate Risk

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

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Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

Information about the sensitivity of the fair values of the County's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the County's investments by maturity:

	Remaining Maturity (in months)						
	Totals	12 months or less	13 to 24 months	25 to 36 months	37 to 60 months	61 to 120 months	More than 120 months
U.S. Gov. Agency Obligation	\$ 1,560,883	\$ 181,242	\$ 113,051	\$ 277,999	\$ 749,412	\$ 1,491	\$ 237,688
Medium-Term Corporate Notes	175,370	53,601	37,072	61,752	22,945		
U.S. Treasury Notes	314,540	152,310	117,195		10,634	2,284	32,117
Mortgage Backed Pass Throughs	1,092		1,092				
Asset Backed Securities	4,668			945	3,723		
Asset Sweep Account	2,779	2,779					
Discount Commercial Paper	3,747	3,747					
Repurchase Agreements	48,000	48,000					
Securities lending - investments							
Asset Backed	43,931	43,931					
Corporate fixed income	203,775	203,775					
Repurchase Agreements	110,042	45,125	64,917				
Domestic fixed income	341,393	12,034		16,325	51,680	50,256	211,098
Mortgages	105,607			1,583	-		104,024
Foreign fixed income	56,540	3,684	10,158	2,336	7,319	17,923	15,120
Global Bond Fund	79,152						79,152
Mutual Fund	273,585	273,585					
Bank Account	29,672	29,672					
Vault	5,880	5,880					
Total	\$ 3,360,656	\$ 1,059,365	\$ 343,485	\$ 360,940	\$ 845,713	\$ 71,954	\$ 679,199

Except as inherent by their nature as disclosed above, the County's investments (including those held by a bond trustee) are not highly sensitive to interest rate fluctuations.

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Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Presented below is the minimum rating required by the CGC, or the IP, or debt agreements, and the actual rating as of year end for each investment type.

Investment Type	Total	Minimum Legal Rating	Exempt from Disclosure	Ratings as of the Year End			
				A1/P1 A-AAA	B-BBB	C-CCC	Not Rated
U.S. Gov. Agency Obligation	\$ 1,560,883	N/A	\$ -	\$ 1,512,471	\$ -	\$ -	\$ 48,412
Medium-Term Corporate Notes	175,370	A3		174,386	984		
U.S. Treasury Notes	314,540	N/A	314,540				
Mortgage Backed Pass Throughs	1,092	AA		1,092			
Asset Backed Securities	4,668	AA		4,668			
Asset Sweep Account	2,779	P-1 / A-1+					2,779
Discount Commercial Paper	3,747	P-1 / A-1+		3,747			
Repurchase Agreements	48,000	N/A					48,000
Securities lending - investments							
Asset Backed	43,931	AA		14,272			29,659
Corporate fixed income	203,775	A3		203,775			
Repurchase Agreements	110,042	N/A		110,042			
Domestic fixed income	341,393	AA		102,113	233,890	3,506	1,884
Mortgages	105,607	B3		58,997			46,610
Foreign fixed income	56,540	B3		37,307	11,116	42	8,075
Global Bond Fund	79,152	N/A		79,152			
Mutual Fund	273,585	N/A		233,585			40,000
Bank Account	29,672	N/A					29,672
Vault	5,880	N/A					5,880
Total	<u>\$ 3,360,656</u>		<u>\$ 314,540</u>	<u>\$ 2,535,607</u>	<u>\$245,990</u>	<u>\$ 3,548</u>	<u>\$ 260,971</u>

Concentration of Credit Risk

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

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal Farm Credit Bank	Federal Agency Securities	\$ 480,554
Federal Home Loan Bank	Federal Agency Securities	522,655
Federal Home Loan Mortgage Corp.	Federal Agency Securities	119,678
Federal National Mortgage Assn	Federal Agency Securities	170,371

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(amounts expressed in thousands)

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that the County will not be able to recover its deposits or will not be able to recover collateral securities in the possession of an outside party if a depository institution fails. The custodial credit risk for *investments* is the risk that the County will not be able to recover the value of its investment or collateral securities held by another party if the counterparty (e.g. broker-dealer) to a transaction fails. The CGC and IP do not contain legal or policy requirements that would limit exposure to custodial credit risk for deposits or investments, other than the following provision applicable to *deposits*: The CGC requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure County deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2008, all of the County's deposits with financial institutions in excess of federal depository insurance limits were held in fully collateralized accounts, as permitted by the CGC. As of June 30, 2008, all of the County's investments were held by the County itself or by a broker-dealer (counterparty) other than the broker-dealer used by the County to purchase the securities.

County of Fresno
Notes to the Basic Financial Statements
June 30, 2008
(amounts expressed in thousands)

Investment in State Investment Pool

The County is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the CGC under the oversight of the Treasurer of the State of California. The fair value of the County's investments in this pool is reported in the accompanying financial statements at amounts based upon the County's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawals is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Foreign Currency Risk

This risk applies to assets invested on behalf of FCERA. The risk is that FCERA will not be able to recover the value of its investment in local currency when the exchange value of the currency lowers. As of June 30, 2008, FCERA's investment in foreign currency was as follows:

<u>Currency</u>	<u>Fair Market Value</u> <u>(US Dollars)</u>
British Pound Sterling	\$ 8
Euro	125
Japanese Yen	336
Other Foreign Currency	<u>2</u>
Total Foreign Currency	<u>\$ 471</u>

NOTE 17- Subsequent Events

On July 1, 2008, the County issued Tax and Revenue Anticipation Notes (TRANs) totaling \$95,000 due on June 30, 2009 at a coupon interest rate of 3.00% and a reoffering rate of 1.63%. The proceeds of the TRANs are intended to provide financing of seasonal cash flow requirements for the County's General Fund expenditures during the fiscal year ending June 30, 2009. The TRANs are general obligations of the County, but are payable only out of the taxes, income, revenues, cash receipts and other moneys received by the County for the General Fund during Fiscal Year 2008-09 that are lawfully available for payment of the notes and interest.

County of Fresno
Notes to the Basic Financial Statements
June 30, 2008
(amounts expressed in thousands)

NOTE 18 - Prior Period Adjustment

The County made prior period adjustments of \$30,061 to Net Assets. The largest adjustment (\$28,919) was related to a software error in the calculation of depreciation expense which affected prior years. This error was corrected during fiscal year 2007-08.

	Net Asset (Increase) Decrease
Primary Government	
Governmental Activities	
Adjustment for software error to Accumulated Depreciation	\$ (28,919)
Adjustment for General Fund 06-07 revenue accruals	(1,607)
Adjustment for Special Revenue Funds 06-07 revenue accruals	(1,485)
Assets under \$5 written off	2,239
Recognition of operating leases	(278)
Subtotal	<u>(30,050)</u>
Business Activities	
Adjustment to Business Type Activities	(11)
Total	<u><u>\$ (30,061)</u></u>

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Required Supplementary Information
(Other than MD & A)

County of Fresno
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Budgetary balances, July 1	\$ 90,315	\$ 92,749	\$ 110,293	\$ 17,544
Resources (inflows):				
Taxes	191,477	191,477	204,096	12,619
Licenses and permits	10,839	10,839	9,089	(1,750)
Fines, forfeitures and penalties	9,903	9,903	10,340	437
Use of money and property	12,663	12,663	10,689	(1,974)
Aid from other governmental agencies:				
State	401,885	411,166	379,860	(31,306)
Federal	305,247	312,154	282,455	(29,699)
Other	6,766	6,803	2,573	(4,230)
Charges for current services	117,176	119,878	112,443	(7,435)
Other revenues	58,357	63,544	114,436	50,892
Transfers in	152,772	153,036	150,518	(2,518)
Total resources	<u>1,267,085</u>	<u>1,291,463</u>	<u>1,276,499</u>	<u>2,580</u>
Total budgetary balance and resources	1,357,400	1,384,212	1,386,792	20,124
Charges to appropriations (outflows):				
General government				
Salaries and benefits	44,962	44,858	44,242	616
Services and supplies	20,093	22,806	18,954	3,852
Other charges	6,190	6,639	5,330	1,309
Fixed assets	7,168	11,994	8,567	3,427
Total general government	<u>78,413</u>	<u>86,297</u>	<u>77,093</u>	<u>9,204</u>
Public protection				
Salaries and benefits	262,905	262,764	253,461	9,303
Services and supplies	68,600	70,700	59,617	11,083
Other charges	20,222	20,471	19,917	554
Fixed assets	4,991	6,638	4,324	2,314
Total public protection	<u>356,718</u>	<u>360,573</u>	<u>337,319</u>	<u>23,254</u>
Health and sanitation				
Salaries and benefits	273,205	274,327	258,979	15,348
Services and supplies	181,825	188,706	159,965	28,741
Other charges	337,122	342,366	332,639	9,727
Fixed assets	345	859	513	346
Total health and sanitation	<u>792,497</u>	<u>806,258</u>	<u>752,096</u>	<u>54,162</u>
Education				
Salaries and benefits	485	506	496	10
Services and supplies	279	279	278	1
Total education	<u>764</u>	<u>785</u>	<u>774</u>	<u>11</u>
Cultural and recreation:				
Salaries and benefits	2,325	2,316	2,215	101
Services and supplies	1,368	1,368	1,368	-
Other charges	1	1	1	-
Total cultural and recreation	<u>3,694</u>	<u>3,685</u>	<u>3,584</u>	<u>101</u>
Transfers out	<u>125,314</u>	<u>126,614</u>	<u>103,116</u>	<u>23,498</u>
Total charges to appropriations	<u>1,357,400</u>	<u>1,384,212</u>	<u>1,273,982</u>	<u>110,230</u>
Budgetary fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,810</u>	<u>\$ 130,354</u>

* Ending budgetary fund balance includes Reserved and Unreserved Designated fund balance.

County of Fresno
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2008
(amounts expressed in thousands)

Explanation of differences between budgetary inflows and outflows, and GAAP revenues and expenditures:

Sources/inflows of resources

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule not including fund balance	\$ 1,276,499
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(150,518)
Receipts from sub-funds reclassified from County Agency Funds, not budgeted	1,225
Modified accrual basis of accounting to budgetary basis of accounting	(49,258)
Total revenue reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 1,077,948</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary schedule not including fund balance	\$ 1,273,982
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(103,116)
Payments to sub-funds reclassified from County Agency Funds, not budgeted	7,544
Modified accrual basis of accounting to budgetary basis of accounting	(26,727)
Total expenditures reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 1,151,684</u>

County of Fresno
Required Supplementary Information
For the Year Ended June 30, 2008
Employees' Retirement Association
Analysis of Funding Progress
(amounts in thousands)

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded (Overfunded) AAL (2) - (1)	(4) Funded Ratio (1) / (2)	(5) Covered Payroll	(5) Unfunded (Overfunded) UAAL Percentage of Covered Payroll (3) / (5)
6/30/02 ¹	1,674,900 ²	1,932,300	257,400	86.7%	326,975	78.7%
6/30/03 ¹	1,922,149 ²	1,953,490	31,341	98.4%	341,981	9.2%
6/30/04 ¹	1,977,097 ²	2,017,971	40,874	98.0%	337,614	12.1%
6/30/05 ³	2,044,389	2,233,594	189,205	91.5%	351,049	53.9%
6/30/06	2,398,454	2,803,990	405,536	85.5%	376,270	107.8%
6/30/07	2,610,269 ⁴	3,149,570	539,301	82.9%	404,277	133.4%

¹ Results were prepared by the Retirement Associations prior actuary and disclosed in the Associations June 30, 2006 CAFR.

² Actuarial Value of Assets in the Solvency Test includes the total plan assets for all years. The Summary of Funding Progress shown here reports only the employer's assets for the years 2002, 2003, and 2004, amounts will therefore not be consistent between the Solvency Test and the Summary of Fundings Progress schedules.

³ Before the Retirement Board amended its funding policy to eliminate the requirement that one-half of the COLA UAAL be paid by members. After the amendment, the AAL was \$2,545,620, the Valuation Value of Assets (VVA) was \$2,270,141, the funded percentage was 89.2% and the UAAL was \$275,479.

⁴ After decreasing assets by \$3,169 for a net overpayment of member contributions discounted at June 30, 2007.

**Combining Individual Financial Statements
and Schedules**

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Special Revenue Funds

Special Revenue Funds are established to finance particular governmental activities and are funded by receipts of specific taxes or other earmarked revenues. Such funds are authorized by statutory or charter provisions to pay for certain activities of a continuing nature.

Road

This fund provides for planning, design, construction, maintenance and administration of County transportation planning activities. Revenues consist primarily of the County's share of State Highway Use Taxes, Federal Grants, and Vehicle Code Fines and Fees.

County Free Library

The Fresno County Free Library is a Special District under the governance of the Board of Supervisors, which provides informational, cultural, and recreational services to the public through 35 library outlets.

County Free Library – Measure B

The County Free Library fund was established to account for the revenues and expenditures for Measure B, the Library Tax Ordinance, passed by the voters in November, 1998.

Fish and Game

This fund was established to receive the County's share of fines levied for violations of fish and game laws within its boundaries. Expenditures are made from time to time for purposes of improving the habitat for wildlife propagation and for incidental administrative matters.

Off-Highway License

The Off-Highway Vehicle Law of 1971 requires users of trail bikes, dune buggies, and similar vehicles designed for off-highway use to purchase an identification certificate. This fund can only be used to account for acquisition and development of off-road recreation areas. Allowable expenditures include feasibility studies, planning studies, environmental impact reports and other expenses necessary to implement acquisition or development.

Emergency Medical Services (EMS)

The EMS fund was established in 1989-90 to receive deposits associated with SB 12 and Proposition 99 monies. Disbursements from this fund must be in accordance with Health & Safety Code Section 1797.98a and AB 75. The monies in this fund are used to reimburse physicians and hospitals for emergency treatment performed on individuals who are unable to pay.

California Healthcare for Indigents Program (CHIP)

The CHIP fund was established in 1989-90 to receive the County's share of Proposition 99 monies as per AB 75. The monies in this fund are used to pay hospitals and doctors for services rendered to individuals who cannot pay.

Local Health and Welfare

The Local Health and Welfare fund was established to pay those costs previously paid for by the AB 8, Short-Doyle, and AB 90 programs. Sales Tax and Vehicle License Fees are collected by the State and distributed to counties for deposit into this fund. These monies are matched by a County contribution from the General Fund. The combined pool of funds is then used to finance County costs that are incurred in various Health, Mental Health, Social Services, and Juvenile Justice budget units.

County Service Areas, Other

These special districts, governed by the Fresno County Board of Supervisors, include County Service Areas, and Lighting and Maintenance Districts. These districts were established to provide services such as road, park, and lighting maintenance to specific areas in the County. They are financed by ad valorem property taxes in the area benefited, or by special assessments levied on specific properties.

Friant Community Redevelopment Agency

The Friant Community Redevelopment Agency (Agency) Fund was established to account for redevelopment tax increments received and expenditures incurred by the Agency. The Agency was formed to construct a sewage system within the Friant commercial area in an effort to stimulate economic growth.

Fresno County Tobacco Funding Corporation

The Fresno County Tobacco Funding Corporation was formed in June 2002 to purchase the rights to receive tobacco settlement payments. The County securitized its tobacco settlement payments and issued bonds to pay for the juvenile justice facility. The Fresno County Tobacco Funding Corporation pays the principal and interest payments on the bonds.

Capital Projects Fund

The Capital Projects Fund is used to account for the acquisition and construction of major facilities other than those financed by Proprietary and certain Trust Funds. Budgets are adopted in the General Fund at the beginning of projects and are periodically modified by the Board of Supervisors during the course of construction as circumstances require. Transfers are made from the General Fund to the Capital Projects Fund to finance capital expenditures. There are no combining statements because the County uses one Capital Projects Fund which is reported on the non-major combining financial statements.

