



**COUNTY OF FRESNO
STATE OF CALIFORNIA**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**For The Fiscal Year Ended
June 30, 2009**

**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 18, 2009

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, 2009, 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, 2009, 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, 2009. 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 over 6,000 square miles in the heart of the San Joaquin Valley and has a population of 942,298. 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.

Policy making 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	Deborah Poochigian District 5
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John Navarrette
County Administrative Officer

Kevin Briggs
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 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				Arpi K. Apkarian, Deputy Director General Services
Kenneth K. Taniguchi Public Defender	Robert W. Bash, Child Support Services				Beth Bandy Deputy 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 7,036 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), multiple 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 supported by a written commitment 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.

However, the County's current economic state is difficult. Falling home prices, continued problems in mortgage markets, worsening credit availability, shrinking equity values, and significant job losses continue to batter the economy of California and Fresno County. California has the largest labor market in the U.S. From its peak in July 2007 through April 2009, California nonfarm payrolls fell by 791,000 jobs or 5.2%. This constitutes the largest job loss in number and percent of any economic downturn since World War II. Consumer and business spending plunged as a result. The outlook for the State economy is for negative growth through 2009, followed by weak growth in 2010 with better growth predicted for 2011.

After years of strong growth in the County's economy, the recession conditions over the past two years have resulted in a decline in property and sales tax revenues. Property tax revenues have declined by 2.9% from FY 07-08 while sales tax revenues have declined by 10.4% from FY 07-08. The slumping housing sector and mortgage crisis has slowed the residential building industry and some property has been re-assessed to a lower value. The number of appeal assessments filed by property owners increased from 1,270 appeals in FY 07-08 to 3,998 appeals in FY 08-09. A statewide drought and water delivery restrictions caused the idling of thousands

of acres of crop land. In June of 2008 the governor proclaimed a State of Emergency in nine counties including the County of Fresno in response to the drought and economic conditions.

The County's unemployment rate is typically higher than the State's or the national average due to the seasonal nature of its large agricultural employment base. The County's unemployment rate ranged to a high of almost 17% during the fiscal year with a summertime level of 14.6% reflecting the availability of seasonal agricultural jobs. These rates contrast with the 20 year low of 9% in 2006 and the 10.6 % average earlier in 2008.

The County remained the leading agricultural county in the state and nation. Total gross production in 2008 increased by 5.9% over 2007, setting a new production record and exceeding the five billion dollar mark for the second consecutive year. While agriculture currently accounts for 13.9% of wage and salary employment, other important sources of employment include services 39.6%, government 17.1%, trade, transportation and utilities 16.8%, construction 5% and manufacturing 7.6%. In recent years, agriculture jobs have declined due to increased efficiencies, farm consolidations and farm land retirements. Drought conditions caused a further drop in agricultural employment this year. Construction jobs continued to drop due to the poor housing market.

MAJOR INITIATIVES, SERVICE EFFORTS AND ACCOMPLISHMENTS

Current

The County maintains the largest road system in California covering over 3,531 miles of roads including 530 bridges. The 2009-2010 Road Fund adopted budget totals \$80 million, which reflects a decrease of 13% from the prior year's adopted budget. The decrease is partially due to completion of several large projects and partially the result of deferring Maintenance of Effort (MOE) expenditures for Proposition 42 funding for one year. It also reflects a decline in Gas Tax, Measure "C" maintenance funding, and Proposition 42 (sales tax on gasoline) revenues because of the slow economy. Major projects anticipated include the final phase of the Friant Road project, from Lost Lake Park to North Fork Road, three Measure "C" projects, Academy Avenue construction segments, and three federally funded bridge replacements at the Outside Main Canal on Bass Avenue, Kings River Bridge on Goodfellow Avenue and Byrd Slough on Goodfellow Avenue. The 2009-2010 road maintenance program includes \$20.94 million dedicated to pavement seals and maintenance overlays, contracted preventative maintenance, routine maintenance and traffic signs and striping. Approximately 20 miles of chip seal projects, and 16 miles of asphalt concrete overlay projects are programmed.

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 to construct the recently completed Juvenile Justice Campus. In April 2006, the County issued subordinate Tobacco Settlement Asset-Backed Bonds in the amount of \$39,015,131 to fund future capital projects.

The new Juvenile Court Facility, constructed on the Juvenile Justice Campus, became operational July 2009. It is a shared-use facility, which includes court rooms occupied by the State of California and office space for staff from the District Attorney, Public Defender and Probation departments. The Juvenile Court Facility was funded with \$55,350,000 of Lease Revenue Bonds issued in April 2007. 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 related debt service.

In August 2009, the Board approved funding for the construction of a scaled back Coroner's facility to be located in the southwest quadrant of the new Juvenile Justice Campus. The construction will be funded with \$20,400,700 of the remaining Tobacco Settlement Bond proceeds. Construction of the 14,370 square feet morgue building replaces the current inadequate facility which was built in 1948. Construction of the administration portion of this facility has been deferred.

The new Orange Cove Library branch is nearing completion of construction with the grand opening scheduled for November 2009.

In June of 2008 the Board executed two sixteen year leases for approximately 37,000 square feet of space in West Fresno for the West Fresno Regional Center. The building is currently being modified and is expected to be completed by January 2010. Tenants will include a Fresno County Library branch, and the Departments of Employment and Temporary Assistance, Behavioral Health, Public Health, and Children and Family Services.

Future

The County's budget is strongly influenced by the State's fiscal budget. In February of 2009, the State enacted \$36 billion in solutions to what was then estimated to be a \$42 billion General Fund budget gap (the additional \$6 billion in solutions failed to pass at the special election in May). Amendments to the 2009-2010 budget included another \$24 billion in solutions to address the further deterioration of the State's fiscal situation identified in the May Revision. The \$60 billion in budget solutions adopted this year addressed the largest budget gap the State has ever faced. The magnitude of the budget shortfall required significant reductions in services to the public, including reductions in services normally provided by the County. Controversial measures were enacted to balance the budget including the State suspending Proposition 1A, borrowing tax revenue from the cities, counties and special districts and the State suspending funding for the Williamson Act.

In an effort to mitigate the budgetary effect of the State borrowing almost \$16 million in property tax revenue, the County participated in the Proposition 1A securitization program sponsored by the California Statewide Community of Development Authority (CSCDA). Budget clean up legislation authorized Counties to sell their property tax receivables to CSCDA, who sells bonds providing cash proceeds to participating agencies.

The County's 2009-2010 adopted budget is over \$41 million less than the prior year and includes a net reduction of 685 positions and implements employee furloughs. The decrease is due to the lower State funding as well as to lower County discretionary revenues including sales and property tax revenues and vehicle license fees as a result of the recession. Significant budget reductions were made in all programs. However, due to the actions taken by the State to amend its budget, resulting in it borrowing county tax revenue and withholding Williamson Act funding, the County may face another shortfall. The County will perform a mid-year review of budget surpluses and deficits and may recommend additional budget reductions. The effect of the recession on County revenues is anticipated to continue through at least the following year.

In an effort to address some of the area's biggest economic challenges, the County has entered into a Joint Powers Agreement to administer the Neighborhood Stabilization Program (NSP). The County will use NSP funds to purchase foreclosed and abandoned homes and rehabilitate and resell them to eligible homebuyers, and will include the provision of mortgage assistance in areas of the highest need as identified by the foreclosure data sources provided by the Department of Housing and Urban Development (HUD). The NSP will create jobs in the real estate and construction industry. Additionally, lenders, title companies, insurance companies, and other local professions will benefit.

American Recovery and Reinvestment Act of 2009 (ARRA) funding is being utilized to reduce high local unemployment and homelessness, alleviate economic distress and stimulate local construction and other jobs. The Employment and Temporary Assistance Department has been awarded over \$36 million in subsidized employment program, employment readiness training and job retention services funding. Through stimulus funding, the federal share of assistance payment costs for the Foster Care Adoptions Assistance, and In-Home Supportive Services Programs was increased by almost \$11 million. The Children and Family Services Department has been awarded \$1.6 million in Homeless Prevention and Rapid Re-Housing funding. Public Works and Planning has been awarded Community Development Block Grant funding known as CDBG-R, to provide funds for CDBG eligible expedited infrastructure projects that can be under construction quickly and foster job creation and other long term economic impacts. In addition this department has received funding

through Caltrans for additional roadwork. The District Attorney received an award of \$181,000 for elder abuse prosecution and the Sheriff Department is using \$769,000 to investigate internet crimes against children and to purchase vehicles and tasers.

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 growth within Fresno County. The fee became effective August 2008 and is being implemented in a phased in approach. It is not expected to generate significant amounts of funding until the fee is fully implemented and the local economy and housing market improve.

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 unless economic trends or market timing indicate such investments are beneficial.

During the year, the Pool earned an average yield of 2.879 percent. This compares favorably with the average yield of .54percent for 90 day Treasury Bills and the Consumer Price Index of negative 1.58 percent. In this fiscal year, the County of Fresno earned interest of \$10,853,000.

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 2008-09, the ratio of net investment income to total investments was (20.8%) with a net investment loss of \$451,499,000 and ending investments totaling \$2,173,317.

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, 2008. The County has received this prestigious award for thirty years. 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, 2008

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.



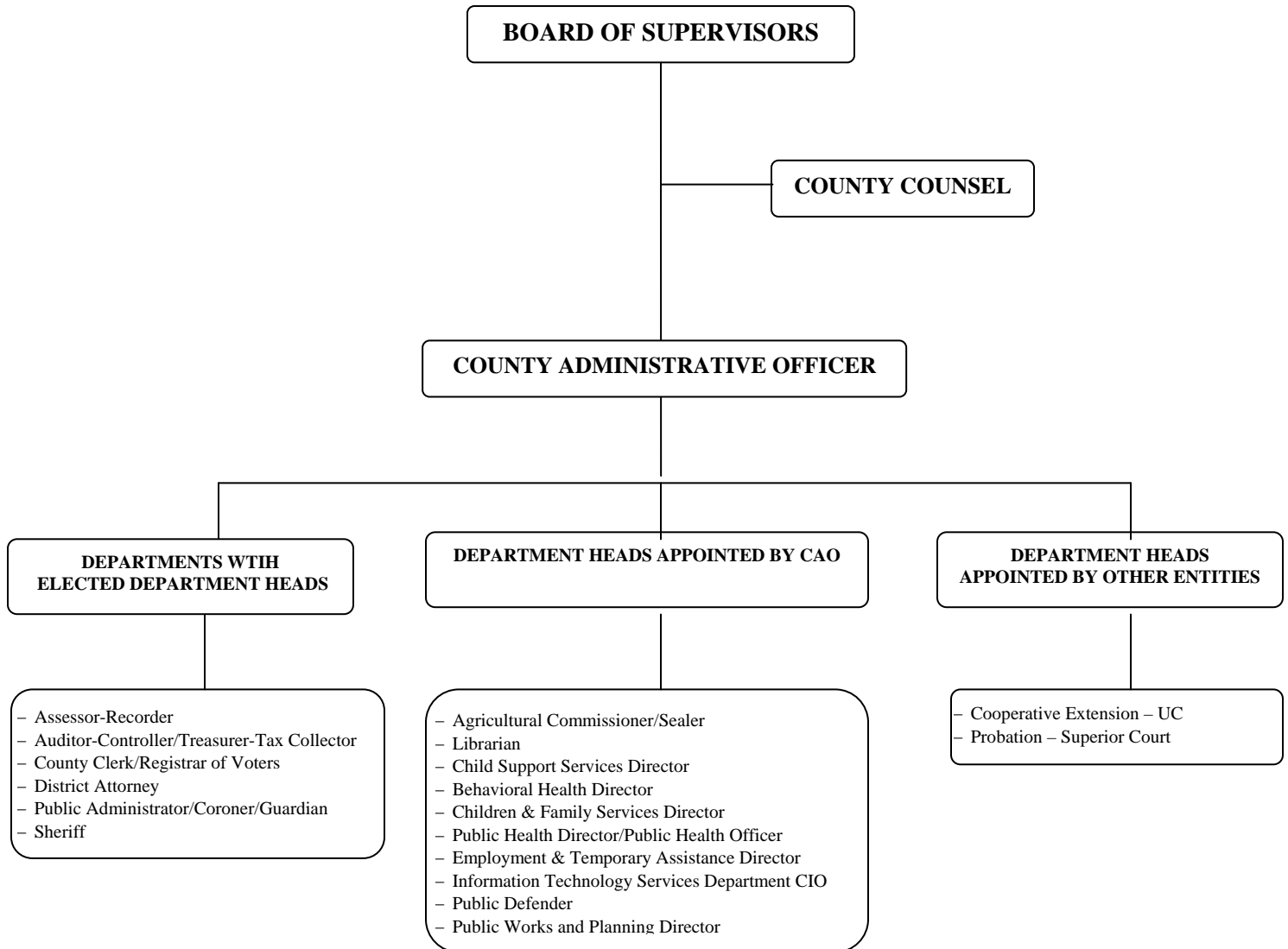
A handwritten signature in black ink, appearing to read "K. L. R.", is written above the title "President".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Enen", is written above the title "Executive Director".

Executive Director

COUNTY OF FRESNO ORGANIZATIONAL CHART



**County of Fresno
List of Principal Officials
June 30, 2009**

ELECTED OFFICIALS

Board of Supervisors:

Supervisor, District 1	Phil Larson
Chairperson, Supervisor, District 2	Susan Anderson
Supervisor, District 3	Henry R. Perea
Supervisor, District 4	Judy Case
Supervisor, District 5.	Debbie Poochigian
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	John A. Navarrette
Interim County Counsel	Kevin B. Briggs

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FINANCIAL SECTION

- Independent Auditor's 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, 2009, 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 62% of the assets and negative 3% 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, 2009, 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 18, 2009, 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.

Pruce Pange & Company

Clovis, California
December 18, 2009

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, 2009. 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 2008-2009 fiscal year, the assets of the County exceeded liabilities by \$411,696. This difference is referred to as "net assets". However, a deficit of \$343,607 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 \$144,125 representing assets which can only be used for specific purposes, and \$611,178 representing the County's investment in capital assets, net of related debt.
- The County's long-term debt decreased by \$6,573. Long term debt totals \$926,170 at June 30, 2009.
- The government's total net assets increased by \$4,190. This is primarily due to a Statement of Activities gain of \$3,526. The governmental activities gain is \$6,092 and business type activities loss is \$2,556.
- As of June 30, 2009, the County's governmental funds reported combined ending fund balances of \$319,018 which is a decrease of \$5,743 in comparison to the prior year. Approximately 53.2% of combined fund balances, or \$169,868 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 \$151,243 at the end of the current fiscal year, or 14.1% 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 thirteen 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 68-99 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 86-93 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 68-99 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 2008-09, the County added infrastructure totaling \$28,733. Accumulated depreciation for Infrastructure increased by \$11,112. 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 \$411,696 at the close of the most recent fiscal year.

Summary of Net Assets June 30, 2009

	Governmental Activities		Business-type Activities		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Assets:						
Current and other assets	\$ 556,877	\$ 598,741	\$ 82,466	\$ 83,057	\$ 639,343	\$ 681,798
Capital assets	740,973	710,382	50,441	53,727	791,414	764,109
Total assets	<u>1,297,850</u>	<u>1,309,123</u>	<u>132,907</u>	<u>136,784</u>	<u>1,430,757</u>	<u>1,445,907</u>
Liabilities:						
Other liabilities	91,766	104,501	1,125	1,157	92,891	105,658
Long-term liabilities	895,301	900,608	30,869	32,135	926,170	932,743
Total liabilities	<u>987,067</u>	<u>1,005,109</u>	<u>31,994</u>	<u>33,292</u>	<u>1,019,061</u>	<u>1,038,401</u>
Net Assets:						
Invested in capital assets, net of related debt	565,196	544,635	45,982	49,087	611,178	593,722
Restricted	117,491	135,904	26,634	24,762	144,125	160,666
Unrestricted	(371,904)	(376,525)	28,297	29,643	(343,607)	(346,882)
Total net assets	<u>\$ 310,783</u>	<u>\$ 304,014</u>	<u>\$ 100,913</u>	<u>\$ 103,492</u>	<u>\$ 411,696</u>	<u>\$ 407,506</u>

The largest portion of the County's net assets, \$611,178, 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.

Restricted net assets of \$144,125 represents resources that are subject to external restrictions on how they may be used.

The remaining balance for unrestricted net assets, (\$343,607), 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.

Management's Discussion and Analysis

(amounts expressed in thousands)

Current and other assets decreased \$42,455 from \$681,798 to \$639,343, or 6.2% from the prior year. This decrease is primarily due to decreases in accounts receivable, taxes receivable, and cash.

Capital assets increased \$27,305 from \$764,109 to \$791,414, or 3.6% 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 \$6,573 from \$932,743 to \$926,170, or 0.7% 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, 2009

	Governmental Activities		Business-type Activities		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Revenues:						
Program revenues:						
Charges for services	\$ 161,590	\$ 192,595	\$ 10,736	\$ 14,163	\$ 172,326	\$ 206,758
Operating grants and cont.	566,158	573,377	-	-	566,158	573,377
Capital grants and cont.	4,560	14,485	-	-	4,560	14,485
General Revenues						
Property taxes	213,721	220,356	686	711	214,407	221,067
Sales taxes	158,943	177,384	-	-	158,943	177,384
Motor vehicle in lieu taxes	41,195	45,891	-	-	41,195	45,891
Other	38,894	52,294	-	-	38,894	52,294
Investment earnings	8,441	12,495	2,398	3,808	10,839	16,303
Miscellaneous	2,914	3,891	4,506	1,765	7,420	5,656
Total revenues	<u>1,196,416</u>	<u>1,292,768</u>	<u>18,326</u>	<u>20,447</u>	<u>1,214,742</u>	<u>1,313,215</u>
Expenses:						
General government	28,685	70,697	-	-	28,685	70,697
Public protection	307,301	264,592	-	-	307,301	264,592
Public ways and facilities	58,062	117,737	-	-	58,062	117,737
Health, sanit. & public assist.	724,604	718,201	-	-	724,604	718,201
Education	22,606	10,691	-	-	22,606	10,691
Culture and recreation	3,475	2,491	-	-	3,475	2,491
Interest on long-term debt	45,794	47,909	-	-	45,794	47,909
County service areas, other	-	-	5,626	5,347	5,626	5,347
Landfill	-	-	15,063	16,533	15,063	16,533
Total expenses	<u>\$ 1,190,527</u>	<u>\$ 1,232,318</u>	<u>\$ 20,689</u>	<u>\$ 21,880</u>	<u>\$ 1,211,216</u>	<u>\$ 1,254,198</u>
Increase(decrease) in net assets before transfers and special items	<u>5,889</u>	<u>60,450</u>	<u>(2,363)</u>	<u>(1,433)</u>	<u>3,526</u>	<u>59,017</u>
Transfers	<u>203</u>	<u>35</u>	<u>(203)</u>	<u>(35)</u>	<u>-</u>	<u>-</u>
Special item	<u>-</u>	<u>-</u>	<u>-</u>	<u>(289)</u>	<u>-</u>	<u>(289)</u>
Increase(decrease) in net assets	<u>6,092</u>	<u>60,485</u>	<u>(2,566)</u>	<u>(1,757)</u>	<u>3,526</u>	<u>58,728</u>
Net assets beginning 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>
Prior Period Adjustment	<u>677</u>	<u>30,050</u>	<u>(13)</u>	<u>11</u>	<u>664</u>	<u>30,061</u>
Net assets end of year	<u>\$ 310,783</u>	<u>\$ 304,014</u>	<u>\$ 100,913</u>	<u>\$ 103,492</u>	<u>\$ 411,696</u>	<u>\$ 407,506</u>

Governmental activities. Governmental-type activities increased the County's net assets by \$6,092. 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 \$677. These adjustments corrected fixed assets for vehicles in the Fleet Services internal service fund.

