

**COUNTY OF FRESNO, CALIFORNIA
GRANTS FUNDED BY FIRST 5 FRESNO COUNTY**

**INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
JUNE 30, 2009**

**COUNTY OF FRESNO, CALIFORNIA
GRANTS FUNDED BY FIRST 5 FRESNO COUNTY
JUNE 30, 2009**

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INDEPENDENT AUDITOR'S REPORT

The Board of Supervisors
of the County of Fresno, California

We have audited the accompanying Statement of Source and Status of Cash and the related Statement of Budgets and Expenditures of the County of Fresno, California (County) Grants Funded by First 5 Fresno County (First 5) for the year ended June 30, 2009. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and certain provisions of First 5 contracts. 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 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 opinion.

As discussed in Note A, the County has prepared the accompanying financial statements, referenced above, for the purpose of complying with the audit requirements of First 5. The basis of accounting prescribed by First 5 is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referenced above present fairly, in all material respects, the Statement of Source and Status of Cash and the related Statement of Budgets and Expenditures of First 5 grants for the year ended June 30, 2009, on the basis of accounting described in Note A.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2009, on our consideration of the County's internal control over financial reporting of the grants and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Price Paige & Company

Clovis, California
December 22, 2009

**COUNTY OF FRESNO, CALIFORNIA
GRANTS FUNDED BY FIRST 5 FRESNO COUNTY
STATEMENT OF SOURCE AND STATUS OF CASH
JUNE 30, 2009**

<u>GRANT PROGRAM</u>	<u>Total SMART Model of Care Project</u>
BUDGET:	
Prop 10 - 09	<u>\$ 779,378</u>
EXPENDITURES - REIMBURSEMENTS:	
Earned and received	492,294
Requested but not yet received	<u>244,619</u>
Total reimbursements	<u>736,913</u>
TOTAL GRANT BALANCE UNUSED	<u><u>\$ 42,465</u></u>

**COUNTY OF FRESNO, CALIFORNIA
GRANTS FUNDED BY FIRST 5 FRESNO COUNTY
STATEMENT OF BUDGETS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2009**

<u>GRANT PROGRAM</u>	<u>Total SMART Model of Care Project</u>
BUDGET:	
Prop 10 - 09	\$ <u>779,378</u>
EXPENDITURES TO DATE:	
Professional services	682,326
Indirect costs	<u>54,587</u>
Total expenditures	<u>736,913</u>
TOTAL GRANT BALANCE UNUSED	\$ <u><u>42,465</u></u>

See accompanying Notes to the Financial Statements.

**COUNTY OF FRESNO, CALIFORNIA
GRANTS FUNDED BY FIRST 5 FRESNO COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

First 5 Fresno County (First 5) provides grants to local governments for a variety of programs, projects, services and activities that positively impact children from the prenatal stage to age five, their families, and their circles of influence. Revenues and expenditures related to the County's First 5 programs are included in the County of Fresno, California's (County) basic financial statements and are accounted for within the General Fund.

Financial Statement Presentation

The financial statements are prepared in accordance with the method of accounting required by First 5. They present the information requested by First 5 and, therefore, do not purport to reflect financial position or results of operations in accordance with accounting principles generally accepted in the United States of America.

Basis of Accounting

Revenues are recognized when grants and reimbursements are received or claimed from First 5. Expenditures are recognized as disbursed and are claimed subject to the approved budget limitations by cost category.

NOTE B – GRANTS AND REIMBURSEMENTS

The entire \$244,619 claimed by the County was a receivable at year-end.



REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

The Board of Supervisors
of the County of Fresno, California

We have audited the financial statements of County of Fresno, California (County) Grants funded by First 5 Fresno County (First 5) for the year ended June 30, 2009, and have issued our report thereon dated December 22, 2009. Our report contains an explanatory paragraph describing the County's policy of preparing financial statements in accordance with the instructions from First 5, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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; and certain provisions of First 5 contracts.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting, as it relates to the grants, as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's First 5 financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Supervisors, others within the entity, and First 5, and is not intended to be and should not be used by anyone other than these specified parties.

Price Pange & Company

Clovis, California
December 22, 2009