County of Fresno
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2008
(amounts expressed in thousands)

	Special Revenue Funds	Capital Projects Fund	Total
ASSETS			
Cash and investments	\$ 60,616	\$ 2,996	\$ 63,612
Receivables:			
Accounts	30,412	-	30,412
Taxes	770	-	770
Interest	575	28	603
Due from other funds	3,499	2,877	6,376
Due from other governmental units	62	-	62
Inventory of supplies	1,064	-	1,064
	<u>\$ 96,998</u>	<u>\$ 5,901</u>	<u>\$ 102,899</u>
LIABILITIES			
Accounts payable	\$ 6,207	\$ 2,980	\$ 9,187
Salaries and benefits payable	1,464	-	1,464
Due to other funds	15,955	40	15,995
Due to other governmental units	141	-	141
Advances from other funds	583	-	583
Deferred revenue	12,321	-	12,321
	<u>36,671</u>	<u>3,020</u>	<u>39,691</u>
FUND BALANCES			
Reserved for encumbrances	43,797	17,909	61,706
Reserved for imprest and postage funds	5	-	5
Reserved for inventory	1,064	-	1,064
Unreserved	15,461	(15,028)	433
	<u>60,327</u>	<u>2,881</u>	<u>63,208</u>
Total liabilities and fund balances	<u>\$ 96,998</u>	<u>\$ 5,901</u>	<u>\$ 102,899</u>

County of Fresno
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2008
(amounts expressed in thousands)

	Special Revenue Funds	Capital Projects Fund	Total
Revenues:			
Taxes	\$ 32,040	\$ -	\$ 32,040
Licenses and permits	366	-	366
Fines, forfeitures and penalties	1,728	-	1,728
Use of money and property	2,272	138	2,410
Aid from other governmental agencies:			
State	129,668	-	129,668
Federal	8,535	-	8,535
Charges for current services	9,835	-	9,835
Other revenues	551	-	551
Total revenues	<u>184,995</u>	<u>138</u>	<u>185,133</u>
Expenditures:			
Public ways and facilities	61,416	-	61,416
Health, sanitation, and public assistance	3,273	-	3,273
Education	29,823	-	29,823
Capital outlay	-	31,864	31,864
Debt service:			-
Principal	2,045	-	2,045
Interest	5,093	-	5,093
Total expenditures	<u>101,650</u>	<u>31,864</u>	<u>133,514</u>
Excess (deficiency) of revenues over (under) expenditures	<u>83,345</u>	<u>(31,726)</u>	<u>51,619</u>
Other financing sources (uses):			
Transfers in	61,963	33,850	95,813
Transfers out	(153,451)	(265)	(153,716)
Total other financing sources (uses)	<u>(91,488)</u>	<u>33,585</u>	<u>(57,903)</u>
Excess of revenues and other sources over expenditures and other uses	<u>(8,143)</u>	<u>1,859</u>	<u>(6,284)</u>
Fund balance - beginning	66,985	1,022	68,007
Prior period adjustment	1,485	-	1,485
Fund balance - ending	<u>\$ 60,327</u>	<u>\$ 2,881</u>	<u>\$ 63,208</u>

County of Fresno
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2008
(amounts expressed in thousands)

	Road	County Free Library	County Free Library - Measure B	Fish and Game	Off- Highway License	California Healthcare for Indigents Program
ASSETS						
Cash and investments	\$ 22,328	\$ 6,552	\$ 13,004	\$ 51	\$ 517	\$ 77
Receivables:						
Accounts	12,363	75	162	-	6	143
Taxes	-	217	553	-	-	-
Interest	269	85	130	1	6	2
Due from other funds	106	-	-	-	-	-
Due from other governmental agencies	51	11	-	-	-	-
Inventory of supplies	1,016	48	-	-	-	-
Total assets	<u>\$ 36,133</u>	<u>\$ 6,988</u>	<u>\$ 13,849</u>	<u>\$ 52</u>	<u>\$ 529</u>	<u>\$ 222</u>
LIABILITIES						
Accounts payable	\$ 4,189	\$ 216	\$ 1,688	\$ 15	\$ -	\$ 67
Salaries and benefits payable	755	295	414	-	-	-
Due to other funds	650	6	125	-	-	5
Due to other governmental units	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Deferred revenue	6,105	1	-	-	-	-
Total liabilities	<u>11,699</u>	<u>518</u>	<u>2,227</u>	<u>15</u>	<u>-</u>	<u>72</u>
FUND BALANCES						
Reserved for:						
Encumbrances	13,905	162	7,559	9	-	1,037
Imprest and postage funds	-	5	-	-	-	-
Inventory	1,016	48	-	-	-	-
Unreserved	9,513	6,255	4,063	28	529	(887)
Total fund balances	<u>24,434</u>	<u>6,470</u>	<u>11,622</u>	<u>37</u>	<u>529</u>	<u>150</u>
Total liabilities and fund balances	<u>\$ 36,133</u>	<u>\$ 6,988</u>	<u>\$ 13,849</u>	<u>\$ 52</u>	<u>\$ 529</u>	<u>\$ 222</u>

County of Fresno
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2008
(amounts expressed in thousands)

Emergency Medical Services	Local Health and Welfare	County Service Areas, Other	Friant Community Redevelopment Agency	Tobacco Funding Corporation	Total
\$ 3,669	\$ 370	\$ 3,534	\$ 911	\$ 9,603	\$ 60,616
100	11,342	6	-	6,215	30,412
-	-	-	-	-	770
38	-	36	9	-	575
-	3,393	-	-	-	3,499
-	-	-	-	-	62
-	-	-	-	-	1,064
<u>\$ 3,807</u>	<u>\$ 15,104</u>	<u>\$ 3,576</u>	<u>\$ 920</u>	<u>\$ 15,818</u>	<u>\$ 96,998</u>

ASSETS

Cash and investments
Receivables:
 Accounts
 Taxes
 Interest
Due from other funds
Due from other governmental agencies
Inventory of supplies

Total assets

\$ (2)	\$ -	\$ 34	\$ -	\$ -	\$ 6,207
-	-	-	-	-	1,464
46	15,104	19	-	-	15,955
141	-	-	-	-	141
-	-	-	583	-	583
-	-	-	-	6,215	12,321
<u>185</u>	<u>15,104</u>	<u>53</u>	<u>583</u>	<u>6,215</u>	<u>36,671</u>

LIABILITIES

Accounts payable
Salaries and benefits payable
Due to other funds
Due to other governmental units
Advances from other funds
Deferred revenue

Total liabilities

2,497	18,629	-	-	-	43,797
-	-	-	-	-	5
-	-	-	-	-	1,064
<u>1,125</u>	<u>(18,629)</u>	<u>3,523</u>	<u>337</u>	<u>9,603</u>	<u>15,461</u>
<u>3,622</u>	<u>-</u>	<u>3,523</u>	<u>337</u>	<u>9,603</u>	<u>60,327</u>
<u>\$ 3,807</u>	<u>\$ 15,104</u>	<u>\$ 3,576</u>	<u>\$ 920</u>	<u>\$ 15,818</u>	<u>\$ 96,998</u>

FUND BALANCES

Reserved for:
 Encumbrances
 Imprest and postage funds
 Inventory
Unreserved

Total fund balances

Total liabilities and fund balances

County of Fresno
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2008
(amounts expressed in thousands)

	Road	County Free Library	County Free Library - Measure B	Fish and Game	Off- Highway License	California Healthcare for Indigents Program
Revenues:						
Taxes	\$ 8,429	\$ 9,403	\$ 13,931	\$ -	\$ -	\$ -
Licenses and permits	366	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	4	-	-
Use of money and property	529	214	705	3	29	8
Aid from other governmental agencies:						
State	36,131	480	1,470	-	11	882
Federal	8,495	40	-	-	-	-
Charges for current services	7,834	675	52	-	-	-
Other revenues	13	186	275	-	-	-
Total revenues	<u>61,797</u>	<u>10,998</u>	<u>16,433</u>	<u>7</u>	<u>40</u>	<u>890</u>
Expenditures:						
Public ways and facilities	57,843	-	-	41	103	-
Health and sanitation	-	-	-	-	-	747
Education	-	9,411	20,412	-	-	-
Debt service:						
Principle	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>57,843</u>	<u>9,411</u>	<u>20,412</u>	<u>41</u>	<u>103</u>	<u>747</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,954</u>	<u>1,587</u>	<u>(3,979)</u>	<u>(34)</u>	<u>(63)</u>	<u>143</u>
Other financing sources (uses):						
Transfers in	4,607	102	-	-	-	-
Transfers out	(1,165)	(495)	(622)	-	(17)	-
Total other financing sources (uses)	<u>3,442</u>	<u>(393)</u>	<u>(622)</u>	<u>-</u>	<u>(17)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>7,396</u>	<u>1,194</u>	<u>(4,601)</u>	<u>(34)</u>	<u>(80)</u>	<u>143</u>
Fund balance - beginning	15,763	5,276	16,223	71	609	7
Prior Period adjustment	1,275	-	-	-	-	-
Fund balance - ending	<u>\$ 24,434</u>	<u>\$ 6,470</u>	<u>\$ 11,622</u>	<u>\$ 37</u>	<u>\$ 529</u>	<u>\$ 150</u>

County of Fresno
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2008
(amounts expressed in thousands)

Emergency Medical Services	Local Health and Welfare Trust	County Service Areas, Other	Friant Community Redevelopment Agency	Tobacco Funding Corporation	Total
\$ -	\$ -	\$ 50	\$ 227	\$ -	\$ 32,040
-	-	-	-	-	366
1,724	-	-	-	-	1,728
182	-	152	36	414	2,272
859	80,881	117	-	8,837	129,668
-	-	-	-	-	8,535
-	-	1,274	-	-	9,835
12	-	8	-	57	551
<u>2,777</u>	<u>80,881</u>	<u>1,601</u>	<u>263</u>	<u>9,308</u>	<u>184,995</u>
-	-	999	61	2,369	61,416
2,526	-	-	-	-	3,273
-	-	-	-	-	29,823
-	-	-	-	2,045	2,045
-	-	-	-	5,093	5,093
<u>2,526</u>	<u>-</u>	<u>999</u>	<u>61</u>	<u>9,507</u>	<u>101,650</u>
251	80,881	602	202	(199)	83,345
-	57,251	3	-	-	61,963
-	(151,152)	-	-	-	(153,451)
-	(93,901)	3	-	-	(91,488)
251	(13,020)	605	202	(199)	(8,143)
3,126	13,020	2,952	136	9,802	66,985
245	-	(34)	(1)	-	1,485
<u>\$ 3,622</u>	<u>\$ -</u>	<u>\$ 3,523</u>	<u>\$ 337</u>	<u>\$ 9,603</u>	<u>\$ 60,327</u>

Revenues:

Taxes
Licenses and permits
Fines, forfeitures and penalties
Use of money and property
Aid from other governmental agencies:
 State
 Federal
Charges for current services
Other revenues
Total revenues

Expenditures:

Public ways and facilities
Health and sanitation
Education
Debt service:
 Principle
 Interest
Total expenditures

Excess (deficiency) of revenues over (under)
expenditures

Other financing sources (uses):

Transfers in
Transfers out
Total other financing sources (uses)

Excess (deficiency) of revenues and other sources
over (under) expenditures and other uses

Fund balance - beginning

Prior Period adjustment

Fund balance - ending

County of Fresno
Budgetary Comparison Schedule
Road Fund
For the Fiscal Year Ended June 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Budgetary fund balance - July 1, 2007	\$ 12,128	\$ 12,128	\$ 17,037	\$ 4,909
Resources (inflows):				
Taxes	10,218	10,218	8,224	(1,994)
Licenses and permits	200	200	335	135
Use of money and property	328	328	444	116
Intergovernmental revenues	28,156	40,408	45,977	5,569
Charges for current services	18,979	18,979	8,876	(10,103)
Other revenues	22	22	15	(7)
Other financing sources - operating transfer in	4,608	4,608	4,608	-
Total revenues	62,511	74,763	68,479	(6,284)
Charges to appropriations (outflows):				
Public ways and facilities:				
Salaries and benefits	18,819	18,819	17,926	893
Services and supplies	52,971	64,923	35,209	29,714
Other charges	2,671	2,971	2,734	237
Fixed assets	178	178	25	153
Total charges to appropriations	74,639	86,891	55,894	30,997
Budgetary fund balance - June 30, 2008	\$ -	\$ -	\$ 29,622	\$ 29,622

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures:

Sources/inflows of resources

Actual amounts (budgetary basis) "available from appropriation" from the budgetary comparison schedule	\$ 68,479
Differences - budget to GAAP	
Accruals due to differences between GAAP and the budgetary basis of Accounting	(2,074)
Transfers from other funds	(4,608)
Total revenues as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 61,797

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 55,894
Differences - budget to GAAP	
Accruals due to differences between GAAP and the budgetary basis of Accounting	3,114
Transfers to other funds	(1,165)
Total expenditures as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 57,843

County of Fresno
Budgetary Comparison Schedule
County Free Library Fund
For the Fiscal Year Ended June 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Budgetary fund balance - July 1, 2007	\$ 3,042	\$ 3,049	\$ 5,276	\$ 2,227
Resources (inflows):				
Taxes	8,489	8,489	9,265	776
Use of money and property	7	7	246	239
Intergovernmental revenues	636	692	510	(182)
Charges for current services	630	630	675	45
Other revenues	531	531	186	(345)
Other financing sources - operating transfer in	102	102	102	-
Total revenues	<u>10,395</u>	<u>10,451</u>	<u>10,984</u>	<u>533</u>
Charges to appropriations (outflows):				
Education:				
Salaries and benefits	7,255	7,255	6,850	405
Services and supplies	3,556	3,619	3,050	569
Fixed assets	2,500	2,500	-	2,500
Contingencies	126	126	-	126
Total charges to appropriations	<u>13,437</u>	<u>13,500</u>	<u>9,900</u>	<u>3,600</u>
Increase (Decrease) in Inventory Reserve	-	-	-	-
Budgetary fund balance - June 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,360</u>	<u>\$ 6,360</u>

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures:

Sources/inflows of resources

Actual amounts (budgetary basis) "available from appropriation" from the budgetary comparison schedule	\$ 10,984
Differences - budget to GAAP	
Accruals due to differences between GAAP and the budgetary basis of Accounting	116
Transfers from other funds	<u>(102)</u>
Total revenues as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 10,998</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 9,900
Differences - budget to GAAP	
Accruals due to differences between GAAP and the budgetary basis of Accounting	6
Transfers to other funds	<u>(495)</u>
Total expenditures as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 9,411</u>

County of Fresno
Budgetary Comparison Schedule
County Free Library - Measure B Fund
For the Fiscal Year Ended June 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Budgetary fund balance - July 1, 2007	\$ 16,203	\$ 14,732	\$ 16,221	\$ 1,489
Resources (inflows):				
Taxes	15,408	15,408	13,890	(1,518)
Use of money and property	200	200	783	583
Intergovernmental revenues	5,294	5,294	1,913	(3,381)
Charges for current services	58	58	52	(6)
Other revenues	-	-	274	274
Total revenues	<u>20,960</u>	<u>20,960</u>	<u>16,912</u>	<u>(4,048)</u>
Charges to appropriations (outflows):				
Education:				
Salaries and benefits	10,210	10,210	9,568	642
Services and supplies	6,752	6,992	4,879	2,113
Fixed assets	20,105	18,394	6,089	12,305
Other financing uses - operating transfer out	42	42	-	42
Contingencies	54	54	-	54
Total charges to appropriations	<u>37,163</u>	<u>35,692</u>	<u>20,536</u>	<u>15,156</u>
Budgetary fund balance - June 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,597</u>	<u>\$ 12,597</u>

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures:

Sources/inflows of resources

Actual amounts (budgetary basis) "available from appropriation" from the budgetary comparison schedule	\$ 16,912
Differences - budget to GAAP	
Accruals due to differences between GAAP and the budgetary basis of Accounting	(479)
Total revenues as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 16,433</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 20,536
Differences - budget to GAAP	
Accruals due to differences between GAAP and the budgetary basis of Accounting	498
Transfers to other funds	(622)
Total expenditures as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 20,412</u>