Management's Discussion and Analysis

(amounts expressed in thousands)

Charges for services decreased \$34,432 due to the conversion of two general fund departments to internal service funds. Operating grants decreased by \$7,219 because of decreases in service levels resulting from contractions in California's economy. Property taxes decreased \$6,660. This decrease in property taxes is due to the State's housing crisis. Sales taxes decreased \$18,441 due to the slowing economy.

Expenses for general government decreased \$42,012. Expenses for public protection increased by \$42,709, 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.

Interest on long-term debt decreased by \$2,115, due to decreases in principal amounts because of principal payments on pension obligation bonds and lease revenue bonds.

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 \$2,566. In addition to changes due to operations, accounting adjustments were made to prior period net assets decreasing net assets by \$13. 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, 2009, the County's governmental funds reported combined ending fund balances of \$319,018, a decrease of \$5,743 in comparison with the prior fiscal year. Approximately 53.2% of the combined fund balances, or \$169,868, constitutes unreserved fund balance, which is available for spending at the government's 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, \$49,450, 2) to reflect

Management's Discussion and Analysis

(amounts expressed in thousands)

inventories and imprest cash balances that are long-term in nature and thus do not represent available spendable resources, \$4,190, 3) to liquidate contractual commitments of the period, \$58,226, and 4) to reflect loans to other funds that are unpaid at year end, \$37,284.

The General Fund is the chief operating fund of the County. At June 30, 2009, unreserved fund balance of the general fund was \$151,243 while total fund balance was \$201,527. 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 14.1% of total fund expenditures less transfers, while total fund balance represents 18.7% of that same amount.

The fund balance of the County's General Fund increased by \$12,663 during the current fiscal year due to a one time inflow of revenues from adjustments to property taxes.

Revenues for governmental functions without transfers totaled \$1,222,171, which represents an decrease of 3.7% from fiscal year 2007-2008. Tax revenue increased by \$16,325, and charges for services increased by \$27,608, while state and federal aid decreased by \$26,191. Use of money and property revenue decreased by \$4,906 due to decreases in interest rates and cash available for investments.

Expenditures without transfers for governmental functions totaled \$1,230,727 in fiscal year 2008-2009, which represents a decrease of 7.0% from fiscal year 2007-2008. The largest decrease in the general government expenditures is due to the conversion of two general fund departments to internal service funds. The other large decrease in capital outlay is due to a decrease in construction activity for the Juvenile Justice Court.

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 \$81,698 in net assets at June 30, 2009 and the CSAs, \$19,215. The Landfill's and CSA's unrestricted net assets are \$23,746 and \$4,551 or 29.1% and 23.7%, respectively of their total net assets. Overall net assets decreased \$2,579 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 \$40,104. Some of the significant differences between the original budget and the final amended budget are briefly summarized as follows:

- The Department of Employment and Temporary Assistance received a net increase in appropriations of \$3,906 due to increases in caseload growth, adjustments for social services realignment revenue shortfalls and due to an additional mid-year allocation of discretionary revenue.
- Sheriff Department appropriations increased a net of \$3,800 due to increases in departmental revenues offset by reductions in grant funding.
- Budget of \$4,404 was added to fund a portion of the project development for the new Coroner Facility.
- Neighborhood Stabilization Grant Program funds received from the U.S. Department of Housing and Urban Development provided additional revenue and appropriations of over \$7,037. This funding is being invested in the purchase, rehabilitation and resale of foreclosed homes.

Management's Discussion and Analysis

(amounts expressed in thousands)

- The Department of Employment and Temporary Assistance budget was increased \$13,750 reflecting additional CalWORKS funding available for extended public assistance.
- The County Clerk/Elections budget was increased \$1,497 for State revenue anticipated to offset general election costs.
- The budget for the Department of Public Health was decreased \$2,009 due to reduced State and Federal revenues in the Department's California Children's Services and Early Intervention programs.
- State budget cuts in the Mental Health Managed Care Allocation to the County, required reduction of the Departments of Behavioral Health and Children and Family Services budgets by a total of \$798. The Department of Behavioral Health's budget was also reduced \$857 to address realignment revenue shortfalls.
- Shortfalls in the Assessor-Recorder, County Clerk-Elections, and Public Defender Departments and the Miscellaneous Org budgets were addressed by increasing appropriations a total of \$2,005 using unanticipated discretionary revenue.
- Various departments received year-end increases to appropriations totaling \$2,307 to address the effects of large retirement payouts, other unanticipated expenditures and revenue shortfalls. The increases in appropriations were funded by new discretionary or departmental revenue and/or the Designation for Compensated Absences reserve.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

As of June 30, 2009, the County's investment in capital assets, net of related debt, for its governmental and business-type activities, was \$611,178. 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 \$17,456.

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

- Construction of the new Orange Cove Library Branch.
- Construction of the new Coroner's facility.
- Completion of a new Juvenile Court facility.
- 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.

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

Management's Discussion and Analysis

(amounts expressed in thousands)

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

	Governmental Activities		Business-type Activities		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Assets:						
Infrastructure	\$ 311,640	\$ 294,019	\$ -	\$ -	\$ 311,640	\$ 294,019
Infrastructure in progress	12,918	14,910	-	-	12,918	14,910
Land	17,042	17,042	12,562	12,422	29,604	29,464
Buildings and Improvements	308,115	310,820	28,586	32,746	336,701	343,566
Equipment	39,130	42,277	7,792	8,559	46,922	50,836
Construction in prgress	52,128	31,314	1,501	-	53,629	31,314
	<u>\$ 740,973</u>	<u>\$ 710,382</u>	<u>\$ 50,441</u>	<u>\$ 53,727</u>	<u>\$ 791,414</u>	<u>\$ 764,109</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, 2009, the County had total long-term debt outstanding of \$926,170, compared to \$932,743 for the prior fiscal year. This amount was comprised of \$43,479 in compensated absences, \$8,989 in capital leases, \$67,081 in liability for self-insurance, \$780,562 in bonds payable, \$26,059 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 suffering the effects of a recession. Fresno County has been particularly hard hit. Numerous factors are contributing to this situation including the precipitous drop in the value of area homes, the drop in new construction, high foreclosure rates due to adjusted loan rates, extremely high 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 declined. Both property and sales tax revenues have dropped. 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, medical insurance, workers compensation, retirement increases and increases in service demands.
- 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

Management's Discussion and Analysis

(amounts expressed in thousands)

both the current year budget and the base available for budgeting next year. The drop in this funding creates a \$10,523 million shortfall.

- The State's fiscal crisis is severely impacting County revenues. The State is delaying payments and has made significant cuts to various county funding streams. In addition, the State is withholding Williamson Act funding and has suspended proposition 1A, borrowing an amount equivalent to 8% of the County's fiscal year 2008-09 property tax revenue during fiscal year 2009-10.

To the extent these factors were known, or could be estimated, they were considered in preparing the County's budget for fiscal year 2009-10. The County will make adjustments to its budget as necessary to deal with further expected State budget actions.

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, 2009
(amounts expressed in thousands)

	Primary Government			Component Unit
	Governmental	Business-type		Children and
	Activities	Activities	Total	Families
				Commission
ASSETS				
Cash and investments	\$ 366,716	\$ 37,674	\$ 404,390	\$ 37,517
Restricted cash and investments	-	42,856	42,856	-
Receivables				
Accounts (net of allowances for uncollectibles)	75,657	1,779	77,436	161
Taxes	54,928	-	54,928	-
Interest	1,971	462	2,433	2
Loans	36,989	-	36,989	-
Internal balances	497	(497)	-	-
Due from other governmental units	3,840	-	3,840	2,758
Inventories of supplies	5,064	11	5,075	-
Deposits and other assets	236	-	236	-
Deferred bond issuance charges	10,979	181	11,160	-
Capital assets (net of accumulated depreciation):				
Land	17,042	12,562	29,604	-
Building and improvements	308,115	28,586	336,701	-
Equipment	39,130	7,792	46,922	-
Construction in progress	52,128	1,501	53,629	-
Infrastructure	311,640	-	311,640	-
Infrastructure in progress	12,918	-	12,918	-
Total assets	<u>1,297,850</u>	<u>132,907</u>	<u>1,430,757</u>	<u>40,438</u>
LIABILITIES				
Accounts payable	39,407	486	39,893	3,689
Salaries and benefits payable	27,154	225	27,379	61
Loans payable	-	-	-	-
Interest payable	8,663	99	8,762	-
Due to other governmental units	15,885	315	16,200	-
Deposits and other liabilities	88	-	88	-
Unearned revenue	569	-	569	-
Noncurrent liabilities:				
Due within one year	64,779	273	65,052	-
Due beyond one year	830,522	30,596	861,118	-
Total liabilities	<u>987,067</u>	<u>31,994</u>	<u>1,019,061</u>	<u>3,750</u>
NET ASSETS				
Investment in capital assets, net of related debt	565,196	45,982	611,178	-
Restricted for :				
Public ways and facilities	45,283	25,293	70,576	-
Health, sanitation and public assistance	3,938	-	3,938	-
Education	14,566	-	14,566	8,331
Capital projects	4,254	-	4,254	-
Debt service	49,450	1,341	50,791	-
Unrestricted	(371,904)	28,297	(343,607)	28,357
Total net assets	<u>\$ 310,783</u>	<u>\$ 100,913</u>	<u>\$ 411,696</u>	<u>\$ 36,688</u>

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, 2009
(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	\$ 28,685	\$ 23,634	\$ 246	\$ -	\$ (4,805)	\$ -	\$ (4,805)	\$ -
Public protection	307,301	70,834	34,097	-	(202,370)	-	(202,370)	-
Public ways and facilities	58,062	15,662	3,218	4,560	(34,622)	-	(34,622)	-
Health, sanitation, and public assistance	724,604	47,055	526,835	-	(150,714)	-	(150,714)	-
Education	22,606	3,311	1,762	-	(17,533)	-	(17,533)	-
Culture and recreation	3,475	1,094	-	-	(2,381)	-	(2,381)	-
Interest and fiscal charges	45,794	-	-	-	(45,794)	-	(45,794)	-
Total governmental activities	<u>1,190,527</u>	<u>161,590</u>	<u>566,158</u>	<u>4,560</u>	<u>(458,219)</u>	<u>-</u>	<u>(458,219)</u>	<u>-</u>
Business activities								
Water and sewer	5,626	2,506	-	-	-	(3,120)	(3,120)	-
Landfill	15,063	8,230	-	-	-	(6,833)	(6,833)	-
Total business-type activities	<u>20,689</u>	<u>10,736</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,953)</u>	<u>(9,953)</u>	<u>-</u>
Total primary government	<u>\$ 1,211,216</u>	<u>\$ 172,326</u>	<u>\$ 566,158</u>	<u>\$ 4,560</u>	<u>\$ (458,219)</u>	<u>\$ (9,953)</u>	<u>\$ (468,172)</u>	<u>\$ -</u>
Component Unit:								
Children and families commission	\$ 19,929	\$ -	\$ 13,589	\$ -	\$ -	\$ -	\$ -	\$ (6,340)
Total component units	<u>\$ 19,929</u>	<u>\$ -</u>	<u>\$ 13,589</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,340)</u>

General revenues:				
Property tax	213,721	686	214,407	-
Sales tax	158,943	-	158,943	-
Franchise tax	5,157	-	5,157	-
Unrestricted motor vehicle in-lieu taxes	41,195	-	41,195	-
Road use tax	20,683	-	20,683	-
Tobacco settlement proceeds	13,054	-	13,054	-
Other	2,914	4,506	7,420	264
Unrestricted investment earnings	8,441	2,398	10,839	2,300
Transfers in (out)	203	(203)	-	-
Total general revenues and transfers	<u>464,311</u>	<u>7,387</u>	<u>471,698</u>	<u>2,564</u>
Change in net assets	6,092	(2,566)	3,526	(3,776)
Net assets - beginning	304,014	103,492	407,506	40,464
Prior period adjustment	677	(13)	664	-
Net assets - ending	<u>\$ 310,783</u>	<u>\$ 100,913</u>	<u>\$ 411,696</u>	<u>\$ 36,688</u>

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

County of Fresno
Balance Sheet
Governmental Funds
June 30, 2009
(amounts expressed in thousands)

	General Fund	Debt Service	Other Governmental Funds	Total
ASSETS				
Cash and investments	\$ 176,538	\$ 51,206	\$ 64,986	\$ 292,730
Receivables:				
Accounts (net of allowance for uncollectible)	49,279	-	24,419	73,698
Taxes	54,329	-	600	54,929
Interest	1,089	199	277	1,565
Loans	36,989	-	-	36,989
Due from other funds	17,580	-	6,077	23,657
Due from other governmental units	1,036	-	80	1,116
Advances to other funds	296	-	-	296
Inventory of supplies	3,288	-	716	4,004
Total assets	<u>\$ 340,424</u>	<u>\$ 51,405</u>	<u>\$ 97,155</u>	<u>\$ 488,984</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accrued liabilities	\$ 27,054	\$ -	\$ 3,391	\$ 30,445
Salaries and benefits payable	24,462	-	1,633	26,095
Due to other governmental units	14,456	-	1,427	15,883
Due to other funds	9,105	1,955	13,924	24,984
Deposits and other liabilities	88	-	-	88
Deferred revenue	63,732	-	8,739	72,471
Total liabilities	<u>138,897</u>	<u>1,955</u>	<u>29,114</u>	<u>169,966</u>
Fund balances:				
Reserved for encumbrances and other obligations	9,534	-	48,692	58,226
Reserved for imprest and postage funds	178	-	8	186
Reserved for inventory	3,288	-	716	4,004
Reserved for loans	37,284	-	-	37,284
Reserved for debt service	-	49,450	-	49,450
Unreserved, reported in:				
General fund	151,243	-	-	151,243
Special revenue funds	-	-	15,805	15,805
Capital projects funds	-	-	2,820	2,820
Total fund balances	<u>201,527</u>	<u>49,450</u>	<u>68,041</u>	<u>319,018</u>
Total liabilities and fund balances	<u>\$ 340,424</u>	<u>\$ 51,405</u>	<u>\$ 97,155</u>	<u>\$ 488,984</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, 2009
(amounts expressed in thousands)

Fund balances - total governmental funds	\$	319,018
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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.		708,208
--	--	---------

Bond issue costs are not financial resources and, therefore, are not reported in the funds.		10,979
---	--	--------

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.		(820,935)
---	--	-----------

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.		(8,663)
--	--	---------

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.		72,215
--	--	--------

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.		29,961
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Net assets of governmental activities	\$	310,783
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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, 2009
(amounts expressed in thousands)

	General Fund	Debt Service	Other Governmental Funds	Total
REVENUES:				
Taxes	\$ 223,634	\$ -	\$ 30,818	\$ 254,452
Licenses and permits	8,983	-	336	9,319
Fines, forfeitures and penalties	11,382	-	1,799	13,181
Use of money and property	7,960	895	1,598	10,453
Aid from other governmental agencies:				
State	395,973	-	108,659	504,632
Federal	271,993	-	6,081	278,074
Other	847	-	-	847
Charges for current services	117,688	-	16,376	134,064
Other revenues	15,722	480	947	17,149
Total revenues	<u>1,054,182</u>	<u>1,375</u>	<u>166,614</u>	<u>1,222,171</u>
EXPENDITURES:				
General government	33,400	-	-	33,400
Public ways and facilities	1,741	-	57,257	58,998
Public protection	312,496	-	-	312,496
Public assistance, health and sanitation	721,597	-	2,775	724,372
Education	728	-	28,557	29,285
Culture and recreation	3,403	-	-	3,403
Capital outlay	-	-	16,866	16,866
Debt service:				
Principal	-	18,300	2,570	20,870
Interest and fiscal charges	2,842	23,203	4,992	31,037
Total expenditures	<u>1,076,207</u>	<u>41,503</u>	<u>113,017</u>	<u>1,230,727</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,025)</u>	<u>(40,128)</u>	<u>53,597</u>	<u>(8,556)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	143,686	37,549	87,304	268,539
Transfers out	<u>(108,998)</u>	<u>(20,660)</u>	<u>(136,068)</u>	<u>(265,726)</u>
Total other financing sources (uses)	<u>34,688</u>	<u>16,889</u>	<u>(48,764)</u>	<u>2,813</u>
 Net change in fund balances	 12,663	 (23,239)	 4,833	 (5,743)
Fund balance - beginning	188,864	72,689	63,208	324,761
Fund balance - ending	<u>\$ 201,527</u>	<u>\$ 49,450</u>	<u>\$ 68,041</u>	<u>\$ 319,018</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, 2009
(amounts expressed in thousands)

Net change in fund balances - total governmental funds	\$ (5,743)
--	------------