County of Fresno
Budgetary Comparison Schedule
Fish and Game Fund
For the Fiscal Year Ended June 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Budgetary fund balance - July 1, 2007	\$ 52	\$ 52	\$ 72	\$ 20
Resources (inflows):				
Fines, forfeitures, and penalties	12	12	3	(9)
Use of money and property	3	3	4	1
Total revenues	<u>15</u>	<u>15</u>	<u>7</u>	<u>(8)</u>
Charges to appropriations (outflows):				
Public ways and facilities:				
Services and Supplies	<u>67</u>	<u>67</u>	<u>43</u>	<u>24</u>
Total charges to appropriations	<u>67</u>	<u>67</u>	<u>43</u>	<u>24</u>
Budgetary fund balance - June 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36</u>	<u>\$ 36</u>

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures:

Sources/inflows of resources

Actual amounts (budgetary basis) "available from appropriation" from the budgetary comparison schedule \$ 7

Differences - Budget to GAAP

Accruals due to differences between GAAP and the budgetary basis of Accounting -

Total revenues as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds \$ 7

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule \$ 43

Differences - Budget to GAAP

Accruals due to differences between GAAP and the budgetary basis of Accounting (2)

Total expenditures as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds \$ 41

County of Fresno
Budgetary Comparison Schedule
Off-Highway License Fund
For the Fiscal Year Ended June 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Budgetary fund balance - July 1, 2007	\$ 82	\$ 82	\$ 610	\$ 528
Resources (inflows):				
Use of money and property	15	15	31	16
Intergovernmental revenues	23	23	11	(12)
Total revenues	38	38	42	4
Charges to appropriations (outflows):				
Public ways and facilities:				
Services and supplies	103	103	103	-
Other financing uses - operating trans. out	17	17	17	-
Total charges to appropriations	120	120	120	-
Budgetary fund balance - June 30, 2008	\$ -	\$ -	\$ 532	\$ 532

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures:

Sources/inflows of resources

Actual amounts (budgetary basis) "available from appropriation" from the budgetary comparison schedule	\$ 42
Differences - Budget to GAAP	
Accruals due to differences between GAAP and the budgetary basis of Accounting	(2)
Total revenues as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 40

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 120
Differences - Budget to GAAP	
Accruals due to differences between GAAP and the budgetary basis of Accounting	-
Transfers to other funds	(17)
Total expenditures as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 103

County of Fresno
Budgetary Comparison Schedule
California Healthcare for Indigents Program Fund
For the Fiscal Year Ended June 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Budgetary fund balance - July 1, 2007	\$ 1,819	\$ 1,819	\$ 7	\$ (1,812)
Resources (inflows):				
Use of money and property	10	10	7	(3)
Intergovernmental revenues	350	373	739	366
Total revenues	<u>360</u>	<u>383</u>	<u>746</u>	<u>363</u>
Charges to appropriations (outflows):				
Health and sanitation:				
Services and supplies	1,750	1,773	675	1,098
Other financing uses - operating trans. out	429	429	-	429
Total charges to appropriations	<u>2,179</u>	<u>2,202</u>	<u>675</u>	<u>1,527</u>
Budgetary fund balance - June 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78</u>	<u>\$ 78</u>

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures:

Sources/inflows of resources

Actual amounts (budgetary basis) "available from appropriation" from the budgetary comparison schedule	\$ 746
Differences - Budget to GAAP	
Accruals due to differences between GAAP and the budgetary basis of Accounting	144
Total revenues as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 890</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 675
Differences - budget to GAAP	
Accruals due to differences between GAAP and the budgetary basis of Accounting	72
Total expenditures as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 747</u>

County of Fresno
Budgetary Comparison Schedule
Emergency Medical System Fund
For the Fiscal Year Ended June 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Budgetary fund balance - July 1, 2007	\$ 2,993	\$ 2,993	\$ 3,370	\$ 377
Resources (inflows):				
Fines, forfeitures, and penalties	1,339	1,339	1,725	386
Use of money and property	40	40	184	144
Intergovernmental revenues	600	600	809	209
Miscellaneous Revenues	-	-	12	12
Other financing sources - operating transfer in	30	30	-	(30)
Total revenues	<u>2,009</u>	<u>2,009</u>	<u>2,730</u>	<u>721</u>
Charges to appropriations (outflows):				
Health and sanitation:				
Services and supplies	<u>5,002</u>	<u>5,002</u>	<u>2,476</u>	<u>2,526</u>
Total charges to appropriations	<u>5,002</u>	<u>5,002</u>	<u>2,476</u>	<u>2,526</u>
Budgetary fund balance - June 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,624</u>	<u>\$ 3,624</u>

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures:

Sources/inflows of resources

Actual amounts (budgetary basis) "available from appropriation" from the budgetary comparison schedule	\$ 2,730
Differences - Budget to GAAP	
Accruals due to differences between GAAP and the budgetary basis of Accounting	<u>47</u>
Total revenues as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 2,777</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 2,476
Differences - Budget to GAAP	
Accruals due to differences between GAAP and the budgetary basis of Accounting	<u>49</u>
Total expenditures as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 2,525</u>

County of Fresno
Budgetary Comparison Schedule
Local Health and Welfare Trust Fund
For the Fiscal Year Ended June 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Budgetary fund balance - July 1, 2007	\$ 21,307	\$ 18,406	\$ 13,021	\$ (5,385)
Resources (inflows):				
Intergovernmental revenues	83,148	83,148	83,433	285
Interfund revenues	9,846	12,747	-	(12,747)
Other financing sources - operating transfer in	58,781	58,781	58,370	(411)
Total revenues	<u>151,775</u>	<u>154,676</u>	<u>141,803</u>	<u>(12,873)</u>
Charges to appropriations (outflows):				
Health and sanitation:				
Other financing uses - operating transfer out	173,082	173,082	154,454	18,628
Total charges to appropriations	<u>173,082</u>	<u>173,082</u>	<u>154,454</u>	<u>18,628</u>
Budgetary fund balance - June 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 370</u>	<u>\$ 370</u>

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures:

Sources/inflows of resources

Actual amounts (budgetary basis) "available from appropriation" from the budgetary comparison schedule	\$ 141,803
Differences - Budget to GAAP	
Accruals due to differences between GAAP and the budgetary basis of Accounting	(3,671)
Transfers from other funds	(57,251)
Total revenues as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 80,881</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 154,454
Differences - budget to GAAP	
Accruals due to differences between GAAP and the budgetary basis of Accounting	(3,302)
Transfers to other funds	(151,152)
Total expenditures as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ -</u>

County of Fresno
Budgetary Comparison Schedule
County Service Areas, Other Fund
For the Fiscal Year Ended June 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Budgetary fund balance - July 1, 2007	\$ 1,254	\$ 1,254	\$ 2,919	\$ 1,665
Resources (inflows):				
Taxes	35	35	50	15
Use of money and property	27	27	160	133
Intergovernmental revenues	141	141	116	(25)
Charges for current services	1,015	1,015	1,262	247
Other revenues	29	29	9	(20)
Total revenues	<u>1,247</u>	<u>1,247</u>	<u>1,597</u>	<u>350</u>
Charges to appropriations (outflows):				
Services and Supplies	2,320	2,320	3,172	(852)
Contingencies	181	181	-	181
Total charges to appropriations	<u>2,501</u>	<u>2,501</u>	<u>3,172</u>	<u>(671)</u>
Budgetary fund balance - June 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,344</u>	<u>\$ 2,686</u>

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures:

Sources/inflows of resources

Actual amounts (budgetary basis) "available from appropriation" from the budgetary comparison schedule	\$ 1,597
Differences - Budget to GAAP	
Accruals due to differences between GAAP and the budgetary basis of Accounting	6
Transfer from other funds	(2)
Total revenues as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 1,601</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 3,172
Differences - Budget to GAAP	
Accruals due to differences between GAAP and the budgetary basis of Accounting	(2,173)
Total expenditures as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 999</u>

County of Fresno
Budgetary Comparison Schedule
Friant Community Redevelopment Agency Fund
For the Fiscal Year Ended June 30, 2008
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Budgetary fund balance - July 1, 2007	\$ (145)	\$ (145)	\$ 134	\$ 279
Resources (inflows):				
Taxes	180	180	155	(25)
Use of money and property	17	17	36	19
Other revenues	-	-	(1)	(1)
Total revenues	<u>197</u>	<u>197</u>	<u>190</u>	<u>(7)</u>
Charges to appropriations (outflows):				
Public ways and facilities:				
Services and supplies	16	16	12	4
Other financing uses - operating transfer out	36	36	23	13
Total charges to appropriations	<u>52</u>	<u>52</u>	<u>35</u>	<u>17</u>
Budgetary fund balance - June 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 289</u>	<u>\$ 289</u>

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures:

Sources/inflows of resources

Actual amounts (budgetary basis) "available from appropriation" from the budgetary comparison schedule	\$ 190
Differences - Budget to GAAP	
Accruals due to differences between GAAP and the budgetary basis of Accounting	73
Total revenues as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 263</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 35
Differences - Budget to GAAP	
Accruals due to differences between GAAP and the budgetary basis of Accounting	27
Total expenditures as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 62</u>

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Internal Service Funds

Internal Service Funds (ISF) are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County and to other governmental units on a cost reimbursement basis.

Fleet Services

Fleet Services is responsible for management of the County's vehicle and heavy equipment fleet, including fleet planning, acquisition, maintenance, operation and sale of surplus equipment. Fleet Services also maintains radio communications for law enforcement and other departments with field operations.

Information Technology Services

Information Technology Services provides a wide range of data processing services to County departments and other agencies. The scope of department activities includes computer programming, systems and programming support, on-line teleprocessing services via remote terminal devices, and data entry.

Graphic Communication Services

Graphic Communications Services provides printing, duplicating, and mailing services to facilitate the needs of the County's various departments.

Central Warehouse

Central Warehouse provides centralized storage space to permit the purchase of large quantities of commodities thus obtaining substantial discounts.

Risk Management

Risk Management provides the mechanism to finance all County insurance and self-insurance programs. Financing for the health and dental plans covering County employees and retirees is also maintained by Risk Management, including the cost of administering these benefits. Other activities include coordination of the County safety program, and the recovery of damages to County employees and property from responsible third parties.

Communications

Communications finances the administration, design, installation, and maintenance of the County's telephone system. Other services provided include County telephone operators and the toll free County number. Communications also provides consultant services to ensure cost-effective utilization of telecommunication systems by user departments as needs are identified.

PeopleSoft Operation

PeopleSoft Operations provides services and support for the financial accounting system software used by the County. The components financed through this internal service fund include the financial accounting system and the payroll system. Charges for this internal service fund support both the purchasing of software and provision of technical support for the software.

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County of Fresno
Combining Statement of Net Assets
Internal Service Funds
June 30, 2008
(amounts expressed in thousands)

	Fleet Services	Information Technology Services	Graphic Communications	Central Warehouse
ASSETS				
Current assets:				
Cash and investments	\$ 6,340	\$ 7,993	\$ 93	\$ 63
Accounts receivable	36	127	1	-
Interest receivable	73	69	(5)	1
Due from other funds	1,483	1,865	3	1
Due from other Governmental units	-	-	-	-
Inventory of supplies	922	4	37	157
Deposits and other assets	-	-	-	-
Total current assets	<u>8,854</u>	<u>10,058</u>	<u>129</u>	<u>222</u>
Noncurrent assets:				
Receivables	-	-	-	-
Land	-	-	-	-
Buildings	569	1,602	257	701
Less accumulated depreciation	(569)	(1,246)	(29)	(405)
Equipment	55,032	28,406	216	92
Less accumulated depreciation	(33,518)	(21,263)	(195)	(87)
Total noncurrent assets	<u>21,514</u>	<u>7,499</u>	<u>249</u>	<u>301</u>
Total assets	<u>\$ 30,368</u>	<u>\$ 17,557</u>	<u>\$ 378</u>	<u>\$ 523</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 874	\$ 329	\$ 177	\$ 233
Salaries and benefits payable	135	483	51	9
Due to other funds	53	897	507	5
Liability for self - insurance	-	-	-	-
Deferred revenue	-	575	-	-
Current portion of compensated leave and absences	100	228	29	4
Current portion of capital lease obligations	-	2,874	-	-
Total current liabilities	<u>1,162</u>	<u>5,386</u>	<u>764</u>	<u>251</u>
Noncurrent liabilities:				
Compensated leave and absences	267	670	44	3
Capital lease obligations	-	4,194	-	-
Total noncurrent liabilities	<u>267</u>	<u>4,864</u>	<u>44</u>	<u>3</u>
Total liabilities	<u>1,429</u>	<u>10,250</u>	<u>808</u>	<u>254</u>
NET ASSETS				
Invested in capital assets, net of related debt	21,514	431	249	301
Unrestricted	7,425	6,876	(679)	(32)
Total net assets	<u>\$ 28,939</u>	<u>\$ 7,307</u>	<u>\$ (430)</u>	<u>\$ 269</u>

County of Fresno
Combining Statement of Net Assets
Internal Service Funds
June 30, 2008
(amounts expressed in thousands)

Risk Management	Communications	PeopleSoft Operations	Total
\$ 47,428	\$ 5,273	\$ 733	\$ 67,923
3,524	83	-	3,771
494	53	11	696
-	582	-	3,934
2,116	-	-	2,116
5	-	-	1,125
172	-	-	172
<u>53,739</u>	<u>5,991</u>	<u>744</u>	<u>79,737</u>
588	-	-	588
406	-	-	406
-	-	-	3,129
-	-	-	(2,249)
-	13,173	-	96,919
-	(11,157)	-	(66,220)
<u>994</u>	<u>2,016</u>	<u>-</u>	<u>32,573</u>
<u>\$ 54,733</u>	<u>\$ 8,007</u>	<u>\$ 744</u>	<u>\$ 112,310</u>
\$ 5,554	\$ 755	\$ 114	\$ 8,036
84	29	6	797
196	106	139	1,903
61,886	-	-	61,886
-	240	-	815
99	27	5	492
-	-	-	2,874
<u>67,819</u>	<u>1,157</u>	<u>264</u>	<u>76,803</u>
27	-	20	1,031
-	-	-	4,194
<u>27</u>	<u>-</u>	<u>20</u>	<u>5,225</u>
<u>67,846</u>	<u>1,157</u>	<u>284</u>	<u>82,028</u>
406	2,016	-	24,917
(13,519)	4,834	460	5,365
<u>\$ (13,113)</u>	<u>\$ 6,850</u>	<u>\$ 460</u>	<u>\$ 30,282</u>

ASSETS

Current assets:

Cash and investments
Accounts receivable
Interest receivable
Due from other funds
Due from other Governmental units
Inventory of supplies
Deposits and other assets

Total current assets

Noncurrent assets:

Receivables
Land
Buildings
Less accumulated depreciation
Equipment
Less accumulated depreciation

Total noncurrent assets

Total assets

LIABILITIES

Current liabilities:

Accounts payable
Salaries and benefits payable
Due to other funds
Liability for self - insurance
Deferred revenue
Current portion of compensated
leave and absences
Current portion of capital lease
obligations

Total current liabilities

Noncurrent liabilities:

Compensated leave and absences
Capital lease obligations

Total noncurrent liabilities

Total liabilities

NET ASSETS

Invested in capital assets,
net of related debt
Unrestricted

Total net assets

County of Fresno
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2008
(amounts expressed in thousands)

	<u>Fleet Services</u>	<u>Information Technology Services</u>	<u>Graphic Communications</u>	<u>Central Warehouse</u>
Operating revenues:				
Charges for services	\$ 13,783	\$ 23,540	\$ 4,362	\$ 1,430
Other revenues	3,664	365	-	-
Total operating revenues	<u>17,447</u>	<u>23,905</u>	<u>4,362</u>	<u>1,430</u>
Operating expenses:				
Salaries and benefits	3,180	10,563	1,081	189
Insurance	9	20	3	10
Professional services	233	839	-	59
Special departmental	5,623	3,318	-	-
General and administrative	1,240	1,774	725	126
Repairs and maintenance	546	614	19	29
Rents and leases	94	908	18	-
Parts and supplies	1,134	169	2,473	1,187
Utilities	80	393	26	70
Depreciation	3,305	3,026	14	27
Total operating expenses	<u>15,444</u>	<u>21,624</u>	<u>4,359</u>	<u>1,697</u>
Operating income (loss)	<u>2,003</u>	<u>2,281</u>	<u>3</u>	<u>(267)</u>
Non - operating revenues (expenses):				
Loss on sale of equipment	(852)	(676)	-	(22)
Interest income	355	276	(24)	4
Total non - operating revenues	<u>(497)</u>	<u>(400)</u>	<u>(24)</u>	<u>(18)</u>
Net income (loss) before transfers	1,506	1,881	(21)	(285)
Transfers in (out):				
Transfers in	596	-	-	-
Transfers out	(221)	(951)	(75)	(13)
Total transfers in (out)	<u>375</u>	<u>(951)</u>	<u>(75)</u>	<u>(13)</u>
Change in net assets	<u>1,881</u>	<u>930</u>	<u>(96)</u>	<u>(298)</u>
Net assets - beginning	27,058	6,349	(334)	567
Prior year adjustment	-	28	-	-
Net assets - ending	<u>\$ 28,939</u>	<u>\$ 7,307</u>	<u>\$ (430)</u>	<u>\$ 269</u>

County of Fresno
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2008
(amounts expressed in thousands)

<u>Risk Management</u>	<u>Communications</u>	<u>PeopleSoft Operations</u>	<u>Total</u>	
				Operating revenues:
\$ 85,355	\$ 5,459	\$ 2,747	\$ 136,676	Charges for services
20	25	-	4,074	Other revenues
<u>85,375</u>	<u>5,484</u>	<u>2,747</u>	<u>140,750</u>	Total operating revenues
				Operating expenses:
1,977	707	153	17,850	Salaries and benefits
80,020	1	-	80,063	Insurance
1,664	217	1,757	4,769	Professional services
144	-	792	9,877	Special departmental
3,176	2,352	13	9,406	General and administrative
8	1,171	-	2,387	Repairs and maintenance
14	29	-	1,063	Rents and leases
-	-	3	4,966	Parts and supplies
-	-	-	569	Utilities
-	921	-	7,293	Depreciation
<u>87,003</u>	<u>5,398</u>	<u>2,718</u>	<u>138,243</u>	Total operating expenses
<u>(1,628)</u>	<u>86</u>	<u>29</u>	<u>2,507</u>	Operating income (loss)
				Non - operating revenues (expenses):
-	(10)	-	(1,560)	Loss on sale of equipment
<u>2,141</u>	<u>240</u>	<u>46</u>	<u>3,038</u>	Interest income
<u>2,141</u>	<u>230</u>	<u>46</u>	<u>1,478</u>	Total non - operating revenues
513	316	75	3,985	Net income (loss) before transfers
				Transfers in (out):
-	38	385	1,019	Transfers in
<u>(136)</u>	<u>(53)</u>	<u>-</u>	<u>(1,449)</u>	Transfers out
<u>(136)</u>	<u>(15)</u>	<u>385</u>	<u>(430)</u>	Total transfers in (out)
<u>377</u>	<u>301</u>	<u>460</u>	<u>3,555</u>	Change in net assets
(13,490)	5,415	-	25,565	Net assets - beginning
-	1,134	-	1,162	Prior year adjustment
<u>\$ (13,113)</u>	<u>\$ 6,850</u>	<u>\$ 460</u>	<u>\$ 30,282</u>	Net assets - ending

County of Fresno
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2008
(amounts expressed in thousands)

Page 1 of 4

	<u>Fleet Services</u>	<u>Information Technology Services</u>	<u>Graphic Communications</u>	<u>Central Warehouse</u>
Cash flows from operating activities:				
Cash received from users	\$ 17,293	\$ 23,401	\$ 4,409	\$ 1,450
Cash paid to suppliers	(9,011)	(7,820)	(3,306)	(1,379)
Cash paid to employees	(3,162)	(10,591)	(1,073)	(189)
Cash paid for claims	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>5,120</u>	<u>4,990</u>	<u>30</u>	<u>(118)</u>
Cash flows from non-capital financing activities:				
Loan repayments	-	464	-	-
Transfer from (to) other funds	<u>376</u>	<u>(904)</u>	<u>(75)</u>	<u>(13)</u>
Net cash provided by (used in) non-capital financing activities:	<u>376</u>	<u>(440)</u>	<u>(75)</u>	<u>(13)</u>
Cash flows from capital and related financing activities:				
Acquisition of fixed assets	(7,050)	(2,546)	-	-
Proceeds from sale of equipment	252	(677)	-	-
Net cash used in capital and related financing activities	<u>(6,798)</u>	<u>(3,223)</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:				
Interest on investments	<u>445</u>	<u>292</u>	<u>(24)</u>	<u>8</u>
Net cash provided by investing activities	<u>445</u>	<u>292</u>	<u>(24)</u>	<u>8</u>
Net increase (decrease) in cash and cash equivalents	(857)	1,619	(69)	(123)
Cash and cash equivalents, beginning of year	<u>7,197</u>	<u>6,374</u>	<u>162</u>	<u>186</u>
Cash and cash equivalents, end of year	<u>\$ 6,340</u>	<u>\$ 7,993</u>	<u>\$ 93</u>	<u>\$ 63</u>
Reconciliation of cash and cash equivalents to the balance sheet:				
Cash and cash equivalents in cash and investments	<u>\$ 6,340</u>	<u>\$ 7,993</u>	<u>\$ 93</u>	<u>\$ 63</u>
Total	<u>\$ 6,340</u>	<u>\$ 7,993</u>	<u>\$ 93</u>	<u>\$ 63</u>

County of Fresno
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2008
(amounts expressed in thousands)

Page 2 of 4

<u>Risk Management</u>	<u>Communications</u>	<u>PeopleSoft Operations</u>	<u>Total</u>	
				Cash flows from operating activities:
\$ 85,767	\$ 5,056	\$ 2,747	\$ 140,123	Cash received from users
(59,753)	(3,615)	(2,312)	(87,196)	Cash paid to suppliers
(1,950)	(759)	(122)	(17,846)	Cash paid to employees
(21,075)	-	-	(21,075)	Cash paid for claims
<u>2,989</u>	<u>682</u>	<u>313</u>	<u>14,006</u>	Net cash provided by (used in) operating activities
				Cash flows from non-capital financing activities:
-	-	-	464	Loan repayments
(137)	1,119	385	751	Transfer to other funds
<u>(137)</u>	<u>1,119</u>	<u>385</u>	<u>1,215</u>	Net cash provided by (used in) non-capital financing activities:
				Cash flows from capital and related financing activities:
-	(2,061)	-	(11,657)	Acquisition of fixed assets
-	(10)	-	(435)	Proceeds from sale of equipment
<u>-</u>	<u>(2,071)</u>	<u>-</u>	<u>(12,092)</u>	Net cash used in capital and related financing activities
				Cash flows from investing activities:
<u>2,181</u>	<u>244</u>	<u>35</u>	<u>3,181</u>	Interest on investments
<u>2,181</u>	<u>244</u>	<u>35</u>	<u>3,181</u>	Net cash provided by investing activities
5,033	(26)	733	6,310	Net increase (decrease) in cash and cash equivalents
<u>42,395</u>	<u>5,299</u>	<u>-</u>	<u>61,613</u>	Cash and cash equivalents, beginning of year
<u>\$ 47,428</u>	<u>\$ 5,273</u>	<u>\$ 733</u>	<u>\$ 67,923</u>	Cash and cash equivalents, end of year
				Reconciliation of cash and cash equivalents to the balance sheet:
<u>\$ 47,428</u>	<u>\$ 5,273</u>	<u>\$ 733</u>	<u>\$ 67,923</u>	Cash and cash equivalents in cash and investments
<u>\$ 47,428</u>	<u>\$ 5,273</u>	<u>\$ 733</u>	<u>\$ 67,923</u>	Total

County of Fresno
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2008
(amounts expressed in thousands)

Page 3 of 4

	<u>Fleet Services</u>	<u>Information Technology Services</u>	<u>Graphic Communications</u>	<u>Central Warehouse</u>
Reconciliation of operating income (loss) to net cash Provided by operating activities:				
Operating income (loss)	\$ 2,003	\$ 2,281	\$ 3	\$ (267)
Adjustments to reconcile operating income (loss) to net Cash provided by (used in) operating activities:				
Depreciation expense	3,305	3,026	14	27
Decrease (increase) in accounts receivable	62	(27)	1	-
Decrease (increase) in due from other funds	(216)	(1,053)	45	20
Decrease (increase) in inventory of supplies	(105)	10	10	75
(Increase) in deposits and other assets	6	-	-	-
(Decrease) increase in accounts payable	50	(423)	81	37
(Decrease) increase in salaries and benefits payable	18	(28)	8	-
(Decrease) increase in deferred revenue	-	629	-	-
(Decrease) increase in due to other funds	(3)	575	(132)	(10)
Increase in liability for self-insurance	-	-	-	-
Total adjustments	<u>3,117</u>	<u>2,709</u>	<u>27</u>	<u>149</u>
Net cash provided by (used in) operating activities	<u>\$ 5,120</u>	<u>\$ 4,990</u>	<u>\$ 30</u>	<u>\$ (118)</u>

County of Fresno
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2008
(amounts expressed in thousands)

Page 4 of 4

<u>Risk Management</u>	<u>Communications</u>	<u>PeopleSoft Operations</u>	<u>Total</u>	
				Reconciliation of operating income (loss) to net cash Provided by operating activities:
\$ (1,628)	\$ 86	\$ 29	\$ 2,507	Operating income (loss)
				Adjustments to reconcile operating income (loss) to net Cash provided by (used in) operating activities:
-	921	-	7,293	Depreciation expense
(1,140)	(27)	(11)	(1,142)	Decrease (increase) in accounts receivable
2,120	(239)	31	708	Decrease (increase) in due from other funds
(1)	-	-	(11)	Decrease (increase) in inventory of supplies
1,079	-	-	1,085	(Increase) in deposits and other assets
(872)	(299)	114	(1,312)	(Decrease) increase in accounts payable
27	(52)	-	(27)	(Decrease) increase in salaries and benefits payable
(588)	240	-	281	(Decrease) increase in deferred revenue
(68)	52	139	553	(Decrease) increase in due to other funds
4,060	-	11	4,071	Increase in liability for self-insurance
<u>4,617</u>	<u>596</u>	<u>284</u>	<u>11,499</u>	Total adjustments
<u>\$ 2,989</u>	<u>\$ 682</u>	<u>\$ 313</u>	<u>\$ 14,006</u>	Net cash provided by (used in) operating activities

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Fiduciary Funds

The County of Fresno maintains a Pension Trust Fund that is used to account for assets held by the County, in a trustee capacity, for the Fresno County Employees' Retirement Association (FCERA). The County maintains an Investment Trust Fund that is used to account for the investments made by the County. The County, in a fiduciary capacity, also maintains various Agency Funds that are used to account for assets held for others by the County. These funds include County funds which are segregated from other County funds for purposes of control, property taxes collected on behalf of other governmental units and monies held by the Public Administrator-Guardian.

Trust Funds:

Employees' Retirement Association - This fund is used to account for the financial operations of the FCERA.

Investment – This fund is used to account for the investments made by the County of Fresno on behalf of Non- County entities.

Agency Funds:

Property Tax Collection - This fund is used by the County in its role as Tax Collector to record property tax receipts awaiting apportionment to other governmental units and recipient County funds and their periodic distribution.

Public Administrator-Guardian - This fund is used for the accounting and recording of all Public Administrator-Guardian monies held by the County in a fiduciary capacity.

Other Agency Funds - These funds are under the control of various County officials and agencies and are used to accumulate resources for specific purposes.

County of Fresno
Combining Statement of Fiduciary Net Assets
Agency Funds
June 30, 2008
(amounts expressed in thousands)

	Property Tax Collection	Public Administrator- Guardian
<u>Assets</u>		
Cash and investments	\$ 40,081	\$ 13,289
Other investments		
Taxes receivable	8,441	-
Accounts receivable	-	2
Due from other governmental agencies	60	-
Property held by public administrator	-	5,776
Total assets	\$ 48,582	\$ 19,067
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	\$ -	\$ -
Due to other governmental units	-	-
Due to other taxing units	48,582	-
Fiduciary liability	-	19,067
Total liabilities	\$ 48,582	\$ 19,067

County of Fresno
Combining Statement of Fiduciary Net Assets
Agency Funds
June 30, 2008
(amounts expressed in thousands)

Other Agency Funds	Total	
		<u>Assets</u>
\$ 133,699	\$ 187,069	Cash and investments
-	8,441	Taxes receivable
2,681	2,683	Accounts receivable
3,494	3,554	Due from other governmental agencies
-	5,776	Property held by public administrator
<u>\$ 139,874</u>	<u>\$ 207,523</u>	Total Assets
		<u>Liabilities and Fund Balance</u>
		Liabilities:
\$ 87,444	\$ 87,444	Accounts payable
11,597	11,597	Due to other governmental units
-	48,582	Due to other taxing units
40,833	59,900	Fiduciary liability
<u>\$ 139,874</u>	<u>\$ 207,523</u>	Total liabilities

County of Fresno
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2008
(amounts expressed in thousands)

Page 1 of 2

	Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
<u>Property Tax Collection</u>				
<u>Assets</u>				
Cash	\$ 38,434	\$ 1,647	\$ -	\$ 40,081
Taxes receivable	6,934	1,507	-	8,441
Due from other funds	1,052	-	1,052	-
Due from other governemnt agencies	-	60	-	60
Total assets	<u>\$ 46,420</u>	<u>\$ 3,214</u>	<u>\$ 1,052</u>	<u>\$ 48,582</u>
<u>Liabilities</u>				
Due to other taxing units	46,420	2,162	-	48,582
Total liabilities	<u>\$ 46,420</u>	<u>\$ 2,162</u>	<u>\$ -</u>	<u>\$ 48,582</u>
<u>Public Administrator-Guardian</u>				
<u>Assets</u>				
Cash	\$ 14,844	\$ -	\$ 1,555	\$ 13,289
Accounts Receivable	2	-	-	2
Property held by public administrator	6,060	-	284	5,776
Total assets	<u>\$ 20,906</u>	<u>\$ -</u>	<u>\$ 1,839</u>	<u>\$ 19,067</u>
<u>Liabilities</u>				
Fiduciary liability	<u>\$ 20,906</u>	<u>\$ -</u>	<u>\$ 1,839</u>	<u>\$ 19,067</u>
<u>Other Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 142,602	\$ -	8,903	133,699
Accounts receivable	1,344	1,337	-	2,681
Due from other funds	2,165	-	2,165	-
Due from other governmental units	-	3,494	-	3,494
Total assets	<u>\$ 146,111</u>	<u>\$ 4,831</u>	<u>\$ 11,068</u>	<u>\$ 139,874</u>
<u>Liabilities</u>				
Accounts payable	\$ 94,182	\$ -	\$ 6,738	87,444
Due to other funds	5,278	-	5,278	-
Due to other governmental units	7,788	3,809	-	11,597
Fiduciary liability	38,863	1,970	-	40,833
Total liabilities	<u>\$ 146,111</u>	<u>\$ 5,779</u>	<u>\$ 12,016</u>	<u>\$ 139,874</u>

County of Fresno
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2008
(amounts expressed in thousands)

Page 2 of 2

	Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
<u>Total - All Agency Funds</u>				
<u>Assets</u>				
Cash and investments	\$ 195,880	\$ 1,647	\$ 10,458	\$ 187,069
Taxes receivable	6,934	1,507	-	8,441
Accounts receivable	1,346	1,337	-	2,683
Due from other funds	3,217	-	3,217	-
Due from other other governemnt agencies	-	3,554	-	3,554
Property held by public administrator	6,060	-	284	5,776
Total assets	<u>\$ 213,437</u>	<u>\$ 8,045</u>	<u>\$ 13,959</u>	<u>\$ 207,523</u>
<u>Liabilities</u>				
Accounts payable	\$ 94,182	\$ -	\$ 6,738	\$ 87,444
Due to other funds	5,278	-	5,278	-
Due to other taxing units	46,420	2,162	-	48,582
Due to other governmental units	7,788	3,809	-	11,597
Fiduciary liability	59,769	1,970	1,839	59,900
Total liabilities	<u>\$ 213,437</u>	<u>\$ 7,941</u>	<u>\$ 13,855</u>	<u>\$ 207,523</u>

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STATISTICAL SECTION

Statistical Section

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue source.