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.	29,812
--	--------

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.	(984)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets. This amount is net of internal service fund activity.	22,921
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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.	(13,161)
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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.	(25,754)
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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.	(999)
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Change in net assets of governmental activities	\$ 6,092
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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, 2009
(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	\$ 32,764	\$ 4,910	\$ 37,674	\$ 73,985
Restricted cash and investments	41,492	1,364	42,856	-
Accounts receivable	1,340	439	1,779	1,959
Interest receivable	429	34	463	406
Due from other funds	146	163	309	4,228
Due from other governmental units	-	-	-	2,724
Inventory of supplies	11	-	11	1,060
Deferred bond issuance costs	-	181	181	-
Other assets	-	-	-	236
Total current assets	<u>76,182</u>	<u>7,091</u>	<u>83,273</u>	<u>84,598</u>
Noncurrent assets:				
Capital assets:				
Nondepreciable:				
Land	11,970	592	12,562	406
Construction in progress	1,135	366	1,501	787
Depreciable:				
Buildings and improvements	38,381	27,264	65,645	3,253
Equipment	15,566	4,191	19,757	92,965
Less accumulated depreciation	(34,394)	(14,630)	(49,024)	(64,646)
Total noncurrent assets	<u>32,658</u>	<u>17,783</u>	<u>50,441</u>	<u>32,765</u>
Total assets	<u>\$ 108,840</u>	<u>\$ 24,874</u>	<u>\$ 133,714</u>	<u>\$ 117,363</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 151	\$ 335	\$ 486	\$ 8,962
Salaries and benefits payable	160	65	225	1,059
Due to other funds	255	256	511	2,699
Due to other governmental units	315	-	315	2
Advances from other funds	-	296	296	-
Liability for self-insurance	-	-	-	67,081
Interest payable	-	99	99	-
Compensated leave and absences	106	42	148	785
Deferred revenue	-	-	-	315
General obligation bonds payable	-	125	125	-
Capital lease obligations	-	-	-	2,638
Total current liabilities	<u>987</u>	<u>1,218</u>	<u>2,205</u>	<u>83,541</u>
Noncurrent liabilities				
Compensated leave and absences	96	106	202	1,602
General obligation bonds payable	-	4,335	4,335	-
Accrued closure/postclosure liability	26,059	-	26,059	-
Capital lease obligations	-	-	-	2,260
Total noncurrent liabilities	<u>26,155</u>	<u>4,441</u>	<u>30,596</u>	<u>3,862</u>
Total liabilities	<u>27,142</u>	<u>5,659</u>	<u>32,801</u>	<u>87,403</u>
NET ASSETS				
Invested in capital assets, net of related debt	32,659	13,323	45,982	27,867
Restricted				
Special purpose - post-closure care	25,293	-	25,293	-
Debt service	-	1,341	1,341	-
Unrestricted	23,746	4,551	28,297	2,093
Total net assets	<u>\$ 81,698</u>	<u>\$ 19,215</u>	<u>\$ 100,913</u>	<u>\$ 29,960</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, 2009
(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	\$ 8,230	\$ 2,506	\$ 10,736	\$ 159,992
Other operating revenues	1,202	1,798	3,000	5,130
Total operating revenues	9,432	4,304	13,736	165,122
Operating expenses:				
Salaries and benefits	3,578	1,424	5,002	30,749
Insurance	79	47	126	82,703
Professional services	2,723	597	3,320	5,542
Special departmental	1,415	253	1,668	9,093
General and administrative	605	307	912	10,875
Repairs and maintenance	1,591	989	2,580	5,476
Rents and leases	226	405	631	903
Parts and supplies	21	-	21	5,719
Accrued closure-postclosure	(1,101)	-	(1,101)	-
Utilities	68	540	608	8,496
Depreciation	5,849	751	6,600	5,427
Total operating expenses	15,054	5,313	20,367	164,983
Operating income (loss)	(5,622)	(1,009)	(6,631)	139
Non-operating revenues (expenses):				
Loss on sale of equipment	1,012	-	1,012	(561)
Interest income	2,231	165	2,396	2,033
Interest expense	-	(302)	(302)	-
Amortization bond issuance cost	-	(10)	(10)	-
Tax revenues	-	686	686	-
Closure/postclosure expense/fees	256	-	256	-
Grant and other revenues	110	120	230	-
Total non-operating revenues	3,609	659	4,268	1,472
Net income (loss) before transfers	(2,013)	(350)	(2,363)	1,611
Transfers in (out):				
Transfers in	-	75	75	1,697
Transfers out	(203)	(75)	(278)	(4,307)
Total transfers in (out)	(203)	-	(203)	(2,610)
Change in net assets	(2,216)	(350)	(2,566)	(999)
Net assets - beginning	83,901	19,591	103,492	30,282
Prior period adjustment	13	(26)	(13)	677
Net assets - ending	<u>\$ 81,698</u>	<u>\$ 19,215</u>	<u>\$ 100,913</u>	<u>\$ 29,960</u>

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, 2009
(amounts expressed in thousands)

Page 1 of 2

	Business-type Solid Waste Enterprise	Activities - Enterprise County Service Areas, Other	Funds Total	Governmental Activities Internal Service Funds
Cash flows from operating activities:				
Cash received from users	\$ 12,120	\$ 4,178	\$ 16,298	\$ 166,113
Cash paid to suppliers	(10,423)	(4,533)	(14,956)	(101,312)
Cash paid to employees	(3,351)	(1,211)	(4,562)	(29,625)
Cash paid for claims	-	-	-	(20,588)
Cash received from other operating revenues	1,203	1,690	2,893	-
Net cash (used) by operating activities	(451)	124	(327)	14,588
Cash flows from non-capital financing activities:				
Tax revenues	-	693	693	-
Cash received from other activities	103	40	143	-
Transfers in	-	75	75	-
Transfers out	(111)	(75)	(186)	(2,612)
Cash held for others	(6)	-	(6)	-
Cash from/to closure/postclosure liability	3	-	3	-
Net cash provided by (used in) non-capital financing activities	(11)	733	722	(2,612)
Cash flows from capital and related financing activities:				
Proceeds from sale of equipment	1,293	-	1,293	334
Acquisition of capital assets	(3,391)	(496)	(3,887)	(8,595)
Principal paid on bonds/notes	195	(180)	15	-
Net cash (used in) capital and related Financing activities	(1,898)	(896)	(2,794)	(8,261)
Cash flows from investing activities:				
Interest on investments	2,576	191	2,767	2,347
Net cash provided by investing activities	2,576	191	2,767	2,347
Net decrease in cash and cash equivalents	216	152	368	6,062
Cash and cash equivalents - beginning	74,040	6,122	80,162	67,923
Cash and cash equivalents - ending	\$ 74,256	\$ 6,274	\$ 80,530	\$ 73,985
Reconciliation of cash and cash equivalents to the balance sheet:				
Cash and cash equivalents in cash and investments	\$ 32,764	\$ 4,910	\$ 37,674	\$ 73,985
Cash and cash equivalents in restricted cash and investments	41,492	1,364	42,856	-
Total	\$ 74,256	\$ 6,274	\$ 80,530	\$ 73,985

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, 2009
(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)	\$ (5,622)	\$ (1,009)	\$ (6,631)	\$ 139
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	5,849	753	6,602	5,427
Prior period adjustment	-	(17)	(17)	-
Decrease (increase) in accounts receivable	598	(74)	524	2,399
(Increase) in interest receivable	12	-	12	-
Decrease (increase) in due from other funds	(154)	53	(101)	(902)
(Increase) in inventory	(4)	-	(4)	66
Decrease (increase) in deposits and other assets	1	(1)	-	(63)
(Decrease) in accounts payable	(95)	(72)	(167)	917
(Decrease) in salaries and benefits payable	228	212	440	1,117
Increase in deferred revenue	-	-	-	(500)
Increase (decrease) in due to other funds	(18)	(42)	(60)	795
Increase in loan advance payable	-	321	321	-
Increase in due to other government units	(145)	-	(145)	-
Increase in closure/postclosure liability	(1,101)	-	(1,101)	-
Increase in liability for self-insurance	-	-	-	5,193
Total adjustments	<u>5,171</u>	<u>1,133</u>	<u>6,304</u>	<u>14,449</u>
Net cash provided by (used in) operating activities	<u>\$ (451)</u>	<u>\$ 124</u>	<u>\$ (327)</u>	<u>\$ 14,588</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, 2009
(amounts expressed in thousands)

	Employees' Retirement Association	Investment Trust	Agency
ASSETS			
Cash and investments	\$ 391,543	\$ 1,391,822	\$ 204,260
Other investments			
Stocks	1,138,862	-	-
Bonds	771,648	-	-
Mortgages	72,481	-	-
Alternative assets	190,326	-	-
Taxes receivable	-	-	7,203
Accounts receivable	129,756	-	6,847
Due from other governmental units	-	-	2,575
Deposits and other assets	2,540	-	-
Property held by public administrator	-	-	12,201
Total assets	<u>\$ 2,697,156</u>	<u>\$ 1,391,822</u>	<u>\$ 233,086</u>
LIABILITIES			
Accounts payable	\$ 435,244	\$ -	\$ 12,487
Due to other taxing units	-	-	4,918
Due to other governmental units	-	5,838	57,987
Fiduciary liabilities	-	-	157,694
Total liabilities	<u>435,244</u>	<u>5,838</u>	<u>233,086</u>
NET ASSETS			
Held in trust for pension benefits	2,261,912	-	
Held in trust for pool participants	-	1,385,984	
Total net assets	<u>\$ 2,261,912</u>	<u>\$ 1,385,984</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, 2009
(amounts expressed in thousands)

	Employees' Retirement Association	Investment
ADDITIONS:		
Contributions:		
Employer	\$ 113,959	\$ -
Member	34,562	-
Contributions of pooled investments	-	9,556,761
Total contributions	<u>148,521</u>	<u>9,556,761</u>
Investment income		
From investment activities:		
Net appreciation in fair value of investments	(513,670)	-
Interest	36,781	74,473
Dividends	27,102	-
Private markets	4,418	-
Net income from investment activities	<u>(445,369)</u>	<u>74,473</u>
From securities lending activities:		
Securities lending income	6,926	-
Borrower rebate expenses	(2,407)	-
Security lending management fees	(873)	-
Net income from securities lending activities	<u>3,646</u>	<u>-</u>
Miscellaneous income	316	-
Investment expense	(10,092)	-
Net investment income	<u>(451,499)</u>	<u>74,473</u>
Total additions	<u>(302,978)</u>	<u>9,631,234</u>
DEDUCTIONS:		
Benefits and refunds paid to participants	157,860	-
Disbursements on behalf of participants	-	9,728,419
Administrative expense	3,855	-
Total deductions	<u>161,715</u>	<u>9,728,419</u>
Net increase (decrease)	(464,693)	(97,185)
Net assets - beginning	2,726,605	1,483,169
Net assets held in trust - ending	<u>\$ 2,261,912</u>	<u>\$ 1,385,984</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, 2009
(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, 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

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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.

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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 82.

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

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reported as reservations of fund balance for subsequent year expenditures. The Local Health and Welfare fund encumbers the amount estimated to be transferred to the programs.

(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:

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

(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, 2009 was \$3,474. Special Assessments include both debt collection activity and fees for services provided by the special district. The County is not liable for this; rather, it acts solely as an agent for the special district, who are liable for the debt or providing the services. Accordingly, this liability is not reflected in these financial statements. The assessments are added to the tax bill in accordance with proposition 218.

(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.

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(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 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 2008-09, the County recorded \$214,407 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, 2009.

	General Fund	Non-major Funds/ Debt Service	Internal Service Funds	Total Governmental Activities
Receivables - Governmental activities				
Taxes	\$ 54,329	\$ 600	\$ -	\$ 54,929
Accounts	49,573	24,419	2,006	75,998
Interest	1,089	476	406	1,971
Loans	37,741	-	-	37,741
Gross receivables	142,732	25,495	2,412	170,639
Less: allowance for uncollectibles	(1,046)	-	(47)	(1,093)
Total	<u>\$ 141,686</u>	<u>\$ 25,495</u>	<u>\$ 2,365</u>	<u>\$ 169,546</u>

	Solid Waste Enterprise	County Service Areas, Other	Total Business Type Activities
Receivables - Business type activities			
Accounts	\$ 1,344	\$ 439	\$ 1,783
Interest	429	34	463
Gross receivables	1,773	473	2,246
Less: allowance for uncollectibles	(4)	-	(4)
Total	<u>\$ 1,769</u>	<u>\$ 473</u>	<u>\$ 2,242</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, 2009 was as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General fund	\$ 17,580	\$ 9,105
Debt Service	-	1,955
Non-major governmental funds	6,077	13,924
Enterprise funds	309	511
Internal service funds	4,228	2,699
	<u><u>\$ 28,194</u></u>	<u><u>\$ 28,194</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, 2009:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 143,686	\$ 108,998
Debt service	37,549	20,660
Non-major governmental funds	87,304	136,068
Proprietary fund	75	278
Internal service funds	1,697	4,307
	<u><u>\$ 270,311</u></u>	<u><u>\$ 270,311</u></u>

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NOTE 6 - Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments</u>	<u>Balance June 30, 2009</u>
Government activities					
Capital assets, not being depreciated					
Land	\$ 17,042	\$ -	\$ -	\$ -	\$ 17,042
Construction in progress	31,314	24,707	(3,880)	(13)	52,128
Infrastructure in progress	14,910	23,427	(25,414)	(5)	12,918
Total capital assets, not being depreciated	<u>63,266</u>	<u>48,134</u>	<u>(29,294)</u>	<u>(18)</u>	<u>82,088</u>
Capital assets, being depreciated					
Buildings and improvements	426,309	11,256	(9,204)	100	428,461
Equipment	146,271	9,081	(13,291)	1,430	143,491
Infrastructure	477,247	28,733	-	-	505,980
Total capital assets, being depreciated	<u>1,049,827</u>	<u>49,070</u>	<u>(22,495)</u>	<u>1,530</u>	<u>1,077,932</u>
Less accumulated depreciation for:					
Buildings and improvements	(115,489)	(5,669)	77	735	(120,346)
Equipment	(103,994)	(9,285)	10,206	(1,288)	(104,361)
Infrastructure	(183,228)	(11,112)	-	-	(194,340)
Total accumulated depreciation	<u>(402,711)</u>	<u>(26,066)</u>	<u>10,283</u>	<u>(553)</u>	<u>(419,047)</u>
Total capital assets, being depreciated, net	<u>647,116</u>	<u>23,004</u>	<u>(12,212)</u>	<u>977</u>	<u>658,885</u>
Government activities capital assets, net	<u><u>\$ 710,382</u></u>	<u><u>\$ 71,138</u></u>	<u><u>\$ (41,506)</u></u>	<u><u>\$ 959</u></u>	<u><u>\$ 740,973</u></u>
Business-type activities					
Capital assets, not being depreciated					
Land	\$ 12,422	\$ 140	\$ -	\$ -	\$ 12,562
Construction in progress	-	1,501	-	-	1,501
Total capital assets, not being depreciated	<u>12,422</u>	<u>1,641</u>	<u>-</u>	<u>-</u>	<u>14,063</u>
Capital assets, being depreciated					
Buildings and improvements	63,993	1,317	(26)	361	65,645
Equipment	19,858	963	(793)	(271)	19,757
Total capital assets, being depreciated	<u>83,851</u>	<u>2,280</u>	<u>(819)</u>	<u>90</u>	<u>85,402</u>
Less accumulated depreciation for:					
Buildings and improvements	(31,247)	(5,088)	22	(746)	(37,059)
Equipment	(11,299)	(1,514)	675	173	(11,965)
Total accumulated depreciation	<u>(42,546)</u>	<u>(6,602)</u>	<u>697</u>	<u>(573)</u>	<u>(49,024)</u>
Total capital assets being depreciated, net	<u>41,305</u>	<u>(4,322)</u>	<u>(122)</u>	<u>(483)</u>	<u>36,378</u>
Business-type activities capital assets, net	<u><u>\$ 53,727</u></u>	<u><u>\$ (2,681)</u></u>	<u><u>\$ (122)</u></u>	<u><u>\$ (483)</u></u>	<u><u>\$ 50,441</u></u>

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Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 2,133
Public protection	5,282
Public ways and facilities	11,167
Health, sanitation, and public assistance	970
Education	1,026
Culture and recreation	61
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>5,427</u>
Total depreciation expense - governmental functions	<u><u>\$ 26,066</u></u>

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

Solid waste enterprise	\$ 5,849
County service areas, other	<u>753</u>
Total depreciation expense - business-type functions	<u><u>\$ 6,602</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, 2009 was as follows:

	Beginning Balance July 1, 2008	Draws	Repayment	Ending Balance June 30, 2009
TRANS	<u>\$ -</u>	<u>\$ 95,000</u>	<u>\$ (95,000)</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, 2009, for operating leases was \$5,571.

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, 2009:

<u>Fiscal year ended June 30</u>	<u>Governmental Activities</u>
2010	\$ 4,652
2011	4,601
2012	4,280
2013	3,445
2014	2,301
2015-2019	7,125
2020-2024	3,237
Totals	<u>\$ 29,641</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, 2009:

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>			
2010	\$ 5,038	\$ 285	\$ 4,753
2011	3,603	117	3,486
2012	683	17	666
2013	85	1	84
Totals	<u>\$ 9,409</u>	<u>\$ 420</u>	<u>\$ 8,989</u>

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The following is a schedule of property under capital leases segregated by major class at June 30, 2009:

	Governmental Activities
Buildings	\$ 1,895
Equipment	21,852
Accumulated depreciation	(15,035)
Net	<u>\$ 8,712</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, 2009:

	Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009	Amounts due within one year
Earned compensated absences	\$ 42,678	\$ 44,158	\$ 43,707	\$ 43,129	17,945
Capital lease obligations (Note 8)	13,209	834	5,054	8,989	4,753
Liability for self-insurance (Note 11)	61,886	26,636	21,441	67,081	23,076
Bonds payable	782,835	13,950	20,683	776,102	19,005
General long-term debt payable	<u>\$ 900,608</u>	<u>\$ 85,578</u>	<u>\$ 90,885</u>	<u>\$ 895,301</u>	<u>\$ 64,779</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>
2010	\$ 19,005	\$ 17,742	\$ 36,747
2011	21,065	17,098	38,163
2012	23,480	16,399	39,879
2013	26,060	15,640	41,700
2014	28,770	14,820	43,590
2015-2019	186,960	59,820	246,780
2020-2024	127,267	44,724	171,991
2025-2029	109,678	38,866	148,544
2030-2034	133,754	20,331	154,085
2035-2039	53,765	6,648	60,413
2040-2044	-	-	-
2045-2049	23,844	-	23,844
2050-2054	-	-	-
2055-2055	24,497	-	24,497
Sub-total	<u>778,145</u>	<u>252,088</u>	<u>1,030,233</u>
Less: Original issue premium	386	-	386
Original issue discount	<u>(2,429)</u>	<u>-</u>	<u>(2,429)</u>
Total	<u>\$ 776,102</u>	<u>\$ 252,088</u>	<u>\$ 1,028,190</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 6/30/09	Accreted Value at Maturity
2004B	August 15, 2033	1.3% to 5.67%	\$ 327,898	\$ 375,335	\$ 711,250

Tobacco Securitization Tax Bonds

Series	Maturity Date	Interest Rate	Initial Principal Amount	Accreted Value at 6/30/09	Accreted Value at Maturity
2006A	June 1, 2046	6.50%	\$ 16,606	\$ 20,296	\$ 216,420
2006B	June 1, 2046	6.65%	2,890	3,548	39,920
2006C	June 1, 2055	7.00%	9,757	12,106	286,800
2006D	June 1, 2055	7.75%	9,762	12,391	409,500
Total			\$ 39,015	\$ 48,341	\$ 952,640

The following is a schedule of long-term liabilities for business-type activities for the year ended June 30, 2009:

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009	Due within one year
Earned compensated absences	\$ 64	\$ 622	\$ 336	\$ 350	\$ 148
Bonds	4,640	-	180	4,460	125
Closure and post-closure	27,431	61	1,433	26,059	-
Totals	\$ 32,135	\$ 683	\$ 1,949	\$ 30,869	\$ 273

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>
2010	\$ 125	\$ 293	\$ 418
2011	135	285	420
2012	140	276	416
2013	150	267	417
2014	160	257	417
2015-2019	970	1,102	2,072
2020-2024	1,345	718	2,063
2025-2028	1,435	200	1,635
Total	<u>\$ 4,460</u>	<u>\$ 3,398</u>	<u>\$ 7,858</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, 2009.