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and help the reader assess the County's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information

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

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

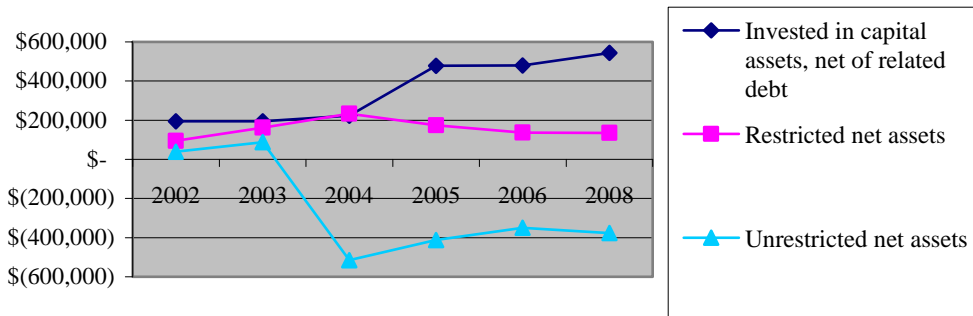
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County of Fresno
Net Assets by Component
Last Seven Fiscal Years
(amounts expressed in thousands)

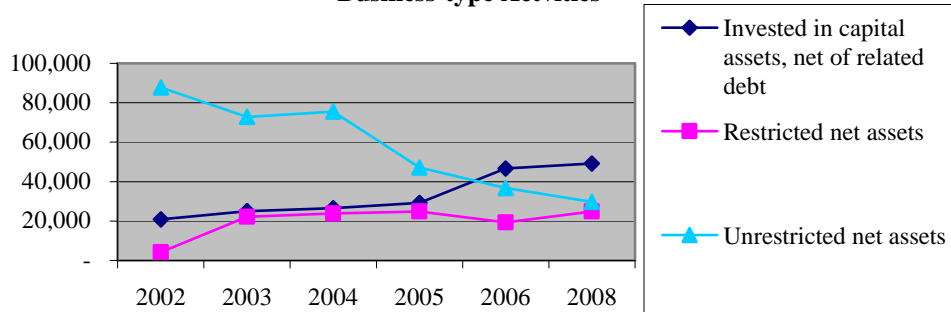
	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Governmental activities							
Invested in capital assets, net of related debt	\$ 194,782	\$ 193,715	\$ 222,948	\$ 477,894	\$ 479,254	\$ 470,668	\$ 544,635
Restricted net assets	94,052	162,292	233,687	173,695	137,451	163,426	135,904
Unrestricted net assets	38,065	88,679	(515,755)	(411,976)	(350,589)	(420,615)	(376,525)
Total governmental activities net assets	326,899	444,686	(59,120)	239,613	266,116	213,479	304,014
Business-type activities							
Invested in capital assets, net of related debt	20,850	24,927	26,438	29,230	46,630	52,174	49,087
Restricted net assets	4,269	22,228	23,794	24,877	19,373	19,564	24,762
Unrestricted net assets	87,719	72,737	75,452	47,181	36,769	33,500	29,643
Total business-type activities net assets	112,838	119,892	125,684	101,288	102,772	105,238	103,492
Primary government							
Invested in capital assets, net of related debt	215,632	218,642	249,386	507,124	525,884	522,842	593,722
Restricted net assets	98,321	184,520	257,481	198,572	156,824	182,990	160,666
Unrestricted net assets	125,784	161,416	(440,303)	(364,795)	(313,820)	(387,115)	(346,882)
Total primary government net assets	\$ 439,737	\$ 564,578	\$ 66,564	\$ 340,901	\$ 368,888	\$ 318,717	\$ 407,506

Note: Accrual basis of accounting

Governmental Activities



Business-type Activities



County of Fresno
Changes in Net Assets
Last Seven Fiscal Years
(amounts expressed in thousands)

Page 1 of 2

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Program Revenues							
Governmental activities:							
Charges for services	\$ 147,215	\$ 133,621	\$ 152,013	\$ 153,992	\$ 141,506	\$ 201,768	\$ 192,595
Operating grants and contributions	445,507	493,916	466,445	521,988	595,209	507,032	573,377
Capital grants and contributions	8,705	3,247	4,565	18,694	8,618	7,412	14,485
Subtotal governmental activities program revenues	<u>601,427</u>	<u>630,784</u>	<u>623,023</u>	<u>694,674</u>	<u>745,333</u>	<u>716,212</u>	<u>780,457</u>
Business-type activities:							
Charges for services	17,334	17,205	19,056	16,769	15,771	13,793	14,163
Subtotal business-type activities program revenues	<u>17,334</u>	<u>17,205</u>	<u>19,056</u>	<u>16,769</u>	<u>15,771</u>	<u>13,793</u>	<u>14,163</u>
Total primary government program revenues	<u>\$ 618,761</u>	<u>\$ 647,989</u>	<u>\$ 642,079</u>	<u>\$ 711,443</u>	<u>\$ 761,104</u>	<u>\$ 730,005</u>	<u>\$ 794,620</u>
General Revenues							
Governmental activities:							
Taxes							
Property taxes	\$ 68,759	\$ 75,347	\$ 77,089	\$ 142,791	\$ 180,656	\$ 199,715	\$ 220,356
Sales taxes	142,969	136,737	148,203	175,675	180,671	187,397	177,384
Motor vehicle in-lieu taxes	94,493	93,043	84,526	43,297	62,677	45,666	45,891
Other	18,168	21,531	(416,298)	68,509	34,663	48,991	52,294
Unrestricted interest and investment earnings	11,633	6,052	5,818	7,020	11,947	13,263	12,495
Miscellaneous	10,872	14,289	15,265	13,930	4,572	4,951	3,891
Subtotal governmental activities program revenues	<u>346,894</u>	<u>346,999</u>	<u>(85,397)</u>	<u>451,222</u>	<u>475,186</u>	<u>499,983</u>	<u>512,311</u>
Business-type activities:							
Other	1,526	934	(1,587)	(7,648)	1,549	2,354	2,476
Unrestricted interest and investment earnings	3,720	2,678	-	2,814	1,058	3,519	3,808
Subtotal business-type activities program revenues	<u>5,246</u>	<u>3,612</u>	<u>(1,587)</u>	<u>(4,834)</u>	<u>2,607</u>	<u>5,873</u>	<u>6,284</u>
Total primary government program revenues	<u>\$ 970,901</u>	<u>\$ 998,600</u>	<u>\$ 555,095</u>	<u>\$ 1,157,831</u>	<u>\$ 1,238,897</u>	<u>\$ 1,235,861</u>	<u>\$ 1,313,215</u>

Note: Accrual basis of accounting

County of Fresno
Changes in Net Assets
Last Seven Fiscal Years
(amounts expressed in thousands)

Page 2 of 2

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Expenses							
Governmental activities:							
General government	\$ 44,635	\$ 45,921	\$ 36,094	\$ 52,323	\$ 104,079	\$ 52,001	\$ 70,697
Public protection	225,252	238,428	223,953	171,303	227,521	332,088	264,592
Public ways and facilities	26,367	7,104	19,143	109,572	110,613	54,286	117,737
Health, sanitation, and public assistance	567,610	613,313	636,898	704,190	679,435	725,012	718,201
Education	20,030	18,384	26,134	20,934	23,250	25,971	10,691
Culture and recreation	2,601	2,574	2,083	1,881	2,307	3,476	2,491
Interest on long-term debt	11,454	9,989	19,992	23,624	33,761	43,136	47,909
Subtotal governmental activities expenses	<u>897,949</u>	<u>935,713</u>	<u>964,297</u>	<u>1,083,827</u>	<u>1,180,966</u>	<u>1,235,970</u>	<u>1,232,318</u>
Business-type activities:							
Solid waste enterprise	7,146	9,304	8,639	8,598	12,735	13,181	16,533
County service areas, other	3,034	4,465	3,158	3,173	4,161	4,325	5,347
Subtotal business-type activities expenses	<u>10,180</u>	<u>13,769</u>	<u>11,797</u>	<u>11,771</u>	<u>16,896</u>	<u>17,506</u>	<u>21,880</u>
Total primary government expenses	<u>908,129</u>	<u>949,482</u>	<u>976,094</u>	<u>1,095,598</u>	<u>1,197,862</u>	<u>1,253,476</u>	<u>1,254,198</u>
Extraordinary item - sale of tobacco bonds	<u>-</u>	<u>75,723</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) before transfers - governmental activities	50,372	42,070	(426,671)	62,069	39,553	(19,775)	60,450
Transfers	38	(6)	(120)	(34)	90	15	35
Excess (deficiency) before transfers - business-type activities	12,400	7,048	5,672	164	1,482	2,160	(1,433)
Transfers	(38)	6	120	34	(90)	(15)	(35)
Special Items	-	-	-	-	-	-	(289)
Change in net assets							
Governmental activities	50,410	117,787	(426,791)	62,035	39,643	(19,760)	60,485
Business-type activities	12,362	7,054	5,792	198	1,392	2,145	(1,757)
Total primary government	<u>\$ 62,772</u>	<u>\$ 124,841</u>	<u>\$(420,999)</u>	<u>\$ 62,233</u>	<u>\$ 41,035</u>	<u>\$ (17,615)</u>	<u>\$ 58,728</u>

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

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
General Fund							
Reserved for:							
Encumbrances	\$ 46,492	\$ 40,594	\$ 30,953	\$ 45,611	\$ 26,730	\$ 30,164	\$ 12,998
Imprest and postage funds	695	675	289	268	198	157	203
Inventory	2,239	2,030	2,187	2,016	2,760	3,734	3,440
Loans	27,125	28,153	28,838	29,640	32,370	34,534	35,331
Unreserved	62,767	82,581	89,534	88,932	152,361	145,580	136,892
Total general fund	<u>\$ 139,318</u>	<u>\$ 154,033</u>	<u>\$ 151,801</u>	<u>\$ 166,467</u>	<u>\$ 214,419</u>	<u>\$ 214,169</u>	<u>\$ 188,864</u>
Other Governmental Funds							
Reserved for:							
Encumbrances	\$ 34,566	\$ 101,012	\$ 96,338	\$ 35,064	\$ 32,684	\$ 97,942	\$ 61,706
Imprest and postage funds	5	3	4	9	9	4	5
Inventory	1,153	943	1,086	2,511	1,657	1,741	1,064
Debt service	22,044	20,020	42,860	109,485	76,370	93,419	72,689
Unreserved, reported in:							
Special revenue funds	38,042	38,550	43,753	49,488	30,629	18,523	15,461
Capital projects funds	(1,605)	1,764	(24,097)	(22,783)	(336)	(50,203)	(15,028)
Total other governmental funds	<u>\$ 94,205</u>	<u>\$ 162,292</u>	<u>\$ 159,944</u>	<u>\$ 173,774</u>	<u>\$ 141,013</u>	<u>\$ 161,426</u>	<u>\$ 135,897</u>

Note: Modified accrual basis of accounting

County of Fresno
Changes in Fund Balance, Governmental Funds
Last Seven Fiscal Years
(amounts expressed in thousands)

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Revenues							
Taxes	\$ 91,592	\$ 99,809	\$ 102,702	\$ 167,778	\$ 171,485	\$ 223,356	\$ 238,127
Licenses and permits	7,013	8,155	8,822	9,161	9,696	9,919	9,267
Fines, forfeitures and penalties	10,217	11,893	9,877	10,400	10,376	10,340	11,946
Use of money and property	10,216	11,944	11,175	10,578	14,767	16,110	15,359
Aid from other governmental agencies	692,754	732,464	706,934	753,012	823,101	763,753	811,527
Charges for current services	102,296	95,230	107,138	112,008	99,423	114,196	106,456
Other revenues	25,560	13,362	24,595	29,096	32,112	76,560	76,277
Total revenues	<u>939,648</u>	<u>972,857</u>	<u>971,243</u>	<u>1,092,033</u>	<u>1,160,960</u>	<u>1,214,234</u>	<u>1,268,959</u>
Expenditures							
General government	43,162	49,307	46,881	53,859	52,165	55,840	87,131
Public ways and facilities	39,821	37,657	47,623	45,492	85,306	54,890	61,429
Public protection	222,060	219,676	221,752	240,825	257,927	287,883	321,020
Public assistance, health and sanitation	568,008	609,799	625,226	668,743	670,268	716,377	739,835
Education	19,514	21,941	25,672	20,969	23,071	25,667	30,567
Culture and recreation	2,421	2,453	2,493	2,657	2,873	3,374	3,551
Capital outlay	25,098	12,726	27,528	77,209	23,164	8,258	31,864
Debt service:							
Transfers from trust bank	-	-	-	-	41,096	-	-
Principal	12,000	1,330	1,250	2,465	4,755	11,345	16,020
Bond issuance costs	790	-	-	-	1,151	-	-
Interest	11,828	10,643	10,815	21,584	24,203	29,640	31,933
Total expenditures	<u>944,702</u>	<u>965,532</u>	<u>1,009,240</u>	<u>1,133,803</u>	<u>1,185,979</u>	<u>1,193,274</u>	<u>1,323,350</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,053)</u>	<u>7,325</u>	<u>(37,997)</u>	<u>(41,770)</u>	<u>(25,019)</u>	<u>20,960</u>	<u>(54,391)</u>
Other financing sources (uses):							
Bond proceed transfers	-	-	(398,192)	68,961	-	(317)	-
Bond proceeds	-	-	423,461	-	39,015	55,060	-
Transfers in	249,316	271,030	192,668	244,662	266,409	233,976	322,208
Transfers out	(252,974)	(271,276)	(193,906)	(243,781)	(265,214)	(233,111)	(321,743)
Refunding bond issue proceeds	117,055	-	-	-	-	(475)	-
Payment to refunded bond escrow agent	(115,955)	-	-	-	-	-	-
Bond discount	(310)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(2,868)</u>	<u>(246)</u>	<u>24,031</u>	<u>69,842</u>	<u>40,210</u>	<u>55,133</u>	<u>465</u>
Net change in fund balances before extraordinary items	<u>(7,922)</u>	<u>7,079</u>	<u>(13,966)</u>	<u>28,072</u>	<u>15,191</u>	<u>76,093</u>	<u>(53,926)</u>
Extraordinary item							
Sale of tobacco settlement bonds	<u>-</u>	<u>75,723</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (7,922)</u>	<u>\$ 82,802</u>	<u>\$ (13,966)</u>	<u>\$ 28,072</u>	<u>\$ 15,191</u>	<u>\$ 76,093</u>	<u>\$ (53,926)</u>
Debt service as a percentage of non capital expenditures	2.59%	1.26%	1.23%	2.28%	2.49%	3.46%	3.71%

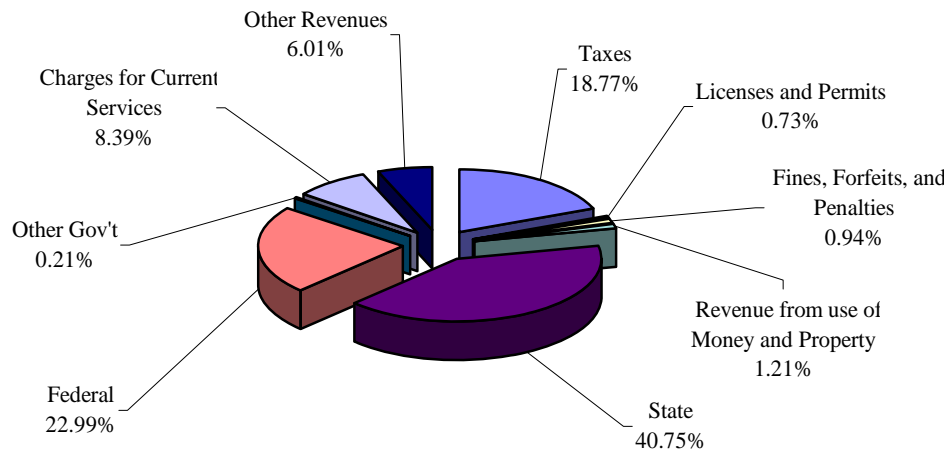
Note: Modified accrual basis of accounting

County of Fresno
Governmental Funds' Revenues By Source
Last Ten Fiscal Years
(amounts expressed in thousands)

Page 1 of 2

Fiscal Year	Total Revenues	Taxes	Licenses and Permits	Fines, Forfeits, and Penalties	Revenue from use of Money and Property	Aid From Other Governmental Agencies			Charges for Current Services	Other Revenues
						State	Federal	Other Gov't		
1999	716,978	97,700	5,470	6,740	11,808	282,446	196,706	2,547	69,181	44,380
2000	787,998	89,960	5,545	10,653	12,904	351,687	202,000	2,964	65,603	46,682
2001	853,864	88,895	5,688	10,453	12,243	419,874	216,248	2,805	80,868	16,790
2002	939,648	91,592	7,013	10,217	10,216	472,481	217,291	2,982	102,296	25,560
2003	972,857	99,809	8,155	11,893	11,944	527,668	201,489	3,307	95,230	13,362
2004	971,243	102,702	8,822	9,877	11,175	500,096	203,330	3,508	107,138	24,595
2005	1,092,033	167,778	9,161	10,400	10,578	501,214	248,338	3,460	112,008	29,096
2006	1,160,960	171,485	9,696	10,376	14,767	580,131	239,464	3,506	99,423	32,112
2007	1,214,234	223,356	9,919	10,340	16,110	506,506	253,756	3,491	114,196	76,560
2008	1,268,959	238,127	9,267	11,946	15,359	517,137	291,760	2,630	106,456	76,277

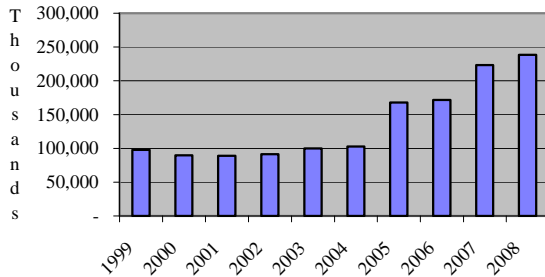
For Fiscal Year 2008



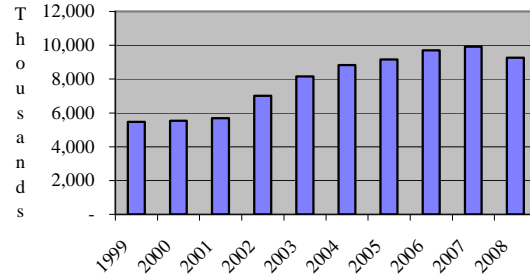
County of Fresno
Governmental Funds' Revenues By Source
Last Ten Fiscal Years
(amounts expressed in thousands)

Page 2 of 2

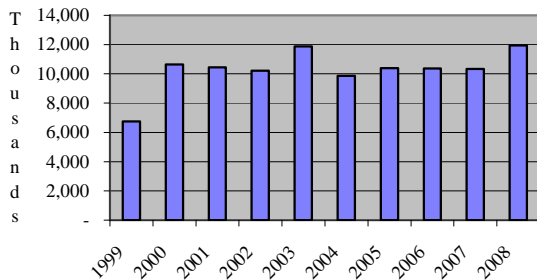
Taxes



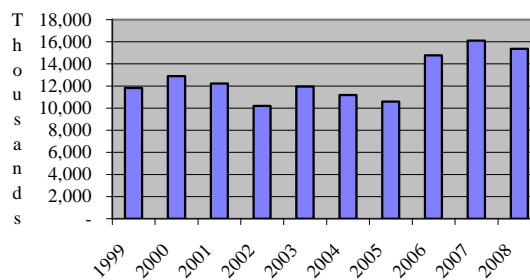
Licenses and Permits



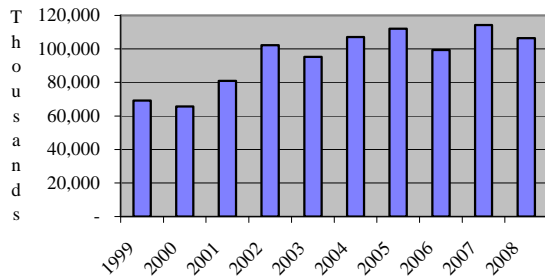
Fines, Forfeits, and Penalties



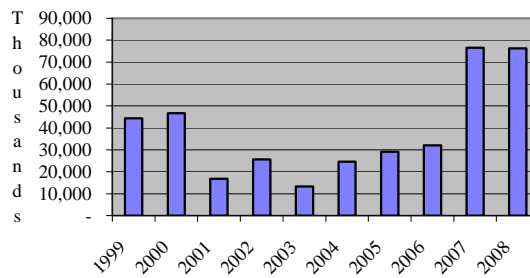
Revenue from use of Money and Property



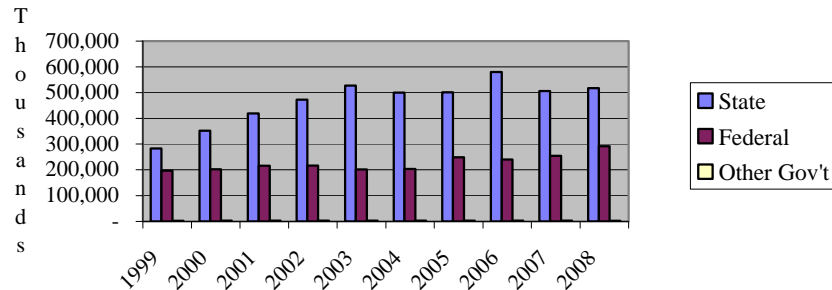
Charges for Current Services



Other Revenues



Aid From Other Governmental Agencies



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

	<u>Secured</u>	<u>Unsecured</u>	<u>Total</u>	
<u>Fiscal Year</u>	<u>Estimated Actual</u>	<u>Estimated Actual</u>	<u>Estimated Actual</u>	<u>Ratio of Assessed to Estimated Actual</u>
1999	30,906,563	1,919,320	32,825,883	100
2000	31,814,406	1,989,867	33,804,273	100
2001	32,818,992	2,080,804	34,899,796	100
2002	34,134,346	2,185,496	36,319,842	100
2003	35,686,489	2,474,168	38,160,657	100
2004	38,056,316	2,497,402	40,553,718	100
2005	41,564,509	2,736,253	44,300,762	100
2006	46,449,263	2,415,695	48,864,958	100
2007	53,028,982	2,442,692	55,471,674	100
2008	59,498,590	3,037,430	62,536,020	100



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

Note: The estimated actual value of taxable property is the same as the gross assessed value.

County of Fresno
Property Tax Rates - Direct and Overlapping Governments
(% Per \$100 of Assessed Value)
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>County-wide</u>	<u>City of Fresno</u>	<u>Schools</u>	<u>Total</u>
1999	1.0	0.032438	0.171340	1.203778
2000	1.0	0.032438	0.135416	1.167854
2001	1.0	0.032438	0.111449	1.143887
2002	1.0	0.032438	0.164921	1.197359
2003	1.0	0.032438	0.178198	1.210636
2004	1.0	0.032438	0.201130	1.233568
2005	1.0	0.032438	0.210800	1.243238
2006	1.0	0.032438	0.145454	1.177892
2007	1.0	0.032438	0.186664	1.219102
2008	1.0	0.032438	0.176204	1.208642

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

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

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

County of Fresno
Principal Taxpayers
Current Year and Nine Years Ago
(amounts expressed in thousands)

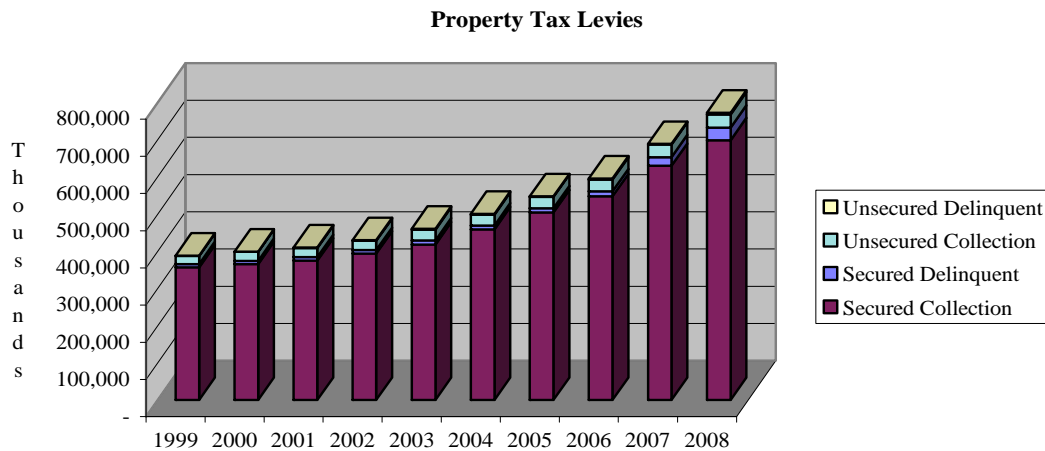
Taxpayer	2008			1999		
	Assessed Value	Rank	% of Total County Assessed Value	Assessed Value	Rank	% of Total County Assessed Value
Pacific Gas & Electric Co.	\$ 1,372,380	1	2.195	\$ 1,342,577	1	4.090
Southern California Edison Co.	377,278	2	0.603	395,797	2	1.206
Chevron USA	253,312	3	0.405	267,194	4	0.814
AT&T California	162,650	4	0.260	353,624	3	1.077
The Gap Inc.	152,448	5	0.244			
Macerich Fresno Limited Partnership	132,592	6	0.212	86,331	6	0.263
Atlantic Path 15 LLC	109,654	7	0.175	-		N/A
DS Fig Garden, LLC	106,091	8	0.170	-		N/A
AERA Energy, LLC	86,105	9	0.138	-		N/A
E & J Gallo Winery	81,516	10	0.130	-		N/A
Cal Resources	-		N/A	95,384	5	0.291
Mendota Biomass Power LTD Land	-		N/A	58,632	7	0.179
Nuevo Energy	-		N/A	56,377	8	0.172
Gunner, Richard V.	-		N/A	55,216	9	0.168
Riverview Estates	-		N/A	53,998	10	0.164
Total	<u>\$ 2,834,026</u>		<u>4.532</u>	<u>\$ 2,765,130</u>		<u>8.424</u>

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

Note: Percentages based on estimated property values of \$62,536,020 in 2008 and \$32,825,883 in 1999.

**County of Fresno
Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts expressed in thousands)**

Fiscal Year	Secured					Unsecured				
	Tax Levies	Delinquency		Collections		Tax Levies	Delinquency		Collections	
		Amount	Percent	Amount	Percent		Amount	Percent	Amount	Percent
1999	365,382	8,828	2.416	356,554	97.584	22,739	1,343	5.906	21,396	94.094
2000	373,669	8,664	2.319	365,005	97.681	25,395	1,324	5.214	24,071	94.786
2001	383,925	9,336	2.432	374,589	97.568	25,627	1,355	5.287	24,272	94.713
2002	403,076	9,840	2.441	393,236	97.559	26,158	1,727	6.602	24,431	93.398
2003	428,658	11,083	2.585	417,575	97.414	31,110	1,866	5.999	29,243	94.000
2004	468,858	10,421	2.223	458,437	97.777	31,231	2,090	6.692	29,141	93.308
2005	514,720	10,612	2.062	504,108	97.938	32,672	1,677	5.133	30,995	94.867
2006	560,471	13,415	2.394	547,056	97.606	34,365	2,520	7.333	31,845	92.667
2007	652,147	22,853	3.504	629,294	96.496	36,082	2,155	5.973	33,927	94.027
2008	731,524	33,429	4.570	698,095	95.430	40,052	4,583	11.443	35,469	88.557



Source: County of Fresno Tax Rate Book

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

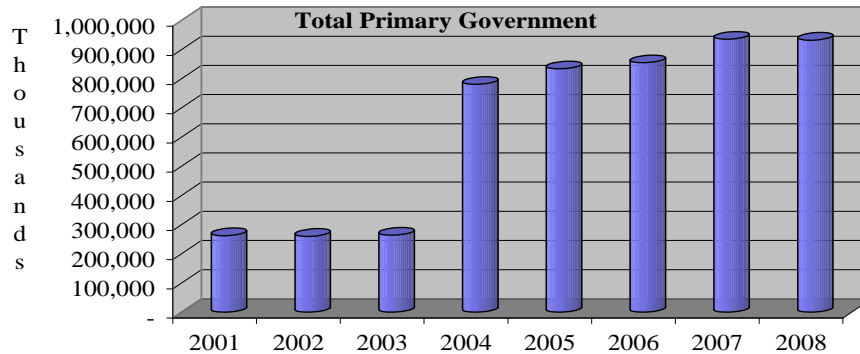
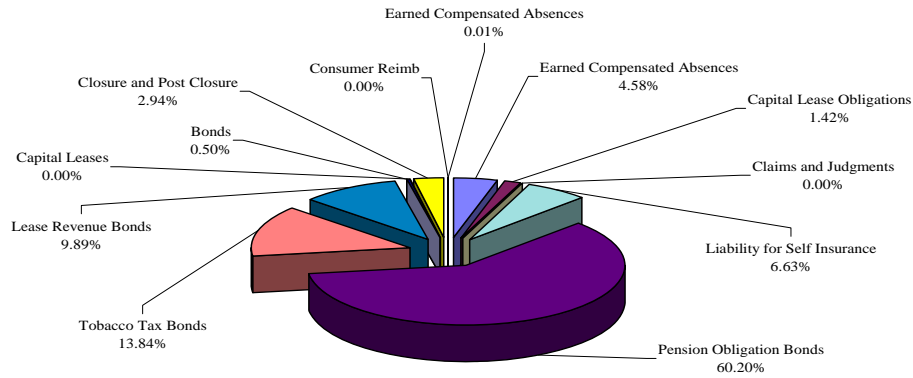
County of Fresno
Ratio of Outstanding Debt by Type
Last Eight Fiscal Years
(amounts expressed in thousands, except per capita)

Fiscal Year	Government Activities							Business Type Activities							Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
	Earned Compensated Absences	Capital Lease Obligations	Claims and Judgments	Liability for Self Insurance	Pension Obligation Bonds	Tobacco Tax Bonds	Lease Revenue Bonds	Closure and Post Closure	Bonds	Capital Leases	Closure and Post Closure	Consumer Reimb	Earned Compensated Absences				
2001	\$ 36,850	\$ 765	\$ 150	\$ 33,903	\$ 157,080	\$ -	\$ -	\$ 19,661	\$ 68	\$ 13,754	\$ -	\$ 56	\$ 262,287	1.49%	\$ 327		
2002	37,718	3,258	150	40,430	145,739	-	-	18,817	51	13,901	-	41	260,105	1.40%	320		
2003	35,162	5,925	150	45,157	144,873	-	-	17,913	34	14,909	-	47	264,170	1.34%	318		
2004	33,353	6,851	150	46,114	546,064	89,994	25,830	16,959	17	15,951	-	40	781,323	3.78%	921		
2005	34,746	4,719	-	51,906	549,320	88,752	40,399	15,954	-	24,016	24,594	46	834,452	3.84%	968		
2006	37,894	4,837	-	54,389	561,523	126,583	40,396	4,955	-	24,685	-	51	855,313	3.76%	979		
2007	41,421	13,803	-	57,826	563,232	128,069	94,196	6,486	4,800	-	25,928	-	53	935,814	3.90%	1,057	
2008	42,678	13,209	-	61,886	561,477	129,120	92,238	-	4,640	-	27,431	-	64	932,743	NA	NA	

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

^a See Demographic and Economic schedule for personal income and population data. These ratios are calculated using personal income for the prior year.