The \$26,059 reported as landfill closure and post-closure care liability at June 30, 2009, 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 \$43,351 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, 2009. 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, 2009	Estimated Years Remaining	Total Estimated Liability June 30, 2009	Liability Recognized June 30, 2009	Remaining Liability to be Recognized
American Avenue	32.37%	30	\$ 60,738	\$ 19,662	\$ 41,076
Coalinga	46.86%	25	4,399	2,124	2,275
Southeast Regional	100.00%		4,273	4,273	-
Totals			<u>\$ 69,410</u>	<u>\$ 26,059</u>	<u>\$ 43,351</u>

The decrease from 2007-2008 in the closure and post-closure care liability for American Avenue and the increase for Coalinga in closure and post-closure care liability is reported as an operating expense in 2008-2009. 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, 2009 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

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and permanent part-time employees who work 50% or more for the County of Fresno, the Superior Court of California-County of Fresno, Clovis Memorial District, Fresno Mosquito and Vector Control 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 3.76% and 12.62% 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>
6/30/2007	69,997	100%
6/30/2008	97,305	100%
6/30/2009	113,959	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 \$2.5 per occurrence and 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 a statutory amount 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 each have maximums in excess insurance of \$25,000 in Towers VI. Excess insurance is provided through a risk pool agreement with CSAC.

Aircraft coverage has 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 \$68,297. 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 \$67,080 reported in the Risk Management fund at June 30, 2009 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.

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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, 2009 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, 2009</u>	<u>June 30, 2008</u>
Beginning of fiscal year liability	\$ 61,886	\$ 57,826
Current year claims provision and changes in estimates	26,636	30,555
Claim payments	<u>(21,441)</u>	<u>(26,495)</u>
Balance at fiscal year end	<u>\$ 67,081</u>	<u>\$ 61,886</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>
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.	3,979
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. Funds reclassified from Agency funds according to GASB 34.	<u>99,639</u>
	<u>\$ 113,512</u>

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NOTE 13 - Net Assets for Business-type Activities

Individual Net Assets balances at June 30, 2009 are as follows:

Solid Waste Enterprise	
Net assets	
Invested in capital assets, net of related debt	\$ 32,659
Restricted - special purpose - post closure care	25,293
Unrestricted	23,746
Total	<u>81,698</u>
County Service Areas, Other	
Net assets	
Invested in capital assets, net of related debt	13,323
Restricted:	
Debt service, bond repayment/construction	1,341
Unrestricted	4,551
Total	<u>19,215</u>
Total net assets for business-type activities	<u><u>\$ 100,913</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	\$ 17,217
American Avenue closure and post-closure	22,053
Coalinga closure and post-closure	2,222
Subtotal	<u>41,492</u>
County Service Areas, Other:	
Fixed assets replacement	1,364
Subtotal	<u>1,364</u>
Total	<u><u>\$ 42,856</u></u>

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NOTE 15 - Contingent Liabilities and Commitments

The County's budget is strongly influenced by the State's fiscal budget. Controversial measures were enacted to balance the budget including the State suspending Proposition 1A, borrowing tax revenue from the cities, counties and special districts and the State suspending funding for the Williamson Act.

In an effort to mitigate the budgetary effect of the State borrowing, almost \$16,000 in property tax revenue, the County participated in the Proposition 1A securitization program sponsored by the California Statewide Community of Development Authority (CSCDA). Budget clean up legislation authorized Counties to sell their property tax receivables to CSCDA, who sells bonds providing cash proceeds to participating agencies.

The State has continued to include Proposition 42 funding to local agencies throughout the recent and ongoing State budget crisis. Over the next 15 years Proposition 42 will bring approximately \$128,800 of much needed funding to the County to help maintain the County's road system. The County deferred \$5,569 Maintenance-of-Effort (MOE) payment for FY 2009-10. In accordance with California Revenue and Taxation Code Section 7104.2(f)(6) the MOE has to be restored to the Road Fund for both FY 2009-10 and 2010-11 in FY 2010-11 in the amount of \$11,139 for the two years combined or the County would have to repay with interest the Proposition 42 funds received in FY 2009-10 as well as any Proposition 42 funds received in FY 2010-11.

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 \$19,799 adjusted for inflation.

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NOTE 16 - Cash and Investments

Cash and investments as of June 30, 2009 are classified in the accompanying financial statements as follows:

Statement of Net Assets:	
Cash and investments	\$ 484,763
Fiduciary Funds:	
Cash and investments	<u>4,160,942</u>
Total cash and investments	<u><u>\$ 4,645,705</u></u>

Cash and investments as of June 30, 2009 consist of the following:

Cash on hand	\$ 17,848
Deposits with financial institutions	38,954
Investments	<u>4,588,903</u>
Total Cash and Investments	<u><u>\$ 4,645,705</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, 2009.

Statement of Net Assets

Cash and investments	\$ 2,037,406
Less: warrants payable	<u>(249,507)</u>
Net assets held in trust for pool participants	<u><u>\$ 1,787,899</u></u>

Equity of internal pool participants	\$ 401,915
Equity of external pool participants (voluntary and involuntary)	<u>1,385,984</u>
	<u><u>\$ 1,787,899</u></u>

Statement of Changes in Net Assets

Net assets at July 1, 2008	\$ 1,755,807
Net change in investments by pool participants	<u>32,092</u>
Net assets held in trust for pool participants at June 30, 2009	<u><u>\$ 1,787,899</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 \$22,808 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	\$ 1,457,192	\$ 328,144	\$ 366,288	\$ 525,068	\$ 131,338	\$ 23,121	\$ 83,233
Medium-Term Corporate Notes	314,690	33,837	92,764	183,089	5,000	-	-
U.S. Treasury Notes	249,100	121,014	12,695	3,162	7,766	29,770	74,693
Asset Backed Securities	4,361	-	998	2,372	991	-	-
Asset Sweep Account	396	396	-	-	-	-	-
Securities lending - investments							
Corporate fixed income	218,494	218,494	-	-	-	-	-
Repurchase Agreements	65,004	65,004	-	-	-	-	-
Domestic fixed income	388,164	4,700	11,530	18,513	32,071	87,521	233,829
Mortgages	72,481	-	-	-	-	951	71,530
Foreign fixed income	63,208	-	1,895	14,533	15,212	23,669	7,899
Global Bond Fund	66,863	-	-	-	-	66,863	-
Mutual Fund	204,609	204,609	-	-	-	-	-
Certificate of Deposit	9,000	9,000	-	-	-	-	-
Bank Account	18,614	18,614	-	-	-	-	-
Vault	17,965	17,965	-	-	-	-	-
Total	<u>\$ 3,150,141</u>	<u>\$ 1,021,777</u>	<u>\$ 486,170</u>	<u>\$ 746,737</u>	<u>\$ 192,378</u>	<u>\$ 231,895</u>	<u>\$ 471,184</u>

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.

County of Fresno
Notes to the Basic Financial Statements
June 30, 2009
(amounts expressed in thousands)

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	\$ 1,457,192	N/A	\$ -	\$ 1,414,757	\$ 57	\$ -	\$ 42,378
Medium-Term Corporate Notes	314,690	A3		314,690	-	-	-
U.S. Treasury Notes	249,100	N/A	249,100	-	-	-	-
Asset Backed Securities	4,361	AA	-	4,361	-	-	-
Asset Sweep Account	396	P-1 / A-1+	-	-	-	-	396
Securities lending - investments							
Corporate fixed income	218,494	A3	-	218,494	-	-	-
Repurchase Agreements	65,004	N/A	-	17,010	-	-	47,994
Domestic fixed income	388,164	AA	-	164,143	109,913	7,312	106,796
Mortgages	72,481	B3	-	66,136	4,738	1,498	109
Foreign fixed income	63,208	B3	-	43,329	15,333	57	4,489
Global Bond Fund	66,863	N/A	-	66,863	-	-	-
Mutual Fund	204,609	N/A	-	164,609	-	-	40,000
Certificate of Deposit	9,000	N/A	-	-	-	-	9,000
Bank Account	18,614	N/A	-	-	-	-	18,614
Vault	17,965	N/A	-	-	-	-	17,965
Total	<u>\$ 3,150,141</u>		<u>\$ 249,100</u>	<u>\$ 2,474,392</u>	<u>\$130,041</u>	<u>\$ 8,867</u>	<u>\$ 287,741</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.

Issuer	Investment Type	Reported Amount
Federal Farm Credit Bank	Federal Agency Securities	\$ 276,270
Federal Home Loan Bank	Federal Agency Securities	463,777
Federal Home Loan Mortgage Corp.	Federal Agency Securities	248,574
Federal National Mortgage Assn.	Federal Agency Securities	314,484

County of Fresno
Notes to the Basic Financial Statements
June 30, 2009
(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, 2009, 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, 2009, 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, 2009
(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, 2009, FCERA's investment in foreign currency was as follows:

<u>Currency</u>	<u>Fair Market Value (US Dollars)</u>
Australian Dollar	\$ 59
British Pound Sterling	127
Euro	503
Japanese Yen	287
New Zealand Dollar	53
Other foreign currency	1
Total foreign currency	<u>\$ 1,030</u>

NOTE 17- Subsequent Events

On July 1, 2009, the County issued Tax and Revenue Anticipation Notes (TRANs) totaling \$95,000 due on June 30, 2010 at a coupon interest rate of 2.00% and a reoffering rate of 0.45%. 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, 2010. 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 2009-10 that are lawfully available for payment of the notes and interest.

County of Fresno
Notes to the Basic Financial Statements
June 30, 2009
(amounts expressed in thousands)

NOTE 18 - Prior Period Adjustment

The County made prior period adjustments of \$664 to Net Assets. The largest adjustment \$677 was related to adjustments to the capital asset balance due to an internal audit finding. This error was corrected during fiscal year 2008-09.

	Net Asset (Increase) Decrease
Primary Government	
Governmental Activities	
Adjustment for Internal Service Fund Capital Assets	\$ 677
Subtotal	<u>677</u>
Business Activities	
Adjustment to Business Type Activities	(13)
Total	<u><u>\$ 664</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, 2009
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Budgetary balances, July 1	\$ 44,666	\$ 53,354	\$ 102,950	\$ 49,596
Resources (inflows):				
Taxes	205,008	212,280	224,572	12,292
Licenses and permits	9,094	9,094	8,580	(514)
Fines, forfeitures and penalties	9,168	9,852	10,229	377
Use of money and property	10,925	10,955	8,286	(2,669)
Aid from other governmental agencies:				
State	393,261	403,982	405,998	2,016
Federal	301,217	314,741	270,622	(44,119)
Other	3,327	3,360	858	(2,502)
Charges for current services	118,780	120,297	114,294	(6,003)
Other revenues	48,228	54,456	50,485	(3,971)
Transfers in	141,608	133,015	120,402	(12,613)
Total resources	<u>1,240,616</u>	<u>1,272,032</u>	<u>1,214,326</u>	<u>(57,706)</u>
Total budgetary balance and resources	1,285,282	1,325,386	1,317,276	(8,110)
Charges to appropriations (outflows):				
General government				
Salaries and benefits	34,352	34,153	32,695	1,458
Services and supplies	13,586	15,447	8,364	7,083
Other charges	6,832	6,388	5,053	1,335
Fixed assets	2,188	7,390	1,004	6,386
Total general government	<u>56,958</u>	<u>63,378</u>	<u>47,116</u>	<u>16,262</u>
Public protection				
Salaries and benefits	246,443	256,435	252,800	3,635
Services and supplies	70,848	73,292	58,777	14,515
Other charges	20,317	19,577	18,740	837
Fixed assets	2,112	2,972	1,217	1,755
Total public protection	<u>339,720</u>	<u>352,276</u>	<u>331,534</u>	<u>20,742</u>
Public ways and facility				
Services and supplies	<u>576</u>	<u>576</u>	<u>376</u>	<u>200</u>
Total public ways and facility	<u>576</u>	<u>576</u>	<u>376</u>	<u>200</u>
Health and sanitation				
Salaries and benefits	279,142	270,246	260,381	9,865
Services and supplies	179,216	190,792	159,337	31,455
Other charges	332,454	350,843	339,011	11,832
Fixed assets	369	452	85	367
Total health and sanitation	<u>791,181</u>	<u>812,333</u>	<u>758,814</u>	<u>53,519</u>
Education				
Salaries and benefits	494	460	445	15
Services and supplies	<u>329</u>	<u>337</u>	<u>311</u>	<u>26</u>
Total education	<u>823</u>	<u>797</u>	<u>756</u>	<u>41</u>
Cultural and recreation:				
Salaries and benefits	2,522	2,453	2,266	187
Services and supplies	1,641	1,519	1,466	53
Other charges	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Total cultural and recreation	<u>4,164</u>	<u>3,973</u>	<u>3,733</u>	<u>240</u>
Transfers out	<u>91,860</u>	<u>92,053</u>	<u>82,728</u>	<u>9,325</u>
Total charges to appropriations	<u>1,285,282</u>	<u>1,325,386</u>	<u>1,225,057</u>	<u>100,329</u>
Budgetary fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,219</u>	<u>* \$ 92,219</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, 2009
(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	\$ 1,214,326
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(120,402)
Receipts from sub-funds reclassified from County Agency Funds, not budgeted	(1,654)
Modified accrual basis of accounting to budgetary basis of accounting	(38,089)
Total revenue reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 1,054,181</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary schedule not including fund balance	\$ 1,225,057
Differences - budget to GAAP:	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(82,728)
Payments to sub-funds reclassified from County Agency Funds, not budgeted	(4,647)
Modified accrual basis of accounting to budgetary basis of accounting	(61,475)
Total expenditures reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 1,076,207</u>

County of Fresno
Required Supplementary Information
For the Year Ended June 30, 2009

Employees' Retirement Association
Analysis of Funding Progress
(amounts in thousands)

Actuarial Valuation Date	(1) Actuarial Value of Assets (AVA)	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Funded Ratio (1) / (2)	(5) Covered Payroll	(6) UAAL as a Percentage of Coverd Payroll (3) / (5)
6/30/03 ¹	\$ 1,922,149 ²	\$ 1,953,490	\$ 31,341 ¹	98.4%	\$ 341,981	9.2% ¹
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 ¹	2,233,594 ^{1,3}	189,205 ^{1,3}	91.5% ¹	351,049	53.9% ³
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%
6/30/08	2,812,423	3,429,990	617,567	82.0%	424,083	145.6%

¹ Results were prepared by the Association's prior actuary and disclosed in the 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 Board amended its funding policy to eliminate the requirement that one-half of the Cost of Living Adjustments UAAL be paid by members. After the amendment, the AAL was \$2,545,620, the AVA was \$2,270,141, the funded percentage was 89.2% and the UAAL was \$275,479.

⁴ Assets decreased by \$3,169 for a net overpayment of member contributions discounted.

Actuarial reviews are performed annually effective with the year ended June 30, 2003.

Source: Schedule prepared by The Segal Company.

**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, 2009
(amounts expressed in thousands)

	Special Revenue Funds	Capital Projects Fund	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and investments	\$ 62,269	\$ 2,717	\$ 64,986
Receivables:			
Accounts	24,419	-	24,419
Taxes	600	-	600
Interest	256	21	277
Due from other funds	4,121	1,956	6,077
Due from other governmental units	80	-	80
Inventory of supplies	716	-	716
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 92,461</u>	<u>\$ 4,694</u>	<u>\$ 97,155</u>
LIABILITIES			
Accounts payable	\$ 2,980	\$ 411	\$ 3,391
Salaries and benefits payable	1,633	-	1,633
Due to other funds	13,895	29	13,924
Due to other governmental units	1,427	-	1,427
Advances from other funds	-	-	-
Deferred revenue	8,739	-	8,739
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>28,674</u>	<u>440</u>	<u>29,114</u>
FUND BALANCES			
Reserved for encumbrances and other obligatio	47,258	1,434	48,692
Reserved for imprest and postage funds	8	-	8
Reserved for inventory	716	-	716
Unreserved	15,805	2,820	18,625
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>63,787</u>	<u>4,254</u>	<u>68,041</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 92,461</u>	<u>\$ 4,694</u>	<u>\$ 97,155</u>

County of Fresno
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Special Revenue Funds	Capital Projects Fund	Total
Revenues:			
Taxes	\$ 30,818	\$ -	\$ 30,818
Licenses and permits	336	-	336
Fines, forfeitures and penalties	1,799	-	1,799
Use of money and property	1,501	97	1,598
Aid from other governmental agencies:			
State	108,659	-	108,659
Federal	6,081	-	6,081
Charges for current services	16,376	-	16,376
Other revenues	947	-	947
Total revenues	<u>166,517</u>	<u>97</u>	<u>166,614</u>
Expenditures:			
Public ways and facilities	57,257	-	57,257
Health, sanitation, and public assistance	2,775	-	2,775
Education	28,557	-	28,557
Capital outlay	-	16,866	16,866
Debt service:			-
Principal	2,570	-	2,570
Interest	4,992	-	4,992
Total expenditures	<u>96,151</u>	<u>16,866</u>	<u>113,017</u>
Excess (deficiency) of revenues over (under) expenditures	<u>70,366</u>	<u>(16,769)</u>	<u>53,597</u>
Other financing sources (uses):			
Transfers in	69,067	18,237	87,304
Transfers out	(135,973)	(95)	(136,068)
Total other financing sources (uses)	<u>(66,906)</u>	<u>18,142</u>	<u>(48,764)</u>
Excess of revenues and other sources over expenditures and other uses	3,460	1,373	4,833
Fund balance - beginning	<u>60,327</u>	<u>2,881</u>	<u>63,208</u>
Fund balance - ending	<u>\$ 63,787</u>	<u>\$ 4,254</u>	<u>\$ 68,041</u>

County of Fresno
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2009
(amounts expressed in thousands)