Outstanding Debt by Type for Fiscal Year 2008



County of Fresno
Estimated Direct and Overlapping Bonded Debt
6/30/2008
(amounts expressed in thousands)

2007-08 Assessed Valuation:	\$ 62,536,020	(includes unitary utility valuation)
Less: Redevelopment Incremental Valuation:	<u>4,343,876</u>	
Adjusted Assessed Valuation:	\$ 58,192,144	

OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable (1)	Debt 6/30/08
Merced Community College District School Facilities Improvement District No. 2	2.522 %	\$ 286
State Center Community College District	84.565	82,912
West Hills Community College District	66.859	11,971
Central Unified School District	100	51,086
Clovis Unified School District	100	293,637
Fresno Unified School District	100	264,899
Fresno Unified School District Lease Tax Obligations	100	39,760
Kings Canyon Joint Unified School District	90.668	36,087
Sanger Unified School District	100	48,669
Other Unified School Districts	Various	75,693
High School and School Districts	Various	26,705
City of Mendota	100	70
Hospital Districts	100	26,734
Other Special Districts	100	826
City Community Facilities Districts	100	5,855
1915 Act Bonds (Estimated)	100	<u>22,126</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		987,316
DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:		
Fresno County	100 %	91,870
Fresno County Pension Obligations	100	525,793
Community College District General Fund Obligations	Various	46,948
Central Unified School District Certificates of Participation	100	33,415
Clovis Unified School District General Fund Obligations	100	40,005
Fresno Unified School District General Fund Obligations	100	32,595
Sierra Unified School District Certificates of Participation	100	8,265
Other School District General Fund Obligations	Various	32,285
City of Clovis General Fund Obligations	100	17,185
City of Fresno General Fund and Judgment Obligations	100	258,395
City of Fresno Pension Obligations	100	182,785
Other City General Fund Obligations	100	20,565
Coalinga Regional Medical Center General Fund Obligations	100	<u>5,615</u>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		1,295,721
Less: Cities of Kingsburg self-supporting obligations		<u>3,200</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		1,292,521
GROSS COMBINED TOTAL DEBT		\$ 2,283,037 ⁽²⁾
NET COMBINED TOTAL DEBT		\$ 2,279,837

- (1) Percentage of overlapping agency's assessed valuation located within boundaries of the county.
(2) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds, and non-bonded capital lease obligations.

Ratios to 2007-08 Assessed Valuation:	
Total Overlapping Tax and Assessment Debt	1.58%
Ratios to Adjusted Assessed Valuation:	
Combined Direct Debt (\$617,663)	1.06%
Gross Combined Total Debt	3.92%
Net Combined Total Debt	3.92%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/08:	\$ 4,076
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Source: California Municipal Statistics, Inc.

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

Fiscal Year	Assessed Value	Debt Limit Percentage	Debt Limit	Amount of Debt Applicable to Limit			Legal Debt Margin
				General Obligation Bond	Less Resources Restricted to Paying Principal	Total Net Debt Applicable to Limit	
1999	32,825,883	1.25%	410,324	-	-	-	410,324
2000	33,804,273	1.25%	422,553	-	-	-	422,553
2001	34,899,796	1.25%	436,247	-	-	-	436,247
2002	36,319,842	1.25%	453,998	-	-	-	453,998
2003	38,160,657	1.25%	477,008	-	-	-	477,008
2004	40,553,718	1.25%	506,921	-	-	-	506,921
2005	44,300,762	1.25%	553,760	-	-	-	553,760
2006	48,864,958	1.25%	610,812	-	-	-	610,812
2007	55,471,674	1.25%	693,396	-	-	-	693,396
2008	62,536,020	1.25%	781,700	-	-	-	781,700

Note: California Government Code Section 29909 read in conjunction with Revenue and Taxation Code Section 135 imposes a legal debt limitation for General Obligation Bond indebtedness to 1.25 percent of total assessed value.

County of Fresno
General Bonded Debt Ratios
Last Ten Fiscal Years

Fiscal Year	Net General Bonded Debt per Capita	Net General Bonded Debt to Assessed Value	General Debt Service to General Expenditures
1999	223.52	0.54%	2.69%
2000	208.70	0.50%	2.66%
2001	192.53	0.45%	2.50%
2002	174.61	0.40%	2.26%
2003	172.18	0.38%	1.07%
2004	662.99	1.41%	1.08%
2005	667.45	1.33%	2.00%
2006	669.16	1.23%	2.14%
2007	716.53	1.19%	2.53%
2008	702.09	1.05%	2.72%

County of Fresno
Pledged-Revenue Coverage
Last Four Fiscal Years

CSA 41 Water Revenue Bonds						
Fiscal Year	Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2005	163,325	488,247	(324,922)	20,000	9,730	-1093%
2006	154,829	786,259	(631,430)	25,000	8,190	-1902%
2007	163,725	464,618	(300,893)	25,000	6,240	-963%
2008	182,142	589,706	(407,564)	25,000	4,290	-1391%

CSA 41 Sewer Revenue Bonds						
Fiscal Year	Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2005	106,342	190,427	(84,085)	20,000	10,105	-279%
2006	109,667	332,639	(222,972)	25,000	8,505	-665%
2007	111,783	247,151	(135,368)	25,000	6,480	-430%
2008	132,108	317,753	(185,645)	25,000	4,455	-630%

CSA 47 Water/Sewer Revenue Bonds						
Fiscal Year	Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2005	429,470	500,659	(71,189)	95,000	326,318	-17%
2006	452,694	592,104	(139,410)	100,000	320,807	-33%
2007	920,612	683,973	236,639	105,000	314,676	56%
2008	969,569	712,128	257,441	110,000	307,958	62%

County of Fresno
Demographic and Economic Statistics
Last Nine Calendar Years

Year	Population~	Personal Income*^	Per Capita Personal Income^	Median Family Income	Unemployment Rate
2000	802,304	\$ 17,628	\$ 21,974	\$37,200	14.40%
2001	812,189	18,593	22,841	39,700	13.90%
2002	828,307	19,691	23,697	40,300	14.40%
2003	846,485	20,690	24,399	41,700	14.20%
2004	864,893	21,745	25,224	44,900	10.40%
2005	881,258	22,752	26,052	45,450	8.40%
2006	897,835	23,981	27,081	N/A	8.03%
2007	914,893	N/A	N/A	48,000	8.15%
2008	931,098	N/A	N/A	49,900	9.91%

Sources: *Population data provided by the California Department of Finance. Personal and Per Capita Personal Income data provided by the Bureau of Economic Analysis. Unemployment data provided by the California Employment Development Department. Median Family Income data provided by Housing and Urban Development.*

* *Amounts in millions*

~ *The Department of Finance has revised population estimates for 2001-2008 as of May 2008.*

^ *The Bureau of Economic Analysis has revised the personal income and per capita personal income estimates for 2000-2006 based on county population estimates available as of April 2008.*

**County of Fresno
Principal Employers
Comparison between 2008 and 2003**

Employer	2008			2003		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Fresno Unified School District	7,418	1	1.66%	10,500	1	2.58%
County of Fresno	7,050	2	1.58%	7,200	3	1.76%
Community Medical Services	4,592	3	1.03%	6,000	4	1.47%
City of Fresno	3,700	4	0.83%	3,131	6	0.77%
Clovis Unified School District	3,221	5	0.72%	4,000	5	0.98%
Saint Agnes Medical	2,075	6	0.46%	2,400	7	0.59%
Kaiser Permanente Medical	2,000	7	0.45%	1,852	9	0.45%
Beverly Health Care	2,000	8	0.45%			
CSU Fresno	1,993	9	0.45%			
Pelco	1,965	10	0.44%	1,500	10	0.37%
Internal Revenue Service				7,224	2	1.77%
Children's Hospital of Central CA				2,361	8	0.58%
Total	36,014		8.06%	46,168		11.31%

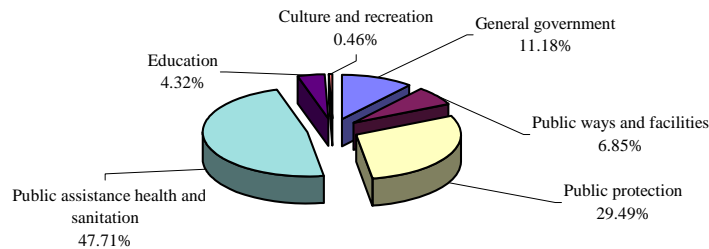
Source: *The Economic Development Department of the City of Fresno and the Economic Development Corporation of Fresno County.*

Note: *Percentages based on labor force of 447,000 in 2008 and 408,100 in 2007.*

County of Fresno
Employees by Function/Program
Last Seven Fiscal Years
Employees as of June 30

<u>Function/Program</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General government							
Administration	62	67	66	65	65	71	66
Planning	3	3	3	3	-	-	-
County Counsel	47	42	38	39	40	39	35
Finance	286	279	278	292	297	300	288
Internal Service	543	515	487	459	458	460	446
Other	31	31	32	56	54	40	40
Total	972	937	904	914	914	910	875
Public ways and facilities							
Planning	149	144	145	154	156	169	170
Roads	229	233	233	226	226	226	226
Community Development	22	23	23	23	23	22	19
Solid Waste	18	20	21	22	24	24	24
Other	97	97	95	98	98	97	97
Total	515	517	517	523	527	538	536
Public protection							
Sheriff	1,089	1,079	1,066	1,107	1,141	1,202	1,203
Probation	570	558	547	548	588	624	629
District Attorney	272	211	241	257	267	259	300
Public Defender	100	97	102	111	111	135	137
Coroner	44	42	42	42	40	40	40
Total	2,075	1,987	1,998	2,065	2,147	2,260	2,309
Public assistance health and sanitation							
Administration	368	295	194	90	90	90	85
Child & Family Services	1,127	1,081	1,042	1,078	1,066	1,073	978
Adult Services	654	700	684	704	469	465	452
Employee & Temporary Assistance	1,228	1,207	1,272	1,314	1,422	1,504	1,542
Community Health	683	687	682	700	714	701	658
In-Home Supportive Services	-	-	-	-	18	18	16
Veterans Services	-	-	-	-	4	4	4
Total	4,060	3,970	3,874	3,886	3,783	3,855	3,735
Education							
Library	390	387	381	377	321	331	338
Culture and recreation							
Parks and grounds	33	33	33	35	35	36	36
Total	8,045	7,831	7,707	7,800	7,727	7,930	7,829

Fiscal Year Ending 2008



Source: Proposed Budget

County of Fresno
Operating Indicators by Function/Program
Last Seven Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>						
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Public protection							
<i>Child Support Services</i>							
Number of child support cases opened	71,696	71,553	71,046	74,475	70,292	69,155	69,538
Child support collected (in thousands)	\$ 86,303	\$ 87,692	\$ 87,416	\$ 85,633	\$ 82,328	\$ 82,043	\$ 83,450
<i>Sheriff</i>							
Zone offices	4	4	4	4	4	4	4
Patrol units	214	159	152	222	216	232	267
Dispatched calls	255,199	277,213	312,003	307,862	326,123	344,315	347,778
Physical arrests	6,868	6,507	6,199	6,029	6,219	5,930	7,675
Traffic citations	2,046	1,811	1,943	1,524	1,605	1,493	1,361
Stolen vehicles	1,002	1,046	990	1,019	1,090	1,020	952
Jail bookings	37,838	38,941	38,432	40,333	44,232	43,428	44,028
Avg. daily jail population	2,220	2,981	3,019	3,060	3,168	3,259	3,029
Public ways and facilities							
Street miles maintained	3,620	3,609	3,600	3,577	3,563	3,555	3,539
Public assistance, health, and sanitation							
<i>Emergency Medical Services (EMS)</i>							
Number of 9-1-1 medical calls	47,824	47,018	49,937	47,802	58,636	96,020	64,700
<i>Employee & Temporary Assistance</i>							
Number of clients served	2,702,772	2,802,504	3,004,092	3,345,408	3,596,256	5,656,281	5,495,310
Education							
<i>Library</i>							
Number of branches	34	34	34	35	35	35	35
Number of volumes	3,494,531	3,567,980	3,645,853	3,651,499	3,668,488	3,837,345	3,865,700
Volumes borrowed	2,405,659	2,729,730	2,645,989	2,991,108	2,992,108	3,038,170	3,222,473
Culture and recreation							
<i>Parks & Grounds</i>							
Acreage	1,400	1,400	1,400	1400	1,400	1,400	1,400
Park passes issued	N/A	130	152	135	125	209	163

Sources: Various county departments

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Glossary

County of Fresno

Glossary for the Comprehensive Annual Financial Report

ACCOUNTS PAYABLE. A short-term liability account reflecting amounts owed to private persons or organizations for goods and services received by a government.

ACCOUNTS RECEIVABLE. An asset account reflecting amounts due from private persons or organizations for goods and services furnished by a government (but not including amounts due from other funds or other governments).

ACCRUAL BASIS. The recording of the financial effects on a government of transactions and other events and circumstances that have cash consequences for the government in the periods in which those transactions, events and circumstances occur, rather than only in the periods in which cash is received or paid by the government.

ACCUMULATED DEPRECIATION. A contra-asset account used to report the accumulation of periodic credits to reflect the expiration of the estimated service life of capital assets.

AGENCY FUND. A fund normally used to account for assets held by a government as an agent for individuals, private organizations or other governments and/or other funds.

AMORTIZATION. (1) The portion of the cost of a limited-life or intangible asset charged as an expense during a particular period. (2) The reduction of debt by regular payments of principal and interest sufficient to retire the debt by maturity.

APPROPRIATION. A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation usually is limited in amount and time it may be expended.

ASSESSED VALUATION. A valuation set upon real estate or other property by a government as a basis for levying taxes.

AUDITOR'S REPORT. In the context of a financial audit, a statement by the auditor describing the scope of the audit and the auditing standards applied in the examination, and setting forth the auditor's opinion on the fairness of presentation of the financial information in conformity with GAAP or some other comprehensive basis of accounting.

BALANCE SHEET. The financial statement disclosing the assets, liabilities and equity of an entity at a specified date in conformity with GAAP.

BASIC FINANCIAL STATEMENTS (BFS). The minimum combination of financial statements and note disclosures required for fair presentation in conformity with GAAP. Basic financial statements have three components: government-wide financial statements, fund financial statements, and notes to the financial statements.

BASIS OF ACCOUNTING. A term used to refer to *when* revenues, expenditures, expenses, and transfers - and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the *timing* of the measurements made, regardless of the nature of the measurement, on either the cash or the accrual method.

BUDGET. A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. The term "budget" is used in two senses in practice. Sometimes it designates the financial plan presented to the appropriating governing body for adoption, and sometimes, the plan finally approved by that body.

BUDGETARY CONTROL. The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.

CAPITAL ASSETS. Long-lived tangible assets obtained or controlled as a result of past transactions, events or circumstances. Capital assets include buildings, equipment, and improvements other than buildings, land, and infrastructure. In the private sector, these assets are referred to most often as property, plant, and equipment.

CAPITAL EXPENDITURES. Expenditures resulting in the acquisition of or addition to the government's general capital assets.

County of Fresno

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CAPITALIZATION POLICY. The criteria used by a government to determine which outlays should be reported as capital assets.