	Road	County Free Library - Measure B	Fish and Game	Off- Highway License	California Healthcare for Indigents Program
ASSETS					
Cash and investments	\$ 29,730	\$ 14,235	\$ 18	\$ 401	\$ 5
Receivables:					
Accounts	6,870	1,301	-	6	368
Taxes	-	600	-	-	-
Interest	124	83	-	2	-
Due from other funds	409	-	-	-	-
Due from other governmental agencies	21	59	-	-	-
Inventory of supplies	666	50	-	-	-
Total assets	<u>\$ 37,820</u>	<u>\$ 16,328</u>	<u>\$ 18</u>	<u>\$ 409</u>	<u>\$ 373</u>
LIABILITIES					
Accounts payable	\$ 1,909	\$ 864	\$ 5	\$ -	\$ 137
Salaries and benefits payable	838	795	-	-	-
Due to other funds	565	95	-	-	-
Due to other governmental units	1,249	-	-	-	-
Advances from other funds	-	-	-	-	-
Deferred revenue	2,437	8	-	-	-
Total liabilities	<u>6,998</u>	<u>1,762</u>	<u>5</u>	<u>-</u>	<u>137</u>
FUND BALANCES					
Reserved for:					
Encumbrances and other obligations	5,212	3,745	-	-	1,051
Imprest and postage funds	-	8	-	-	-
Inventory	666	50	-	-	-
Unreserved	24,944	10,763	13	409	(815)
Total fund balances	<u>30,822</u>	<u>14,566</u>	<u>13</u>	<u>409</u>	<u>236</u>
Total liabilities and fund balances	<u>\$ 37,820</u>	<u>\$ 16,328</u>	<u>\$ 18</u>	<u>\$ 409</u>	<u>\$ 373</u>

County of Fresno
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2009
(amounts expressed in thousands)

Emergency Medical Services	Local Health and Welfare	County Service Areas, Other	Friant Community Redevelopment Agency	Tobacco Funding Corporation	Total
\$ 3,605	\$ -	\$ 4,000	\$ 517	\$ 9,758	\$ 62,269
125	9,448	7	-	6,294	24,419
-	-	-	-	-	600
20	-	23	4	-	256
-	3,712	-	-	-	4,121
-	-	-	-	-	80
-	-	-	-	-	716
<u>\$ 3,750</u>	<u>\$ 13,160</u>	<u>\$ 4,030</u>	<u>\$ 521</u>	<u>\$ 16,052</u>	<u>\$ 92,461</u>
\$ 2	\$ -	\$ 63	\$ -	\$ -	\$ 2,980
-	-	-	-	-	1,633
46	13,160	28	1	-	13,895
-	-	-	178	-	1,427
-	-	-	-	-	-
-	-	-	-	6,294	8,739
<u>48</u>	<u>13,160</u>	<u>91</u>	<u>179</u>	<u>6,294</u>	<u>28,674</u>
2,148	35,102	-	-	-	47,258
-	-	-	-	-	8
-	-	-	-	-	716
<u>1,554</u>	<u>(35,102)</u>	<u>3,939</u>	<u>342</u>	<u>9,758</u>	<u>15,805</u>
<u>3,702</u>	<u>-</u>	<u>3,939</u>	<u>342</u>	<u>9,758</u>	<u>63,787</u>
<u>\$ 3,750</u>	<u>\$ 13,160</u>	<u>\$ 4,030</u>	<u>\$ 521</u>	<u>\$ 16,052</u>	<u>\$ 92,461</u>

ASSETS

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

Total assets

LIABILITIES

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

Total liabilities

FUND BALANCES

Reserved for:
Encumbrances and other obligations
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, 2009
(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	\$ 8,799	\$ -	\$ 21,920	\$ -	\$ -	\$ -
Licenses and permits	336	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	3	-	-
Use of money and property	573	-	445	-	14	2
Aid from other governmental agencies:		-				
State	25,940	-	1,604	-	11	415
Federal	6,035	-	46	-	-	-
Charges for current services	13,463	-	1,498	-	-	-
Other revenues	92	-	438	-	-	-
Total revenues	<u>55,238</u>	<u>-</u>	<u>25,951</u>	<u>3</u>	<u>25</u>	<u>417</u>
Expenditures:						
Public ways and facilities	53,239	-	-	27	128	-
Health and sanitation	-	-	-	-	-	331
Education	-	-	28,557	-	-	-
Debt service:						
Principle	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>53,239</u>	<u>-</u>	<u>28,557</u>	<u>27</u>	<u>128</u>	<u>331</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,999</u>	<u>-</u>	<u>(2,606)</u>	<u>(24)</u>	<u>(103)</u>	<u>86</u>
Other financing sources (uses):						
Transfers in	5,439	-	11,072	-	-	-
Transfers out	(1,050)	(6,470)	(5,522)	-	(17)	-
Total other financing sources (uses)	<u>4,389</u>	<u>(6,470)</u>	<u>5,550</u>	<u>-</u>	<u>(17)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>6,388</u>	<u>(6,470)</u>	<u>2,944</u>	<u>(24)</u>	<u>(120)</u>	<u>86</u>
Fund balance - beginning	24,434	6,470	11,622	37	529	150
Fund balance - ending	<u>\$ 30,822</u>	<u>\$ -</u>	<u>\$ 14,566</u>	<u>\$ 13</u>	<u>\$ 409</u>	<u>\$ 236</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, 2009
(amounts expressed in thousands)

Emergency Medical Services	Local Health and Welfare Trust	County Service Areas, Other	Friant Community Redevelopment Agency	Tobacco Funding Corporation	Total	
\$ -	\$ -	\$ 49	\$ 50	\$ -	\$ 30,818	Revenues:
-	-	-	-	-	336	Taxes
1,796	-	-	-	-	1,799	Licenses and permits
109	-	107	25	226	1,501	Fines, forfeitures and penalties
						Use of money and property
619	70,358	1	-	9,711	108,659	Aid from other governmental agencies:
-	-	-	-	-	6,081	State
-	-	1,415	-	-	16,376	Federal
-	-	82	-	335	947	Charges for current services
2,524	70,358	1,654	75	10,272	166,517	Other revenues
						Total revenues
-	-	1,238	70	2,555	57,257	Expenditures:
2,444	-	-	-	-	2,775	Public ways and facilities
-	-	-	-	-	28,557	Health and sanitation
						Education
-	-	-	-	2,570	2,570	Debt service:
-	-	-	-	4,992	4,992	Principle
2,444	-	1,238	70	10,117	96,151	Interest
						Total expenditures
80	70,358	416	5	155	70,366	Excess (deficiency) of revenues over (under) expenditures
-	52,556	-	-	-	69,067	Other financing sources (uses):
-	(122,914)	-	-	-	(135,973)	Transfers in
-	(70,358)	-	-	-	(66,906)	Transfers out
						Total other financing sources (uses)
80	-	416	5	155	3,460	Excess (deficiency) of revenues and other sources over (under) expenditures and other uses
3,622	-	3,523	337	9,603	60,327	Fund balance - beginning
\$ 3,702	\$ -	\$ 3,939	\$ 342	\$ 9,758	\$ 63,787	Fund balance - ending

County of Fresno
Budgetary Comparison Schedule
Road Fund
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Budgetary fund balance - June 30, 2008	\$ 29,669	\$ 29,669	\$ 24,434	\$ (5,235)
Resources (inflows):				
Taxes	11,410	11,410	8,963	(2,447)
Licenses and permits	200	200	359	159
Use of money and property	402	402	716	314
Intergovernmental revenues	31,519	31,519	33,957	2,438
Charges for current services	28,161	28,161	13,068	(15,093)
Other revenues	21	21	92	71
Other financing sources - operating transfer in	5,739	5,739	5,439	(300)
Total revenues	<u>77,452</u>	<u>77,452</u>	<u>62,594</u>	<u>(14,858)</u>
Charges to appropriations (outflows):				
Public ways and facilities:				
Salaries and benefits	19,466	19,466	18,859	607
Services and supplies	86,405	86,405	36,176	50,229
Other charges	1,015	1,015	382	633
Fixed assets	235	235	82	153
Total charges to appropriations	<u>107,121</u>	<u>107,121</u>	<u>55,499</u>	<u>51,622</u>
Budgetary fund balance - June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,529</u>	<u>\$ 31,529</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	\$ 62,594
Differences - budget to GAAP	
Accruals due to differences between GAAP and the budgetary basis of Accounting	(1,917)
Transfers from other funds	<u>(5,439)</u>
Total revenues as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 55,238</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 55,499
Differences - budget to GAAP	
Accruals due to differences between GAAP and the budgetary basis of Accounting	(1,210)
Transfers to other funds	<u>(1,050)</u>
Total expenditures as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 53,239</u>

County of Fresno
Budgetary Comparison Schedule
County Free Library - Measure B Fund
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Budgetary fund balance - June 30, 2008	\$ 10,624	\$ 11,719	\$ 18,090	\$ 6,371
Resources (inflows):				
Taxes	22,770	22,770	22,144	(626)
Use of money and property	50	50	603	553
Intergovernmental revenues	4,290	4,290	526	(3,764)
Charges for current services	1,613	1,613	1,498	(115)
Other revenues	531	531	435	(96)
Other Financing Sources - Operating Transfer In	4,602	4,602	4,602	-
Total revenues	<u>33,856</u>	<u>33,856</u>	<u>29,808</u>	<u>(4,048)</u>
Charges to appropriations (outflows):				
Education:				
Salaries and benefits	18,547	18,547	18,355	192
Services and supplies	8,615	9,257	7,106	2,151
Other charges	611	611	584	27
Fixed assets	12,105	12,558	4,178	8,380
Other financing uses - operating transfer out	4,552	4,552	4,500	52
Contingencies	50	50	-	50
Total charges to appropriations	<u>44,480</u>	<u>45,575</u>	<u>34,723</u>	<u>10,852</u>
Budgetary fund balance - June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,175</u>	<u>\$ 13,175</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	\$ 29,808
Differences - budget to GAAP	
Accruals due to differences between GAAP and the budgetary basis of Accounting	745
Transfers in	<u>(4,602)</u>
Total revenues as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 25,951</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 34,723
Differences - budget to GAAP	
Accruals due to differences between GAAP and the budgetary basis of Accounting	(644)
Transfers to other funds	<u>(5,522)</u>
Total expenditures as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 28,557</u>

County of Fresno
Budgetary Comparison Schedule
Fish and Game Fund
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Budgetary fund balance - June 30, 2008	\$ 26	\$ 26	\$ 36	\$ 10
Resources (inflows):				
Fines, forfeitures, and penalties	10	10	3	(7)
Use of money and property	3	3	2	(1)
Total revenues	<u>13</u>	<u>13</u>	<u>5</u>	<u>(8)</u>
Charges to appropriations (outflows):				
Public ways and facilities:				
Services and Supplies	39	39	38	1
Total charges to appropriations	<u>39</u>	<u>39</u>	<u>38</u>	<u>1</u>
Budgetary fund balance - June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 3</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	\$ 5
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	<u>\$ 3</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 38
Differences - Budget to GAAP	
Accruals due to differences between GAAP and the budgetary basis of Accounting	(10)
Total expenditures as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 28</u>

County of Fresno
Budgetary Comparison Schedule
Off-Highway License Fund
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Budgetary fund balance - June 30, 2008	\$ 161	\$ 161	\$ 529	\$ 368
Resources (inflows):				
Use of money and property	19	19	18	(1)
Intergovernmental revenues	21	21	11	(10)
Total revenues	40	40	29	(11)
Charges to appropriations (outflows):				
Public ways and facilities:				
Services and supplies	184	184	128	56
Other financing uses - operating trans. out	17	17	17	-
Total charges to appropriations	201	201	145	56
Budgetary fund balance - June 30, 2009	\$ -	\$ -	\$ 413	\$ 413

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	\$ 29
Differences - Budget to GAAP	
Accruals due to differences between GAAP and the budgetary basis of Accounting	(4)
Total revenues as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds	\$ 25

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 145
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	\$ 128

County of Fresno
Budgetary Comparison Schedule
California Healthcare for Indigents Program Fund
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Budgetary fund balance - June 30, 2008	\$ -	\$ -	\$ 150	\$ 150
Resources (inflows):				
Use of money and property	4	4	6	2
Intergovernmental revenues	276	276	189	(87)
Total revenues	<u>280</u>	<u>280</u>	<u>195</u>	<u>(85)</u>
Charges to appropriations (outflows):				
Health and sanitation:				
Services and supplies	266	266	267	(1)
Other financing uses - operating trans. out	14	14	-	14
Total charges to appropriations	<u>280</u>	<u>280</u>	<u>267</u>	<u>13</u>
Budgetary fund balance - June 30, 2009	<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	\$ 195
Differences - Budget to GAAP	
Accruals due to differences between GAAP and the budgetary basis of Accounting	<u>222</u>
Total revenues as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 417</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 267
Differences - budget to GAAP	
Accruals due to differences between GAAP and the budgetary basis of Accounting	<u>64</u>
Total expenditures as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 331</u>

County of Fresno
Budgetary Comparison Schedule
Emergency Medical System Fund
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Budgetary fund balance - June 30, 2008	\$ -	\$ -	\$ 3,623	\$ 3,623
Resources (inflows):				
Fines, forfeitures, and penalties	1,408	1,408	1,688	280
Use of money and property	86	86	134	48
Intergovernmental revenues	599	599	611	12
Miscellaneous Revenues	-	-	-	-
Other financing sources - operating transfer in	14	14	-	(14)
Total revenues	<u>2,107</u>	<u>2,107</u>	<u>2,433</u>	<u>326</u>
Charges to appropriations (outflows):				
Health and sanitation:				
Services and supplies	<u>2,107</u>	<u>2,107</u>	<u>2,457</u>	<u>(350)</u>
Total charges to appropriations	<u>2,107</u>	<u>2,107</u>	<u>2,457</u>	<u>(350)</u>
Budgetary fund balance - June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,599</u>	<u>\$ 3,599</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	\$ 2,433
Differences - Budget to GAAP	
Accruals due to differences between GAAP and the budgetary basis of Accounting	<u>91</u>
Total revenues as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 2,524</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 2,457
Differences - Budget to GAAP	
Accruals due to differences between GAAP and the budgetary basis of Accounting	<u>(12)</u>
Total expenditures as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 2,445</u>

County of Fresno
Budgetary Comparison Schedule
Local Health and Welfare Trust Fund
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Budgetary fund balance - June 30, 2008	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental revenues	82,360	82,360	71,502	(10,858)
Interfund revenues	312	312	-	(312)
Other financing sources - operating transfer in	58,673	58,673	52,986	(5,687)
Total revenues	<u>141,345</u>	<u>141,345</u>	<u>124,488</u>	<u>(16,857)</u>
Charges to appropriations (outflows):				
Health and sanitation:				
Other financing uses - operating transfer out	141,345	141,345	124,858	16,487
Total charges to appropriations	<u>141,345</u>	<u>141,345</u>	<u>124,858</u>	<u>16,487</u>
Budgetary fund balance - June 30, 2009	<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	\$ 124,488
Differences - Budget to GAAP	
Accruals due to differences between GAAP and the budgetary basis of Accounting	(1,574)
Transfers from other funds	(52,556)
Total revenues as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 70,358</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 124,858
Differences - budget to GAAP	
Accruals due to differences between GAAP and the budgetary basis of Accounting	(1,945)
Transfers to other funds	(122,913)
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, 2009
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Budgetary fund balance - June 30, 2008	\$ 1,322	\$ 1,322	\$ 3,523	\$ 2,201
Resources (inflows):				
Taxes	40	40	49	9
Use of money and property	98	98	123	25
Intergovernmental revenues	26	26	1	(25)
Charges for current services	1,306	1,306	1,420	114
Other revenues	8	8	94	86
Total revenues	<u>1,478</u>	<u>1,478</u>	<u>1,686</u>	<u>208</u>
Charges to appropriations (outflows):				
Services and Supplies	2,796	2,796	1,137	1,659
Contingencies	4	4	-	4
Total charges to appropriations	<u>2,800</u>	<u>2,800</u>	<u>1,137</u>	<u>1,663</u>
Budgetary fund balance - June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,072</u>	<u>\$ 4,072</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	\$ 1,686
Differences - Budget to GAAP	
Accruals due to differences between GAAP and the budgetary basis of Accounting	(32)
Total revenues as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 1,654</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,137
Differences - Budget to GAAP	
Accruals due to differences between GAAP and the budgetary basis of Accounting	101
Total expenditures as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 1,238</u>

County of Fresno
Budgetary Comparison Schedule
Friant Community Redevelopment Agency Fund
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Budgetary fund balance - June 30, 2008	\$ (114)	\$ (114)	\$ 337	\$ 451
Resources (inflows):				
Taxes	150	150	151	1
Use of money and property	26	26	31	5
Other revenues	-	-	-	-
Total revenues	<u>176</u>	<u>176</u>	<u>182</u>	<u>6</u>
Charges to appropriations (outflows):				
Public ways and facilities:				
Services and supplies	16	16	15	1
Other financing uses - operating transfer out	46	46	23	23
Total charges to appropriations	<u>62</u>	<u>62</u>	<u>38</u>	<u>24</u>
Budgetary fund balance - June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 481</u>	<u>\$ 481</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	\$ 182
Differences - Budget to GAAP	
Accruals due to differences between GAAP and the budgetary basis of Accounting	(107)
Total revenues as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 75</u>

Uses/outflows of resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 38
Differences - Budget to GAAP	
Accruals due to differences between GAAP and the budgetary basis of Accounting	32
Total expenditures as reported on the combining statement of revenues and expenditures, and changes in fund balances - nonmajor special revenue funds	<u>\$ 70</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.

Facility Services

Facility Services provides mechanical, electrical, structural and janitorial services to County departments. This includes routine and preventive maintenance, remodeling and modifications, computer cabling and furniture moves.

Security Services

Security/Parking Services is responsible for the physical security of most County facilities and employees. Security also administers the County parking program, which includes enforcement of parking regulations in all County Parking areas.

County of Fresno
Combining Statement of Net Assets
Internal Service Funds
June 30, 2009
(amounts expressed in thousands)

	Fleet Services	Information Technology Services	Graphic Communications	Central Warehouse	Facility Services
ASSETS					
Current assets:					
Cash and investments	\$ 6,703	\$ 7,370	\$ 92	\$ -	\$ -
Restricted cash and investments	-	-	-	-	-
Accounts receivable	13	80	-	1	41
Interest receivable	43	38	-	-	6
Due from other funds	1,124	2,388	22	42	67
Due from other governmental units	-	-	-	-	-
Inventory of supplies	730	2	32	126	165
Deposits and other assets	-	-	-	-	-
Total current assets	<u>8,613</u>	<u>9,878</u>	<u>146</u>	<u>169</u>	<u>279</u>
Noncurrent assets:					
Receivables	-	-	-	-	-
Land	-	-	-	-	-
Buildings	569	1,725	257	701	-
Less accumulated depreciation	(569)	(1,284)	(35)	(427)	-
Equipment	56,652	22,089	216	92	86
Less accumulated depreciation	(33,222)	(17,014)	(201)	(89)	(83)
Construction in progress	-	125	-	-	662
Total noncurrent assets	<u>23,430</u>	<u>5,641</u>	<u>237</u>	<u>277</u>	<u>665</u>
Total assets	<u>\$ 32,043</u>	<u>\$ 15,519</u>	<u>\$ 383</u>	<u>\$ 446</u>	<u>\$ 944</u>
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 604	\$ 491	\$ 135	\$ 49	\$ 1,036
Salaries and benefits payable	152	511	52	9	23
Due to other funds	286	1,449	302	195	176
Due to other governmental units	-	-	-	-	-
Liability for self - insurance	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Current portion of compensated leave and absences	97	244	28	5	222
Current portion of capital lease obligations	-	2,638	-	-	-
Total current liabilities	<u>1,139</u>	<u>5,333</u>	<u>517</u>	<u>258</u>	<u>1,457</u>
Noncurrent liabilities:					
Compensated leave and absences	160	695	47	6	361
Capital lease obligations	-	2,260	-	-	-
Total noncurrent liabilities	<u>160</u>	<u>2,955</u>	<u>47</u>	<u>6</u>	<u>361</u>
Total liabilities	<u>1,299</u>	<u>8,288</u>	<u>564</u>	<u>264</u>	<u>1,818</u>
NET ASSETS					
Invested in capital assets, net of related debt	23,430	743	237	277	665
Unrestricted	7,314	6,488	(418)	(95)	(1,539)
Total net assets	<u>\$ 30,744</u>	<u>\$ 7,231</u>	<u>\$ (181)</u>	<u>\$ 182</u>	<u>\$ (874)</u>

County of Fresno
Combining Statement of Net Assets
Internal Service Funds
June 30, 2009
(amounts expressed in thousands)

Security Services	Risk Management	Communications	PeopleSoft Operations	Total
\$ 290	\$ 52,889	\$ 5,465	\$ 1,176	\$ 73,985
-	-	-	-	-
-	1,773	51	-	1,959
1	281	29	8	406
1	-	584	-	4,228
-	2,724	-	-	2,724
-	5	-	-	1,060
-	236	-	-	236
<u>292</u>	<u>57,908</u>	<u>6,129</u>	<u>1,184</u>	<u>84,598</u>
-	-	-	-	-
-	406	-	-	406
-	-	-	-	3,252
-	-	-	-	(2,315)
6	6	13,819	-	92,966
(6)	(1)	(11,715)	-	(62,331)
-	-	-	-	787
<u>-</u>	<u>411</u>	<u>2,104</u>	<u>-</u>	<u>32,765</u>
<u>\$ 292</u>	<u>\$ 58,319</u>	<u>\$ 8,233</u>	<u>\$ 1,184</u>	<u>\$ 117,363</u>
\$ 105	5,680	\$ 667	\$ 195	\$ 8,962
159	108	38	7	1,059
22	34	108	127	2,699
-	2	-	-	2
-	67,081	-	-	67,081
-	-	315	-	315
106	66	12	5	785
-	-	-	-	2,638
<u>392</u>	<u>72,971</u>	<u>1,140</u>	<u>334</u>	<u>83,541</u>
217	75	21	20	1,602
-	-	-	-	2,260
<u>217</u>	<u>75</u>	<u>21</u>	<u>20</u>	<u>3,862</u>
<u>609</u>	<u>73,046</u>	<u>1,161</u>	<u>354</u>	<u>87,403</u>
-	411	2,104	-	27,867
(317)	(15,138)	4,968	830	2,093
<u>\$ (317)</u>	<u>\$ (14,727)</u>	<u>\$ 7,072</u>	<u>\$ 830</u>	<u>\$ 29,960</u>

ASSETS

Current assets:

Cash and investments
Restricted 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
Construction in progress

Total noncurrent assets

Total assets

LIABILITIES

Current liabilities:

Accounts payable
Salaries and benefits payable
Due to other funds
Due to other governmental units
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, 2009
(amounts expressed in thousands)

	Fleet Services	Information Technology Services	Graphic Communications	Central Warehouse	Facility Services
Operating revenues:					
Charges for services	\$ 10,343	\$ 22,776	\$ 4,596	\$ 1,500	\$ 22,091
Other revenues	3,905	88	-	-	747
Total operating revenues	<u>14,248</u>	<u>22,864</u>	<u>4,596</u>	<u>1,500</u>	<u>22,838</u>
Operating expenses:					
Salaries and benefits	3,184	10,886	1,112	214	8,836
Insurance	7	9	4	4	52
Professional services	416	685	-	34	736
Special departmental	4,292	3,918	-	-	-
General and administrative	1,004	1,263	697	44	1,807
Repairs and maintenance	578	1,385	10	9	2,057
Rents and leases	67	615	15	97	1
Parts and supplies	1,235	891	2,377	1,146	64
Utilities	7	11	41	-	8,437
Depreciation	2,096	2,661	12	24	1
Total operating expenses	<u>12,886</u>	<u>22,324</u>	<u>4,268</u>	<u>1,572</u>	<u>21,991</u>
Operating income (loss)	<u>1,362</u>	<u>540</u>	<u>328</u>	<u>(72)</u>	<u>847</u>
Non - operating revenues (expenses):					
Loss on sale of equipment	(366)	(173)	-	-	-
Interest income	232	196	(13)	(4)	41
Total non - operating revenues	<u>(134)</u>	<u>23</u>	<u>(13)</u>	<u>(4)</u>	<u>41</u>
Net income (loss) before transfers	1,228	563	315	(76)	888
Transfers in (out):					
Transfers in	815	550	-	-	-
Transfers out	(915)	(1,189)	(65)	(12)	(1,762)
Total transfers in (out)	<u>(100)</u>	<u>(639)</u>	<u>(65)</u>	<u>(12)</u>	<u>(1,762)</u>
Change in net assets	<u>1,128</u>	<u>(76)</u>	<u>250</u>	<u>(88)</u>	<u>(874)</u>
Net assets - beginning	28,939	7,307	(431)	270	-
Prior year adjustment	677	-	-	-	-
Net assets - ending	<u>\$ 30,744</u>	<u>\$ 7,231</u>	<u>\$ (181)</u>	<u>\$ 182</u>	<u>\$ (874)</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, 2009
(amounts expressed in thousands)

Security Services	Risk Management	Communications	PeopleSoft Operations	Total	
4,382	\$ 86,745	\$ 4,851	\$ 2,708	\$ 159,992	Operating revenues:
330	59	1	-	5,130	Charges for services
4,712	86,804	4,852	2,708	165,122	Other revenues
					Total operating revenues
					Operating expenses:
3,699	1,988	701	129	30,749	Salaries and benefits
60	82,566	1	-	82,703	Insurance
223	1,639	175	1,634	5,542	Professional services
-	133	-	750	9,093	Special departmental
457	3,278	2,319	6	10,875	General and administrative
307	90	1,040	-	5,476	Repairs and maintenance
88	-	20	-	903	Rents and leases
-	-	-	6	5,719	Parts and supplies
-	-	-	-	8,496	Utilities
-	1	632	-	5,427	Depreciation
4,834	89,695	4,888	2,525	164,983	Total operating expenses
(122)	(2,891)	(36)	183	139	Operating income (loss)
					Non - operating revenues (expenses):
-	-	(22)	-	(561)	Loss on sale of equipment
4	1,393	146	38	2,033	Interest income
4	1,393	124	38	1,472	Total non - operating revenues
(118)	(1,498)	88	221	1,611	Net income (loss) before transfers
					Transfers in (out):
-	-	175	157	1,697	Transfers in
(199)	(116)	(41)	(8)	(4,307)	Transfers out
(199)	(116)	134	149	(2,610)	Total transfers in (out)
(317)	(1,614)	222	370	(999)	Change in net assets
-	(13,113)	6,850	460	30,282	Net assets - beginning
-	-	-	-	677	Prior year adjustment
\$ (317)	\$ (14,727)	\$ 7,072	\$ 830	\$ 29,960	Net assets - ending

County of Fresno
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2009
(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>	<u>Facility Services</u>
Cash flows from operating activities:					
Cash received from users	\$ 14,629	\$ 21,812	\$ 4,578	\$ 1,458	\$ 22,725
Cash paid to suppliers	(7,450)	(8,064)	(3,391)	(1,298)	(12,107)
Cash paid to employees	(3,276)	(10,817)	(1,110)	(210)	(8,230)
Cash paid for claims	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>3,903</u>	<u>2,931</u>	<u>77</u>	<u>(50)</u>	<u>2,388</u>
Cash flows from non-capital financing activities:					
Transfer from (to) other funds	<u>(101)</u>	<u>(639)</u>	<u>(66)</u>	<u>(12)</u>	<u>(1,762)</u>
Net cash provided by (used in) non-capital financing activities:	<u>(101)</u>	<u>(639)</u>	<u>(66)</u>	<u>(12)</u>	<u>(1,762)</u>
Cash flows from capital and related financing activities:					
Acquisition of fixed assets	(3,974)	(977)	-	-	(86)
Proceeds from sale of equipment	274	-	-	-	82
Purchase of capital lease	-	(2,170)	-	-	(662)
Net cash used in capital and related financing activities	<u>(3,700)</u>	<u>(3,147)</u>	<u>-</u>	<u>-</u>	<u>(666)</u>
Cash flows from investing activities:					
Interest on investments	<u>261</u>	<u>232</u>	<u>(12)</u>	<u>(1)</u>	<u>40</u>
Net cash provided by investing activities	<u>261</u>	<u>232</u>	<u>(12)</u>	<u>(1)</u>	<u>40</u>
Net increase (decrease) in cash and cash equivalents	363	(623)	(1)	(63)	-
Cash and cash equivalents, beginning of year	<u>6,340</u>	<u>7,993</u>	<u>93</u>	<u>63</u>	<u>-</u>
Cash and cash equivalents, end of year	<u>\$ 6,703</u>	<u>\$ 7,370</u>	<u>\$ 92</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of cash and cash equivalents to the balance sheet:					
Cash and cash equivalents in cash and investments	<u>\$ 6,703</u>	<u>\$ 7,370</u>	<u>\$ 92</u>	<u>\$ -</u>	<u>\$ -</u>
Total	<u>\$ 6,703</u>	<u>\$ 7,370</u>	<u>\$ 92</u>	<u>\$ -</u>	<u>\$ -</u>

County of Fresno
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

Page 2 of 4

<u>Security Services</u>	<u>Risk Management</u>	<u>Communications</u>	<u>PeopleSoft Operations</u>	<u>Total</u>	
\$ 4,710	\$ 88,536	\$ 4,957	\$ 2,708	\$ 166,113	Cash flows from operating activities:
(1,009)	(62,024)	(3,641)	(2,327)	(101,311)	Cash received from users
(3,217)	(1,951)	(686)	(129)	(29,626)	Cash paid to suppliers
-	(20,588)	-	-	(20,588)	Cash paid to employees
					Cash paid for claims
<u>484</u>	<u>3,973</u>	<u>630</u>	<u>252</u>	<u>14,588</u>	Net cash provided by (used in) operating activities
<u>(199)</u>	<u>(116)</u>	<u>134</u>	<u>149</u>	<u>(2,612)</u>	Cash flows from non-capital financing activities:
					Transfer to other funds
<u>(199)</u>	<u>(116)</u>	<u>134</u>	<u>149</u>	<u>(2,612)</u>	Net cash provided by (used in) non-capital financing activities:
-	(6)	(720)	-	(5,763)	Cash flows from capital and related financing activities:
-	-	(22)	-	334	Acquisition of fixed assets
-	-	-	-	(2,832)	Proceeds from sale of equipment
					Purchase of capital lease
<u>-</u>	<u>(6)</u>	<u>(742)</u>	<u>-</u>	<u>(8,261)</u>	Net cash used in capital and related financing activities
<u>5</u>	<u>1,610</u>	<u>170</u>	<u>42</u>	<u>2,347</u>	Cash flows from investing activities:
					Interest on investments
<u>5</u>	<u>1,610</u>	<u>170</u>	<u>42</u>	<u>2,347</u>	Net cash provided by investing activities
290	5,461	192	443	6,062	Net increase (decrease) in cash and cash equivalents
-	47,428	5,273	733	67,923	Cash and cash equivalents, beginning of year
<u>\$ 290</u>	<u>\$ 52,889</u>	<u>\$ 5,465</u>	<u>\$ 1,176</u>	<u>\$ 73,985</u>	Cash and cash equivalents, end of year
					Reconciliation of cash and cash equivalents to the balance sheet:
<u>\$ 290</u>	<u>\$ 52,889</u>	<u>\$ 5,465</u>	<u>\$ 1,176</u>	<u>\$ 73,985</u>	Cash and cash equivalents in cash and investments
<u>\$ 290</u>	<u>\$ 52,889</u>	<u>\$ 5,465</u>	<u>\$ 1,176</u>	<u>\$ 73,985</u>	Total

County of Fresno
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2009
(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>	<u>Facility Services</u>
Reconciliation of operating income (loss) to net cash					
Provided by operating activities:					
Operating income (loss)	\$ 1,362	\$ 540	\$ 328	\$ (72)	\$ 847
Adjustments to reconcile operating income (loss) to net					
Cash provided by (used in) operating activities:					
Depreciation expense	2,096	2,661	12	24	1
Decrease (increase) in accounts receivable	22	47	1	(1)	(46)
Decrease (increase) in due from other funds	359	(523)	(19)	(41)	(68)
Decrease (increase) in inventory of supplies	192	2	5	31	(164)
(Increase) in deposits and other assets	-	-	2	-	-
(Decrease) increase in accounts payable	(270)	159	(49)	(185)	1,038
(Decrease) increase in salaries and benefits payable	(91)	68	2	3	605
(Decrease) increase in deferred revenue	-	(575)	-	-	-
(Decrease) increase in due to other funds	233	552	(205)	191	174
Increase in liability for self-insurance	-	-	-	-	1
Total adjustments	<u>2,541</u>	<u>2,391</u>	<u>(251)</u>	<u>22</u>	<u>1,541</u>
Net cash provided by (used in) operating activities	<u>\$ 3,903</u>	<u>\$ 2,931</u>	<u>\$ 77</u>	<u>\$ (50)</u>	<u>\$ 2,388</u>

County of Fresno
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

Page 4 of 4

<u>Security Services</u>	<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:
\$ (122)	\$ (2,891)	\$ (36)	\$ 183	\$ 139	Operating income (loss)
					Adjustments to reconcile operating income (loss) to net Cash provided by (used in) operating activities:
-	1	632	-	5,427	Depreciation expense
-	2,340	33	3	2,399	Decrease (increase) in accounts receivable
(1)	(607)	(2)	-	(902)	Decrease (increase) in due from other funds
-	-	-	-	66	Decrease (increase) in inventory of supplies
-	(65)	-	-	(63)	(Increase) in deposits and other assets
105	126	(89)	82	917	(Decrease) increase in accounts payable
480	35	15	-	1,117	(Decrease) increase in salaries and benefits payable
-	-	75	-	(500)	(Decrease) increase in deferred revenue
22	(161)	2	(13)	795	(Decrease) increase in due to other funds
-	5,195	-	(3)	5,193	Increase in liability for self-insurance
<u>606</u>	<u>6,864</u>	<u>666</u>	<u>69</u>	<u>14,449</u>	Total adjustments
<u>\$ 484</u>	<u>\$ 3,973</u>	<u>\$ 630</u>	<u>\$ 252</u>	<u>\$ 14,588</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, 2009
(amounts expressed in thousands)

	Property Tax Collection	Public Administrator- Guardian
	<u> </u>	<u> </u>
<u>Assets</u>		
Cash and investments	\$ 50,719	\$ 14,280
Other investments		
Taxes receivable	7,203	-
Accounts receivable	-	-
Due from other governmental agencies	65	-
Property held by public administrator	-	12,201
	<u> </u>	<u> </u>
Total assets	<u>\$ 57,987</u>	<u>\$ 26,481</u>
	<u> </u>	<u> </u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	\$ -	\$ -
Due to other governmental units	-	-
Due to other taxing units	57,987	-
Fiduciary liability	-	26,481
	<u> </u>	<u> </u>
Total liabilities	<u>\$ 57,987</u>	<u>\$ 26,481</u>
	<u> </u>	<u> </u>

County of Fresno
Combining Statement of Fiduciary Net Assets
Agency Funds
June 30, 2009
(amounts expressed in thousands)

Other Agency Funds	Total	
		<u>Assets</u>
\$ 139,261	\$ 204,260	Cash and investments
-	7,203	Taxes receivable
6,847	6,847	Accounts receivable
2,510	2,575	Due from other governmental agencies
-	12,201	Property held by public administrator
<u>\$ 148,618</u>	<u>\$ 233,086</u>	Total Assets
		<u>Liabilities and Fund Balance</u>
		Liabilities:
\$ 12,487	\$ 12,487	Accounts payable
4,918	4,918	Due to other governmental units
-	57,987	Due to other taxing units
131,213	157,694	Fiduciary liability
<u>\$ 148,618</u>	<u>\$ 233,086</u>	Total liabilities

County of Fresno
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

Page 1 of 2

	Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009
<u>Property Tax Collection</u>				
<u>Assets</u>				
Cash	40,081	\$ 10,638	\$ -	\$ 50,719
Taxes receivable	8,441	-	1,238	7,203
Accounts Receivable	-	-	-	-
Due from other funds	-	-	-	-
Due from other governemnt agencies	60	5	-	65
Total assets	<u>\$ 48,582</u>	<u>\$ 10,643</u>	<u>\$ 1,238</u>	<u>\$ 57,987</u>
<u>Liabilities</u>				
Due to other taxing units	48,582	9,405	-	57,987
Total liabilities	<u>\$ 48,582</u>	<u>\$ 9,405</u>	<u>\$ -</u>	<u>\$ 57,987</u>
<u>Public Administrator-Guardian</u>				
<u>Assets</u>				
Cash	\$ 13,289	\$ 991	\$ -	\$ 14,280
Accounts Receivable	2	-	2	-
Property held by public administrator	5,776	6,425	-	12,201
Total assets	<u>\$ 19,067</u>	<u>\$ 7,416</u>	<u>\$ 2</u>	<u>\$ 26,481</u>
<u>Liabilities</u>				
Fiduciary liability	<u>\$ 19,067</u>	<u>\$ 7,414</u>	<u>\$ -</u>	<u>\$ 26,481</u>
<u>Other Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 133,699	\$ 5,562	-	139,261
Accounts receivable	2,681	4,166	-	6,847
Due from other funds	-	-	-	-
Due from other governmental units	3,494	-	984	2,510
Total assets	<u>\$ 139,874</u>	<u>\$ 9,728</u>	<u>\$ 984</u>	<u>\$ 148,618</u>
<u>Liabilities</u>				
Accounts payable	87,444	\$ -	\$ 74,957	12,487
Due to other funds	-	-	-	-
Due to other governmental units	11,597	-	6,679	4,918
Fiduciary liability	40,833	90,380	-	131,213
Total liabilities	<u>\$ 139,874</u>	<u>\$ 90,380</u>	<u>\$ 81,636</u>	<u>\$ 148,618</u>