CAPITAL LEASE. An agreement that conveys the right to use property, plant, or equipment, usually for a stated period of time. See **LEASE-PURCHASE AGREEMENTS**.

CAPITAL PROJECTS FUND. A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

CASH BASIS. A basis of accounting under which transactions are recognized only when cash is received or disbursed.

CASH WITH FISCAL AGENT. An asset account reflecting deposits with fiscal agents, such as commercial banks, for the payment of bond principal and interest.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING PROGRAM. A voluntary program administered by the GFOA to encourage governments to publish efficiently organized and easily readable CAFR's and to provide technical assistance and peer recognition to the finance officers preparing them.

CHANGE IN THE FAIR VALUE OF INVESTMENTS. The difference between the fair value of investments and the beginning of the year and at the end of the year, taking into consideration investment purchases, sales, and redemptions.

COMPENSATED ABSENCES. Absences, such as vacations, illness and holidays, for which it is expected employees will be paid. The term does not encompass severance or termination pay, postretirement benefits, deferred compensation or other long-term fringe benefits, such as group insurance, and long-term disability pay.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR). A financial report that encompasses all funds and component units of the government. The CAFR should contain (a) the basic financial statements and required supplementary information, (b) combining statements to support columns in the basic financial statements that aggregate information from more

than one fund or component unit, and (c) individual fund statements as needed. The CAFR is the governmental unit's official annual report and also should contain introductory information, schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, and statistical data.

CONTINGENT LIABILITY. Items that may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending lawsuits, judgments under appeal, unsettled disputed claims, unfilled purchase orders and uncompleted contracts. Contingent liabilities should be disclosed within the financial statements (including the notes) when there is a reasonable possibility a loss may have been incurred. Guarantees, however, should be disclosed even though the possibility of loss may be remote.

CREDIT RISK. The risk that an issuer or a counter-party to an investment will not fulfill its obligations.

CURRENT FINANCIAL RESOURCES MEASUREMENT FOCUS. Measurement focus according to which the aim of a set of financial statements is to report the near-term (current) inflows, outflows, and balances of expendable (spendable) financial resources. The current financial resources measurement focus is unique to accounting and financial reporting for state and local governments and is used solely for reporting the financial position and results of operations of governmental funds.

DEBT. An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds, time warrants, and notes.

DEBT SERVICE FUND. A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

DEFERRED CHARGES. Expenditures that are not chargeable to the fiscal period in which they were made that are carried as an asset on the balance sheet, pending amortization or other disposition (e.g. bond issuance costs). Deferred charges differ from prepaid items in that they usually extend over a long period of time (more than five years) and are not regularly recurring costs of operation.

County of Fresno

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DEFERRED REVENUE. Resource inflows that do not yet meet the criteria for revenue recognition. Unearned amounts are always reported as deferred revenue. In governmental funds, earned amounts also are reported as deferred revenue until they are available to liquidate liabilities of the current period.

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

DEFINED BENEFIT PENSION PLAN. A pension plan having terms that specify the amount of pension benefits to be provided at a future date or after a certain period of time; the amount specified usually is a function of one or more factors such as age, years of service, and compensation.

DEPRECIATION. (1) Expiration in the service life of capital assets, other than wasting assets, attributable to wear and tear, deterioration, action of the physical elements, inadequacy and obsolescence. (2) The portion of the cost of a capital asset, other than a wasting asset, charged as an expense during a particular period. In accounting for depreciation, the cost of a capital asset, less any salvage value, is prorated over the estimated service life of such an asset, and each period is charged with a portion of such cost. Through this process, the entire cost of the asset is ultimately charged off as an expense.

DESIGNATED FUND BALANCE. A portion of an unreserved fund balance that has been "earmarked" by the chief executive officer or the legislative body for specified purposes.

DUE FROM OTHER FUNDS. An asset account used to indicate amounts owed to a particular fund by another fund for goods sold or services rendered. This account includes only short-term obligations on open account, not interfund loans.

DUE TO OTHER FUNDS. A liability account reflecting amounts owed by a particular fund to another fund for goods sold or services rendered. These amounts include only short-term obligations on open account, not interfund loans.

ECONOMIC RESOURCES MEASUREMENT FOCUS. Measurement focus under which the aim of a set of financial statements is to report all inflows, outflows, and balances affecting or reflecting an entity's net assets. The economic resources

measurement focus is used for proprietary and fiduciary funds, as well as for government-wide financial reporting. It is also used by business enterprises in the private sector.

ENCUMBRANCES. Commitments related to unperformed (executory) contracts for goods or services. Used in budgeting, encumbrances are not GAAP expenditures or liabilities, but represent the estimated amount of expenditures ultimately to result if unperformed contracts in process are completed.

ENTERPRISE FUND. Proprietary fund type used to report and activity for which a fee is charged to external users for goods and services.

EXCHANGE-LIKE TRANSACTION. Transaction in which there is an identifiable exchange between the reporting government and another party, but the values exchanged may not be quite equal or the direct benefits of the exchange may not be exclusively for the parties to the exchange.

EXPENDITURES. Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service and capital outlays, and intergovernmental grants, entitlement and shared revenues.

EXPENSES. Outflows or other using up of assets or incurrence of liabilities (or a combination of both) from delivering or producing goods, rendering services or carrying out other activities that constitute the entity's ongoing major or central operations.

EXTERNAL AUDITORS. Independent auditors typically engaged to conduct an audit of a government's financial statements.

EXTERNAL INVESTMENT POOL. An arrangement that commingles (pools) the moneys of more than one legally separate entity and invests, on the participants' behalf, in an investment portfolio; one or more of the participants is not part of the sponsors reporting entity. An external investment pool can be sponsored by an individual government, jointly by more than one government, or by a nongovernmental entity. An investment pool that is sponsored by an individual state or local government is an external investment pool if it includes participation by a legally separate entity that is not part of the same reporting entity as the sponsoring government. If a government-sponsored pool includes only the

County of Fresno

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primary government and its component units, it is an internal investment pool and not an external investment pool.

FAIR VALUE. The amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

FIDUCIARY FUNDS. The trust and agency funds used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other government units and/or other funds.

FINANCIAL RESOURCES. Resources that are or will become available for spending. Financial resources include cash and resources ordinarily expected to be converted to cash (e.g. receivables, investments). Financial resources may also include inventories and pre-pays (because they obviate the need to expend current available resources).

FISCAL AGENT. A fiduciary agent, usually a bank or county treasurer, who performs the function of paying debt principal and interest when due.

FUND. A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities, or balances, and changes therein, are recorded and segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions or limitations.

FUND BALANCE. The difference between fund assets and fund liabilities of governmental and similar trust funds.

FUND FINANCIAL STATEMENTS. Basic financial statements presented on the basis of funds. Term used in contrast with *government-wide financial statements*.

FUND TYPE. Any one of seven categories into which all funds are classified in governmental accounting. The seven fund types are: general, special revenue, debt service, capital projects, enterprise, internal service, and trust and agency.

GENERAL REVENUES. All revenues that are not required to be reported as program revenues. All taxes, even those that are levied for a specific purpose, are general revenues and should be reported

by type of tax - for example, property tax, sales tax, transient occupancy tax. All other nontax revenues (including interest, grants and contributions) that do not meet the criteria to be reported as program revenues should also be reported as general revenues.

GENERAL FUND. The general fund is one of five governmental fund types and typically serves as the chief operating fund of the government. The general fund is used to account for all financial resources except those required to be accounted for in another fund.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

(GAAP). The convention, rules, and procedures that serve as the norm for the fair presentation of financial statements. The various sources of GAAP for the state and local governments are set forth by SAS No. 69, *The Meaning of "Present Fairly in Conformity with Generally Accepted Accounting Principles"* in the Independent Auditor's Report.

GOVERNMENTAL ACCOUNTING. The composite activity of analyzing, recording, summarizing, reporting and interpreting the financial transactions of governments.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD

(GASB). The ultimate authoritative accounting and financial reporting standard-setting body for state and local governments. The GASB was established in June 1984 to replace the National Council on Governmental Accounting (NCGA).

GOVERNMENTAL FUNDS. Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital project funds, and permanent funds.

GOVERNMENT-WIDE FINANCIAL STATEMENTS.

Financial statements that incorporate all of a government's governmental and business-type activities, as well as its nonfiduciary component units. There are two basic government-wide financial statements: the statement of net assets and the statement of net activities. Both basic governmental financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

INFRASTRUCTURE. Long-lived capital assets that normally are stationary in nature and normally can be preserved for a

County of Fresno

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significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems.

INTERFUND RECEIVABLE/PAYABLE. Short-term loans made by one fund to another, or the current portion of an advance to or from another fund.

INTERFUND TRANSFERS. Flow of assets (such as cash or goods) between funds and blended component units of the primary government without equivalent flows of assets in return and without a requirement for payment.

INTERNAL SERVICE FUND. A fund used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis.

JOINT VENTURE. A legal entity or other contractual arrangement in which a government participates as a separate and specific activity for the benefit of the public or service recipients and in which the government retains an ongoing financial interest.

LAPSE. As applied to appropriations, the automatic termination of an appropriation. Except for indeterminate appropriations and continuing appropriations, an appropriation is made for a certain period of time. At the end of this period, any unexpended or unencumbered balance thereof lapses, unless otherwise provided by law.

LEASE-PURCHASE AGREEMENTS. Contractual agreements that are termed leases, but that in substance are purchase contracts.

LEGAL LEVEL OF BUDGETARY CONTROL. The level at which spending in excess of budgeted amounts would be a violation of law.

LEVEL OF BUDGETARY CONTROL. The level at which a government's management may not reallocate resources without special approval for the legislative body.

LIABILITIES. Probable future sacrifices of economic benefits, arising from present obligations of a particular entity to transfer

assets or provide services to other entities in the future as a result of past transactions or events.

LOANS RECEIVABLE. An asset account reflecting amounts loaned to individuals or organizations external to a government, including notes taken as security for such loans. Loans to other funds and governments should be recorded and reported separately.

MAJOR FUND. A governmental fund or enterprise fund reported as a separate column in the basic fund financial statements. The general fund is always a major fund. Otherwise, major funds are whose revenues/expenditures, assets or liabilities, are at least 10 percent of corresponding totals for all government or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item. Any other government or enterprise fund may be reported as a major fund if the government's officials believe that fund is particularly important to financial statement users.

MANAGEMENT'S DISCUSSION AND ANALYSIS. A component of required supplementary information used to introduce the basic financial statements and to provide an analytical overview of the government's financial activities.

MEASUREMENT FOCUS. A way of presenting an entity's financial performance and position by considering which *resources* are measured (financial or economic) and *when* the effects of transactions or events involving those resources are recognized (the basis of accounting). The measurement focus of government-wide financial statements, proprietary fund financial statements, and fiduciary fund financial statements is economic resources. The measurement focus of governmental fund financial statements is current financial resources.

MODIFIED ACCRUAL BASIS. The accrual basis of accounting adapted to the governmental fund-type measurement focus. Under it, revenues and other financial resource increments (e.g. bond issue proceeds) are recognized when they become susceptible to accrual that is when they become both "measurable" and "available to finance expenditures of the current period." "Available" means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, expenditures are recognized when the fund liability is incurred. All governmental funds, expendable trust funds and agency funds are accounted for using the modified accrual basis of accounting.

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OPERATING LEASE. A lease does not transfer ownership rights, risks, and rewards from the lessor to the lessee, the lease is called an operational lease and is similar to a rental.

OTHER FINANCING SOURCES. An increase in current financial resources that is reported separately from revenues to avoid distorting revenue trends. The use of the other financing sources category is limited to items classified by GAAP.

OTHER FINANCING USES. A decrease in current financial resources that is reported separately from expenditures to avoid distorting expenditure trends. The use of the other financing uses category is limited to items so classified by GAAP.

OVERLAPPING DEBT. The proportionate share property within each government must bear of the debts of all local governments located wholly or in part within the geographic boundaries of the reporting government. Except for special assessment debt, the amount of debt of each unit applicable to the reporting unit is arrived at by (1) determining what percentage of the total assessed value of the overlapping jurisdiction lies within the limits of the reporting unit, and (2) applying this percentage to the total debt of the overlapping jurisdiction. Special assessment debt is allocated on the basis of the ratio of assessment receivable in each jurisdiction, which will be used wholly or in part to pay off the debt, to total assessments, which will be used wholly or in part for this purpose.

PROGRAM REVENUES. Term used in connection with the government-wide statement or activities. Revenues that derive directly from the program itself or from parties outside the reporting government's taxpayers or citizenry, as a whole; they reduce the net cost of the function to be financed from the government's general revenues.

PROPRIETARY FUNDS. Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial positions, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

REBATABLE ARBITRAGE. A term used in connection with the reinvestment of the proceeds of tax-exempt debt. A requirement to remit to the federal government interest revenue in excess of interest costs when the proceeds from the sale of tax-exempt securities are reinvested in a taxable money market instrument with a materially higher yield.

REPORTING ENTITY. The oversight unit and all of its component units, if any, that are combined in the CAFR/BFS.

REQUIRED SUPPLEMENTARY INFORMATION. Consists of statements, schedules, statistical data, or other information which, according to the GASB, is necessary to supplement, although not required to be a part of the basic financial statements.

RESERVED FUND BALANCE. The portion of a governmental fund's net assets that is not available for appropriation.

RESTRICTED ASSETS. Assets whose use is subject to constraints that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

RESTRICTED NET ASSETS. A component of net assets calculated by reducing the carrying value of restricted assets by the amount of any related debt outstanding.

RETAINED EARNINGS. An equity account reflecting the accumulated earnings or an enterprise or internal service fund.

REVENUE BONDS. Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

RISK MANAGEMENT. All the ways and means used to avoid accidental loss or to reduce its consequences if it does occur.

SELF-INSURANCE. A term often used to describe the retention by an entity of a risk loss arising out of the ownership of property or from some other cause, instead of transferring the risk to an independent third party through the purchase of an insurance policy. It is sometimes accompanied by the setting aside of assets to fund any related losses. Because no insurance is involved, the term self-insurance is a misnomer.

SINGLE AUDIT. An audit performed in accordance with Single Audit Act of 1997 and Office of Management and Budget's (OMB) Circular A-133, *Audits of State and Local Governments and Non-Profit Organizations*. The Single Audit Act allows or requires

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governments (depending on the amount of federal assistance received) to have one audit performed to meet the needs of all federal agencies.

SPECIAL DISTRICT. An independent unit of local government organized to perform a single government function or a restricted number of related functions. Special districts usually have the power to incur debt and levy taxes; however, certain types of special districts are entirely dependent upon enterprise earnings and cannot impose taxes. Examples of special districts are water districts, drainage districts, flood control districts, hospital districts, fire protection districts, transit authorities, port authorities, and electric power authorities.

SPECIAL REVENUE FUND. A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

TAX AND REVENUE ANTICIPATION NOTES (TRANS). Notes issued in anticipation of the collection of taxes and revenues, usually retired only from tax collections, and frequently only from the proceeds of the tax and revenues levy whose collection they anticipate.

TRUST FUNDS. Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments and/or other funds.

UNDESIGNATED UNRESERVED FUND BALANCE. That portion of a fund balance that is available for spending or appropriation and has not been "earmarked" for specified purposes by the chief executive officer or the legislative body.

UNQUALIFIED OPINION. An opinion rendered without reservation by the independent auditor that financial statements are fairly presented.

UNRESERVED FUND BALANCE. That portion of a fund balance available for spending or appropriation in the future.

UNRESTRICTED NET ASSETS. That portion of net assets that is neither restricted nor invested in capital assets (net of related debt).

VARIABLE-RATE INVESTMENT. An investment with terms that provide for the adjustment of its interest rate (such as the last day of the month or a calendar quarter) and that, upon each adjustment until the final maturity of the instrument or the period remaining until the principal amount can be recovered through demand, can reasonably be expected to have a fair value that will be unaffected by interest rate charges.