County of Fresno
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

Page 2 of 2

	Balance June 30, 2008	Additions	Deductions	Balance June 30, 2009
<u>Total - All Agency Funds</u>				
<u>Assets</u>				
Cash and investments	\$ 187,069	\$ 17,191	\$ -	\$ 204,260
Taxes receivable	8,441	-	1,238	7,203
Accounts receivable	2,683	4,166	2	6,847
Due from other funds	-	-	-	-
Due from other government agencies	3,554	5	984	2,575
Property held by public administrator	5,776	6,425	-	12,201
Total assets	<u>\$ 207,523</u>	<u>\$ 27,787</u>	<u>\$ 2,224</u>	<u>\$ 233,086</u>
<u>Liabilities</u>				
Accounts payable	\$ 87,444	\$ -	\$ 74,957	\$ 12,487
Due to other funds	-	-	-	-
Due to other taxing units	48,582	9,405	-	57,987
Due to other governmental units	11,597	-	6,679	4,918
Fiduciary liability	59,900	97,794	-	157,694
Total liabilities	<u>\$ 207,523</u>	<u>\$ 107,199</u>	<u>\$ 81,636</u>	<u>\$ 233,086</u>

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STATISTICAL SECTION

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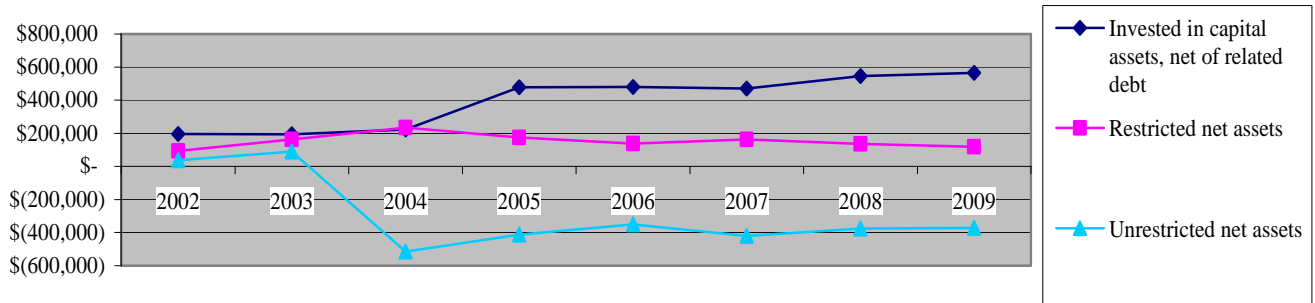
County of Fresno
Net Assets by Component
Last Eight Fiscal Years
(amounts expressed in thousands)

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Governmental activities								
Invested in capital assets, net of related debt	\$ 194,782	\$ 193,715	\$ 222,948	\$ 477,894	\$ 479,254	\$ 470,668	\$ 544,635	\$ 565,196
Restricted net assets	94,052	162,292	233,687	173,695	137,451	163,426	135,904	117,491
Unrestricted net assets	38,065	88,679	(515,755)	(411,976)	(350,589)	(420,615)	(376,525)	(371,904)
Total governmental activities net assets	326,899	444,686	(59,120)	239,613	266,116	213,479	304,014	310,783
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	45,982
Restricted net assets	4,269	22,228	23,794	24,877	19,373	19,564	24,762	26,634
Unrestricted net assets	87,719	72,737	75,452	47,181	36,769	33,500	29,643	28,297
Total business-type activities net assets	112,838	119,892	125,684	101,288	102,772	105,238	103,492	100,913
Primary government								
Invested in capital assets, net of related debt	215,632	218,642	249,386	507,124	525,884	522,842	593,722	611,178
Restricted net assets	98,321	184,520	257,481	198,572	156,824	182,990	160,666	144,125
Unrestricted net assets	125,784	161,416	(440,303)	(364,795)	(313,820)	(387,115)	(346,882)	(343,607)
Total primary government net assets	\$ 439,737	\$ 564,578	\$ 66,564	\$ 340,901	\$ 368,888	\$ 318,717	\$ 407,506	\$ 411,696

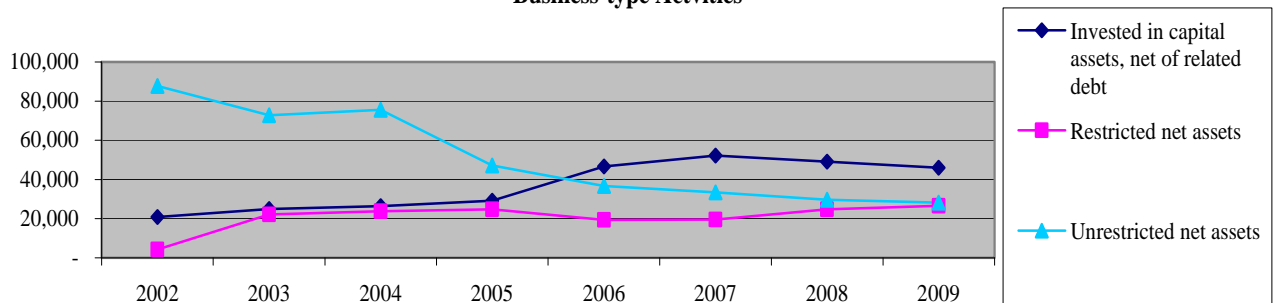
Note 1: Accrual basis of accounting

Note 2: Ten years of data is not presented due to the implementation of the new requirements for GASB 34 which changed the requirements for reporting. Reporting ten years would require restatements of financial statements prior to fiscal year 2002.

Governmental Activities



Business-type Activities



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

Page 1 of 2

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Program Revenues								
Governmental activities:								
Charges for services	\$ 147,215	\$ 133,621	\$ 152,013	\$ 153,992	\$ 141,506	\$ 201,768	\$ 192,595	\$ 161,590
Operating grants and contributions	445,507	493,916	466,445	521,988	595,209	507,032	573,377	566,158
Capital grants and contributions	8,705	3,247	4,565	18,694	8,618	7,412	14,485	4,560
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>	<u>732,308</u>
Business-type activities:								
Charges for services	17,334	17,205	19,056	16,769	15,771	13,793	14,163	10,736
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>	<u>10,736</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>	<u>\$ 743,044</u>
General Revenues								
Governmental activities:								
Taxes								
Property taxes	\$ 68,759	\$ 75,347	\$ 77,089	\$ 142,791	\$ 180,656	\$ 199,715	\$ 220,356	\$ 213,721
Sales taxes	142,969	136,737	148,203	175,675	180,671	187,397	177,384	158,943
Franchise taxes	3,998	4,113	4,224	4,290	4,572	4,786	4,880	5,157
Motor vehicle in-lieu taxes	94,493	93,043	84,526	43,297	62,677	45,666	45,891	41,195
Road use tax	14,170	17,221	13,810	13,930	18,285	19,727	23,839	20,683
Tobacco settlement proceeds	9,660	-	10,913	7,362	12,759	27,567	23,575	13,054
Other	1,212	197	1,455	-	3,619	1,682	3,891	2,914
Unrestricted interest and investment earnings	11,633	6,052	5,818	7,020	11,947	13,263	12,495	8,441
Miscellaneous	-	14,289	(431,435)	56,857	-	180	-	-
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>	<u>464,108</u>
	346,894	346,999	(85,397)	451,222	475,186	499,983	512,311	464,109
Business-type activities:								
Other	1,526	934	(1,587)	(7,648)	1,549	2,354	2,476	5,192
Unrestricted interest and investment earnings	3,720	2,678	-	2,814	1,058	3,519	3,808	2,398
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>	<u>7,590</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>	<u>\$ 1,214,742</u>

Note 1: Accrual basis of accounting

Note 2: Ten years of data is not presented due to the implementation of the new requirements for GASB 34 which changed the requirements for reporting. Reporting ten years would require restatements of financial statements prior to fiscal year 2002.

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

Page 2 of 2

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Expenses								
Governmental activities:								
General government	\$ 44,635	\$ 45,921	\$ 36,094	\$ 52,323	\$ 104,079	\$ 52,001	\$ 70,697	\$ 28,685
Public protection	225,252	238,428	223,953	171,303	227,521	332,088	264,592	307,301
Public ways and facilities	26,367	7,104	19,143	109,572	110,613	54,286	117,737	58,062
Health, sanitation, and public assistance	567,610	613,313	636,898	704,190	679,435	725,012	718,201	724,604
Education	20,030	18,384	26,134	20,934	23,250	25,971	10,691	22,606
Culture and recreation	2,601	2,574	2,083	1,881	2,307	3,476	2,491	3,475
Interest on long-term debt	11,454	9,989	19,992	23,624	33,761	43,136	47,909	45,794
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>	<u>1,190,527</u>
Business-type activities:								
Solid waste enterprise	7,146	9,304	8,639	8,598	12,735	13,181	16,533	15,063
County service areas, other	3,034	4,465	3,158	3,173	4,161	4,325	5,347	5,626
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>	<u>20,689</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>	<u>1,211,216</u>
Extraordinary item - sale of tobacco bonds	<u>-</u>	<u>75,723</u>	<u>-</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	5,889
Transfers	38	(6)	(120)	(34)	90	15	35	203
Excess (deficiency) before transfers - business-type activities	12,400	7,048	5,672	164	1,482	2,160	(1,433)	(2,363)
Transfers	(38)	6	120	34	(90)	(15)	(35)	(203)
Special Items	-	-	-	-	-	-	(289)	-
Change in net assets								
Governmental activities	50,410	117,787	(426,791)	62,035	39,643	(19,760)	60,485	6,092
Business-type activities	12,362	7,054	5,792	198	1,392	2,145	(1,757)	(2,566)
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>	<u>\$ 3,526</u>

Note 1: Accrual basis of accounting

Note 2: Ten years of data is not presented due to the implementation of the new requirements for GASB 34 which changed the requirements for reporting. Reporting ten years would require restatements of financial statements prior to fiscal year 2002.

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

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
General Fund								
Reserved for:								
Encumbrances	\$ 46,492	\$ 40,594	\$ 30,953	\$ 45,611	\$ 26,730	\$ 30,164	\$ 12,998	\$ 9,534
Imprest and postage funds	695	675	289	268	198	157	203	178
Inventory	2,239	2,030	2,187	2,016	2,760	3,734	3,440	3,288
Loans	27,125	28,153	28,838	29,640	32,370	34,534	35,331	37,284
Unreserved	62,767	82,581	89,534	88,932	152,361	145,580	136,892	151,243
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>	<u>\$ 201,527</u>
Other Governmental Funds								
Reserved for:								
Encumbrances	\$ 34,566	\$ 101,012	\$ 96,338	\$ 35,064	\$ 32,684	\$ 97,942	\$ 61,706	\$ 48,692
Imprest and postage funds	5	3	4	9	9	4	5	8
Inventory	1,153	943	1,086	2,511	1,657	1,741	1,064	716
Debt service	22,044	20,020	42,860	109,485	76,370	93,419	72,689	49,450
Unreserved, reported in:								
Special revenue funds	38,042	38,550	43,753	49,488	30,629	18,523	15,461	15,805
Capital projects funds	(1,605)	1,764	(24,097)	(22,783)	(336)	(50,203)	(15,028)	2,820
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>	<u>\$ 117,491</u>

Note 1: Modified accrual basis of accounting

Note 2: Ten years of data is not presented due to the implementation of the new requirements for GASB 34 which changed the requirements for reporting. Reporting ten years would require restatements of financial statements prior to fiscal year 2002.

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

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Revenues								
Taxes	\$ 91,592	\$ 99,809	\$ 102,702	\$ 167,778	\$ 171,485	\$ 223,356	\$ 238,127	\$ 254,452
Licenses and permits	7,013	8,155	8,822	9,161	9,696	9,919	9,267	9,319
Fines, forfeitures and penalties	10,217	11,893	9,877	10,400	10,376	10,340	11,946	13,181
Use of money and property	10,216	11,944	11,175	10,578	14,767	16,110	15,359	10,453
Aid from other governmental agencies	692,754	732,464	706,934	753,012	823,101	763,753	811,527	783,553
Charges for current services	102,296	95,230	107,138	112,008	99,423	114,196	106,456	134,064
Other revenues	25,560	13,362	24,595	29,096	32,112	76,560	76,277	17,149
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>	<u>1,222,171</u>
Expenditures								
General government	43,162	49,307	46,881	53,859	52,165	55,840	87,131	33,400
Public ways and facilities	39,821	37,657	47,623	45,492	85,306	54,890	61,429	58,998
Public protection	222,060	219,676	221,752	240,825	257,927	287,883	321,020	312,496
Public assistance, health and sanitation	568,008	609,799	625,226	668,743	670,268	716,377	739,835	724,372
Education	19,514	21,941	25,672	20,969	23,071	25,667	30,567	29,285
Culture and recreation	2,421	2,453	2,493	2,657	2,873	3,374	3,551	3,403
Capital outlay	25,098	12,726	27,528	77,209	23,164	8,258	31,864	16,866
Debt service:								
Transfers from trust bank	-	-	-	-	41,096	-	-	-
Principal	12,000	1,330	1,250	2,465	4,755	11,345	16,020	20,870
Bond issuance costs	790	-	-	-	1,151	-	-	-
Interest	11,828	10,643	10,815	21,584	24,203	29,640	31,933	31,037
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>	<u>1,230,727</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>	<u>(8,556)</u>
Other financing sources (uses):								
Bond proceeds 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	268,539
Transfers out	(252,974)	(271,276)	(193,906)	(243,781)	(265,214)	(233,111)	(321,743)	(265,726)
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>	<u>2,813</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>	<u>(5,743)</u>
Extraordinary item								
Sale of tobacco settlement bonds	<u>-</u>	<u>75,723</u>	<u>-</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>	<u>\$ (5,743)</u>
Debt service as a percentage of non capital expenditures	2.59%	1.26%	1.23%	2.28%	2.49%	3.46%	3.71%	4.28%

Note 1: Modified accrual basis of accounting

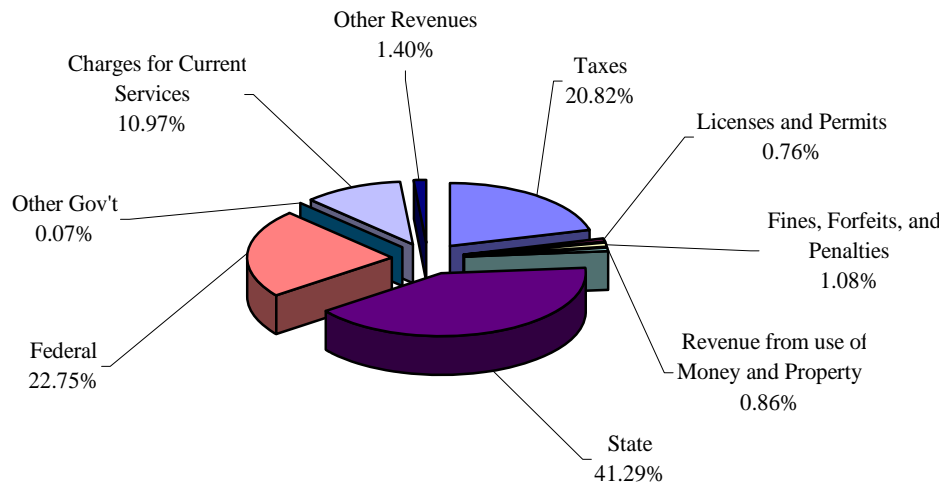
Note 2: Ten years of data is not presented due to the implementation of the new requirements for GASB 34 which changed the requirements for reporting. Reporting ten years would require restatements of financial statements prior to fiscal year 2002.

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		
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
2009	1,222,170	254,452	9,319	13,181	10,453	504,632	278,074	847	134,064	17,148

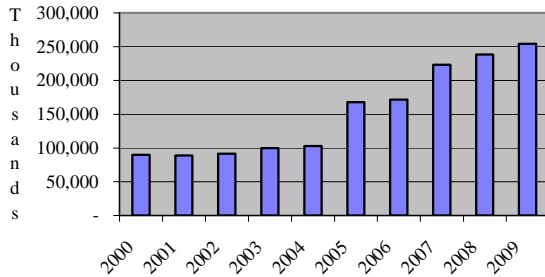
For Fiscal Year 2009



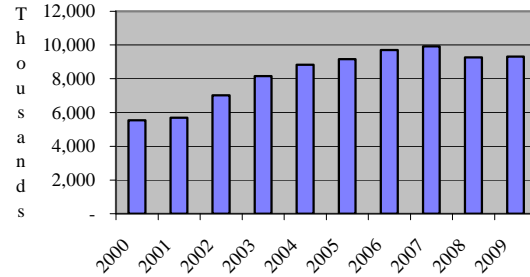
County of Fresno
Governmental Funds' Revenues By Source
Last Ten Fiscal Years
(amounts expressed in thousands)

Page 2 of 2

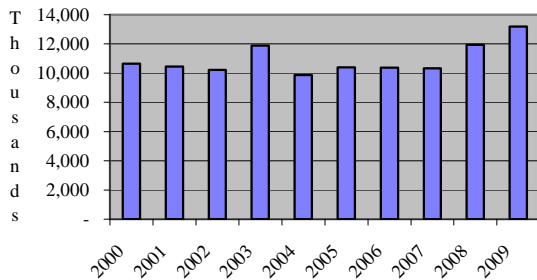
Taxes



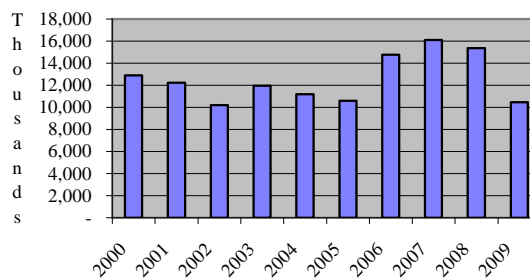
Licenses and Permits



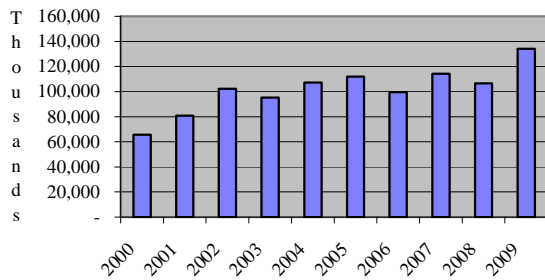
Fines, Forfeits, and Penalties



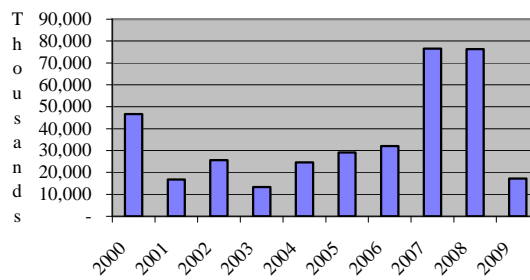
Revenue from use of Money and Property



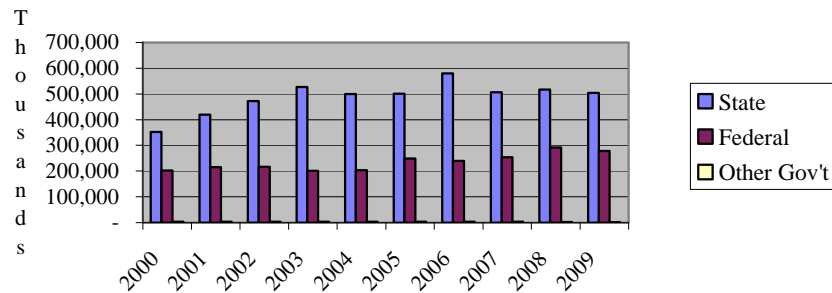
Charges for Current Services



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)

Fiscal Year	Secured	Unsecured	Total	Ratio of Assessed to Estimated Actual
	Estimated Actual	Estimated Actual	Estimated Actual	
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
2009	60,909,391	2,555,829	63,465,220	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

Fiscal Year	County-wide	City of Fresno	Schools	Total
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
2009	1.0	0.032438	0.105860	1.138298

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)

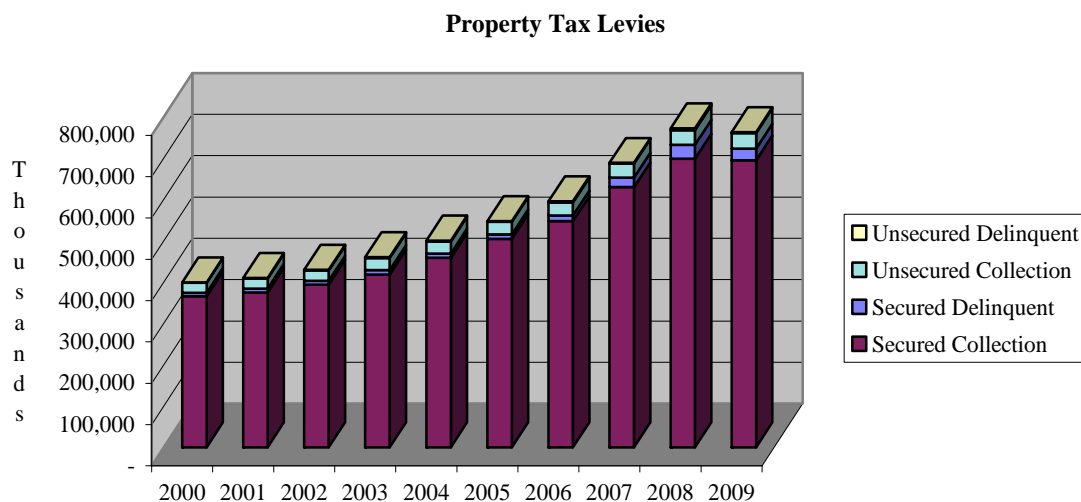
Taxpayer	2009			2000		
	Assessed Value	Rank	% of Total County Assessed Value	Assessed Value	Rank	% of Total County Assessed Value
Pacific Gas & Electric Co.	\$ 1,448,419	1	2.282	\$ 1,345,011	1	3.979
Southern California Edison Co.	402,911	2	0.635	417,151	2	1.234
Chevron USA	337,726	3	0.532	196,887	4	0.582
AT&T California	206,956	4	0.326	342,586	3	1.013
The Gap Inc.	153,332	5	0.242	-		N/A
AERA Energy, LLC	140,063	6	0.221	69,630	6	0.206
Macerich Fresno Limited Partnership	135,207	7	0.213	87,075	5	0.258
Donahue Schriber Realty Group L P	135,102	8	0.213	-		N/A
Atlantic Path 15 LLC	106,329	9	0.168	-		N/A
Pelco	98,583	10	0.155	-		N/A
E & J Gallo Winery	-		N/A	60,604	7	0.179
Harris Farms Inc	-		N/A	59,761	8	0.177
Riverview Estates	-		N/A	53,842	9	0.159
McClatchy Newspapers	-		N/A	51,134	10	0.151
Total	<u>\$ 3,164,628</u>		<u>4.987</u>	<u>\$ 2,683,681</u>		<u>7.938</u>

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

Note: Percentages based on estimated property values of \$63,465,220 in 2009 and \$33,804,273 in 2000.

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

Fiscal Year	Tax Levies	Secured				Unsecured				
		Delinquency		Collections		Delinquency		Collections		
		Amount	Percent	Amount	Percent	Tax Levies	Amount	Percent	Amount	Percent
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
2009	722,290	28,076	3.887	694,214	96.113	39,986	2,481	6.205	37,505	93.795



Source: County of Fresno Tax Rate Book

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

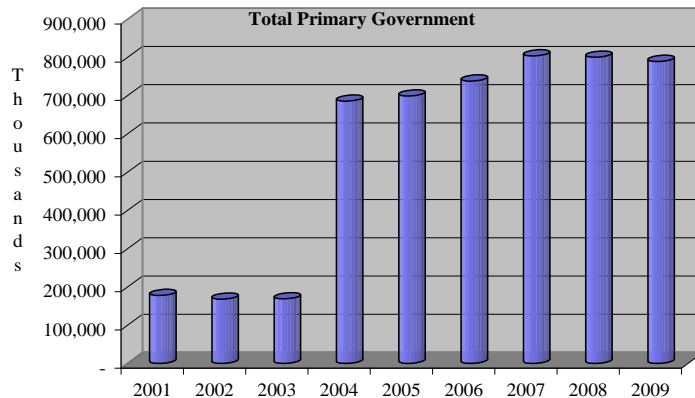
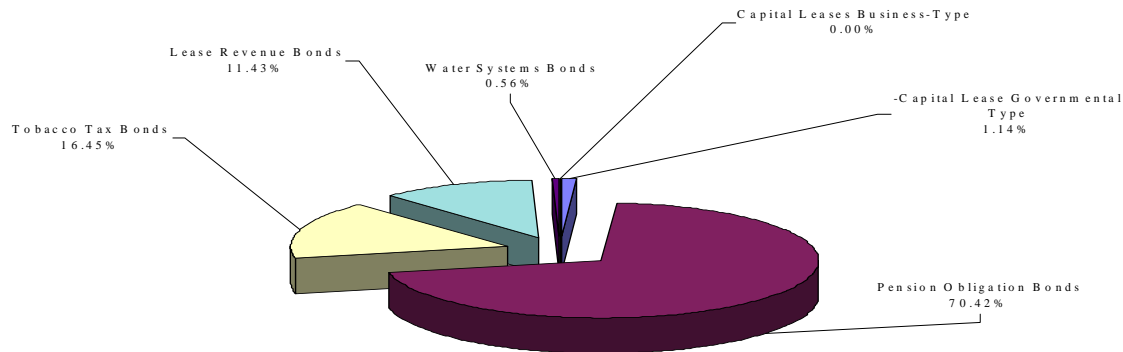
County of Fresno
Ratio of Outstanding Debt by Type
Last Nine Fiscal Years
(amounts expressed in thousands, except per capita)

Fiscal Year	Governmental Type Activities					Business Type Activities			Percentage of	
	Capital Lease Governmental-Type	Pension Obligation Bonds	Tobacco Tax Bonds	Lease Revenue Bonds	Water Systems Bonds	Capital Leases Business-Type	Total Primary Government		Personal Income ^a	Per Capita ^a
2001	\$ 765	\$ 157,080	\$ -	\$ -	\$ 19,661	\$ 68	\$ 177,574	1.01%	\$	221
2002	3,258	145,739	-	-	18,817	51	167,865	0.90%		206
2003	5,925	144,873	-	-	17,913	34	168,745	0.86%		203
2004	6,851	546,064	89,994	25,830	16,959	17	685,715	3.31%		810
2005	4,719	549,320	88,752	40,399	15,954	-	699,144	3.22%		813
2006	4,837	561,523	126,583	40,396	4,955	-	738,294	3.27%		848
2007	13,803	563,232	128,069	94,196	4,800	-	804,100	3.36%		912
2008	13,209	561,477	129,120	92,238	4,640	-	800,684	3.17%		894
2009	8,989	556,015	129,849	90,238	4,460	-	789,551	NA		NA

Note 1: Accrual basis of accounting

Note 2: Ten years of data is not presented due to the implementation of the new requirements for GASB 34 which changed the requirements for reporting. Reporting ten years would require restatements of financial statements prior to fiscal year 2002.

Outstanding Debt by Type for Fiscal Year 2009



County of Fresno
Estimated Direct and Overlapping Bonded Debt
6/30/2009
(amounts expressed in thousands)

2008-09 Assessed Valuation:	\$ 63,465,220	(includes unitary utility valuation)
Less: Redevelopment Incremental Valuation:	<u>4,515,000</u>	
Adjusted Assessed Valuation:	\$ 58,950,220	

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable (1)</u>	<u>Debt 6/30/09</u>
Merced Community College District School Facilities Improvement District No. 2	1.906 %	\$ 214
State Center Community College District	83.055	78,553
West Hills Community College District	26.739-99.481	18,819
Central Unified School District	100	85,089
Clovis Unified School District	100	298,116
Fresno Unified School District	100	255,654
Fresno Unified School District Lease Tax Obligations	100	30,755
Kings Canyon Joint Unified School District	90.585	35,529
Sanger Unified School District	100	47,509
Other Unified School Districts	Various	72,556
High School and School Districts	Various	24,851
City of Mendota	100	60
Hospital Districts	100	25,974
Other Special Districts	100	749
City Community Facilities Districts	100	5,460
1915 Act Bonds (Estimated)	100	<u>17,791</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		997,679

<u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u>		
Fresno County	100 %	89,890
Fresno County Pension Obligations	100	509,473
Community College District General Fund Obligations	Various	43,270
Central Unified School District Certificates of Participation	100	32,420
Clovis Unified School District General Fund Obligations	100	35,490
Fresno Unified School District General Fund Obligations	100	31,965
Sierra Unified School District Certificates of Participation	100	7,505
Other School District General Fund Obligations	Various	30,439
City of Clovis General Fund Obligations	100	16,610
City of Fresno General Fund and Judgment Obligations	100	303,270
City of Fresno Pension Obligations	100	178,350
Other City General Fund Obligations	100	19,329
Coalinga Regional Medical Center General Fund Obligations	100	<u>5,515</u>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		1,303,526
Less: Fresno Unified School District QZABs supported by investment fund		6,690
Cities of Kingsburg self-supporting obligations		<u>3,135</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		1,293,701

GROSS COMBINED TOTAL DEBT	\$ 2,301,205 ⁽²⁾
NET COMBINED TOTAL DEBT	\$ 2,291,380

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

<u>Ratios to 2008-09 Assessed Valuation:</u>	
Total Overlapping Tax and Assessment Debt	1.57 %
<u>Ratios to Adjusted Assessed Valuation:</u>	
Combined Direct Debt (\$599,363)	1.02 %
Gross Combined Total Debt	3.90 %
Net Combined Total Debt	3.89 %
STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/09:	\$ 3,829

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	
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
2009	63,465,220	1.25%	793,315	-	-	-	793,315

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
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%
2009	685.83	1.02%	3.37%

**County of Fresno
Pledged-Revenue Coverage
Last Five Fiscal Years**

WW 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%
2009	197,120	644,511	(447,391)	30,000	2,340	-1383%

WW 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%
2009	131,989	267,890	(135,901)	30,000	2,430	-419%

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%
2009	1,004,754	717,278	287,476	120,000	300,770	68%

County of Fresno
Demographic and Economic Statistics
Last Ten 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	812,195	18,593	22,856	39,700	13.90%
2002	828,325	19,691	23,732	40,300	14.40%
2003	846,476	20,690	24,450	41,700	14.20%
2004	864,882	21,745	25,293	44,900	10.40%
2005	881,324	22,592	25,950	45,450	8.40%
2006	897,242	23,965	27,166	47,000	8.03%
2007	912,725	25,241	28,181	48,900	8.15%
2008	928,066	N/A	N/A	49,900	9.91%
2009	942,298	N/A	N/A	53,100	14.98%

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 2009.

^ 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 2009.

**County of Fresno
Principal Employers
Comparison between 2009 and 2003**

Employer	2009			2003		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Fresno Unified School District	10,000	1	2.23%	10,500	1	2.58%
County of Fresno	6,492	2	1.45%	7,200	3	1.76%
Community Medical Services	5,500	3	1.23%	6,000	4	1.47%
Clovis Unified School District	4,000	4	0.89%	4,000	5	0.98%
City of Fresno	3,131	5	0.70%	3,131	6	0.77%
Zacky Farms	2,500	6	0.56%			
Saint Agnes Medical	2,400	7	0.54%	2,400	7	0.59%
Children's Hospital of Central CA	2,200	8	0.49%	2,361	8	0.58%
Foster Farms	2,100	9	0.47%			
Internal Revenue Service	2,039	10	0.45%	7,224	2	1.77%
Kaiser Permanente Medical				1,852	9	0.45%
Pelco				1,500	10	0.37%
Total	<u>40,362</u>		<u>9.00%</u>	<u>46,168</u>		<u>11.31%</u>

Source: *Fresno Real Estate - Top employers in Fresno <http://www.empirefresno.com> and the Economic Development Corporation of Fresno County.*

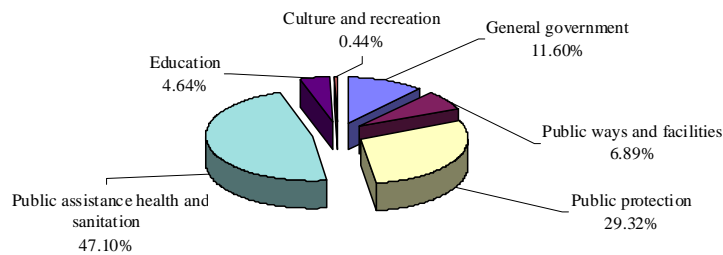
Note 1: *Percentages based on labor force of 448,400 in 2009 and 408,100 in 2003.*

Note 2: *Data for principle and interest in not available for 2000, therefore the 2003 data was used for comparison.*

County of Fresno
Employees by Function/Program
Last Eight 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>	<u>2009</u>
General government								
Administration	62	67	66	65	65	71	66	59
Planning	3	3	3	3	-	-	-	-
County Counsel	47	42	38	39	40	39	35	37
Finance	286	279	278	292	297	300	288	272
Internal Service	543	515	487	459	458	460	446	419
Other	31	31	32	56	54	40	40	38
Total	972	937	904	914	914	910	875	825
Public ways and facilities								
Planning	149	144	145	154	156	169	170	137
Roads	229	233	233	226	226	226	226	224
Community Development	22	23	23	23	23	22	19	19
Solid Waste	18	20	21	22	24	24	24	24
Other	97	97	95	98	98	97	97	86
Total	515	517	517	523	527	538	536	490
Public protection								
Sheriff	1,089	1,079	1,066	1,107	1,141	1,202	1,203	1,126
Probation	570	558	547	548	588	624	629	550
District Attorney	272	211	241	257	267	259	300	247
Public Defender	100	97	102	111	111	135	137	127
Coroner	44	42	42	42	40	40	40	35
Total	2,075	1,987	1,998	2,065	2,147	2,260	2,309	2,085
Public assistance health and sanitation								
Administration	368	295	194	90	90	90	85	70
Child & Family Services	1,127	1,081	1,042	1,078	1,066	1,073	978	923
Adult Services	654	700	684	704	469	465	452	337
Employee & Temporary Assistance	1,228	1,207	1,272	1,314	1,422	1,504	1,542	1,544
Community Health	683	687	682	700	714	701	658	457
In-Home Supportive Services	-	-	-	-	18	18	16	14
Veterans Services	-	-	-	-	4	4	4	4
Total	4,060	3,970	3,874	3,886	3,783	3,855	3,735	3,349
Education								
Library	390	387	381	377	321	331	338	330
Culture and recreation								
Parks and grounds	33	33	33	35	35	36	36	31
Total	8,045	7,831	7,707	7,800	7,727	7,930	7,829	7,110

Fiscal Year Ending 2009



Source: Proposed Budget

Note: Data for number of employees not available for the years 2000 and 2001.

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

Function/Program	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
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	70,343
Child support collected (in thousands)	\$ 86,303	\$ 87,692	\$ 87,416	\$ 85,633	\$ 82,328	\$ 82,043	\$ 83,450	\$ 86,387
<i>Sheriff</i>								
Zone offices	4	4	4	4	4	4	4	4
Patrol units	214	159	152	222	216	232	267	225
Dispatched calls	255,199	277,213	312,003	307,862	326,123	344,315	347,778	211,990
Physical arrests	6,868	6,507	6,199	6,029	6,219	5,930	7,675	5,523
Traffic citations	2,046	1,811	1,943	1,524	1,605	1,493	1,361	1,761
Stolen vehicles	1,002	1,046	990	1,019	1,090	1,020	952	933
Jail bookings	37,838	38,941	38,432	40,333	44,232	43,428	44,028	44,398
Avg. daily jail population	2,220	2,981	3,019	3,060	3,168	3,259	3,029	3,067
Public ways and facilities								
Street miles maintained	3,620	3,609	3,600	3,577	3,563	3,555	3,539	3,531
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	81,994
<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	6,021,653
Education								
<i>Library</i>								
Number of branches	34	34	34	35	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	3,970,156
Volumes borrowed	2,405,659	2,729,730	2,645,989	2,991,108	2,992,108	3,038,170	3,222,473	3,572,943
Culture and recreation								
<i>Parks & Grounds</i>								
Acreage	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Park passes issued	N/A	130	152	135	125	209	163	166

Source Various county departments

Note: Data for operating indicators is not available for the year 2000 and 2001.

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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

Glossary for the Comprehensive Annual Financial Report

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.

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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

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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

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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.