

Basic

Financial

Statements



Lorikeet at Wild Animal Park

ornia 92027-7017

lorikeet, Wild Animal Park

STATEMENT OF NET ASSETS

June 30, 2010 (In Thousands)

| | Primary Government | | | Component Unit |
|--|-------------------------|--------------------------|------------------|-------------------------|
| | Governmental Activities | Business-Type Activities | Total | First 5 Commission Fund |
| ASSETS | | | | |
| Pooled cash and investments | \$ 1,724,202 | 78,297 | 1,802,499 | 57,730 |
| Cash with fiscal agents | 31 | | 31 | |
| Investments with fiscal agents | 448,621 | | 448,621 | 126,311 |
| Receivables, net | 505,120 | 13,362 | 518,482 | 6,630 |
| Property taxes receivables, net | 196,250 | | 196,250 | |
| Internal balances | (3,417) | 3,417 | | |
| Inventories | 12,280 | | 12,280 | |
| Deposits with others | 31 | | 31 | |
| Prepaid items | 503 | | 503 | 3 |
| Deferred charges | 14,620 | | 14,620 | |
| Restricted assets: | | | | |
| Cash with fiscal agents | 283 | | 283 | 3,481 |
| Investments with fiscal agents | 73,844 | | 73,844 | |
| Lease receivable | 17,352 | | 17,352 | |
| Capital assets: | | | | |
| Land, easements and construction in progress | 563,102 | 32,751 | 595,853 | |
| Other capital assets, net of accumulated depreciation | 2,405,851 | 133,903 | 2,539,754 | |
| Total assets | 5,958,673 | 261,730 | 6,220,403 | 194,155 |
| LIABILITIES | | | | |
| Accounts payable | 172,961 | 7,126 | 180,087 | 17,406 |
| Accrued payroll | 39,711 | 199 | 39,910 | |
| Accrued interest | 26,291 | | 26,291 | |
| Unearned revenue | 226,570 | 37 | 226,607 | |
| Non-current liabilities: | | | | |
| Due within one year | 143,336 | 430 | 143,766 | 64 |
| Due in more than one year | 1,972,011 | 1,839 | 1,973,850 | 35 |
| Total liabilities | 2,580,880 | 9,631 | 2,590,511 | 17,505 |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | 2,595,105 | 164,845 | 2,759,950 | |
| Restricted for: | | | | |
| Creditors - Capital projects | 61,488 | | 61,488 | |
| Grantors - Housing assistance | 60,325 | | 60,325 | |
| Donations | 2,082 | | 2,082 | |
| Laws or regulations of other governments: | | | | |
| Landfill closure costs | 927 | | 927 | |
| Defray administrative costs, other general reserves | 26,104 | | 26,104 | |
| Teeter Tax Loss | 29,960 | | 29,960 | |
| Emergency medical services, various construction costs | 24,899 | | 24,899 | |
| Mental health | 12,949 | | 12,949 | |
| Social programs | 3,328 | | 3,328 | |
| Vector Control | 12,602 | | 12,602 | |
| Domestic violence and child abuse prevention | 3,130 | | 3,130 | |
| Sheriff vehicle maintenance and replacement | 1,138 | | 1,138 | |
| Fingerprinting equipment purchase and operation | 8,227 | | 8,227 | |
| Housing repairs and improvements | 426 | | 426 | |
| First 5 Commission | | | | 176,650 |
| Unrestricted | 535,103 | 87,254 | 622,357 | |
| Total net assets | \$ 3,377,793 | 252,099 | 3,629,892 | 176,650 |

STATEMENT OF ACTIVITIES

For the year ended June 30, 2010 (In Thousands)

| Functions/Programs: | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Assets | | | Component Unit First 5 Commission Fund |
|---------------------------------------|------------------|-------------------------|--|--|---|---------------------------------|------------------|---|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | Total | |
| | | | | | Governmental Activities | Business- Type Activities | | |
| Governmental Activities: | | | | | | | | |
| General government | \$ 304,305 | 90,503 | 49,739 | 12,282 | (151,781) | | (151,781) | |
| Public protection | 1,091,910 | 204,405 | 392,342 | 257 | (494,906) | | (494,906) | |
| Public ways and facilities | 131,982 | 17,899 | 116,429 | 20,707 | 23,053 | | 23,053 | |
| Health and sanitation | 681,448 | 110,081 | 471,523 | | (99,844) | | (99,844) | |
| Public assistance | 1,171,603 | 14,271 | 1,159,686 | | 2,354 | | 2,354 | |
| Education | 39,165 | 1,068 | 2,362 | | (35,735) | | (35,735) | |
| Recreation and cultural | 33,629 | 7,142 | 510 | | (25,977) | | (25,977) | |
| Interest expense | 111,942 | | | | (111,942) | | (111,942) | |
| Total governmental activities | 3,565,984 | 445,369 | 2,192,591 | 33,246 | (894,778) | | (894,778) | |
| Business-type activities: | | | | | | | | |
| Airport | 12,389 | 9,299 | 15,330 | | | 12,240 | 12,240 | |
| Sanitation Districts | 18,831 | 19,823 | | | | 992 | 992 | |
| Wastewater Management | 5,523 | 6,616 | | | | 1,093 | 1,093 | |
| Total business-type activities | 36,743 | 35,738 | 15,330 | | | 14,325 | 14,325 | |
| Total primary government | 3,602,727 | 481,107 | 2,207,921 | 33,246 | (894,778) | 14,325 | (880,453) | |
| Component Unit: | | | | | | | | |
| First 5 Commission | \$ 59,178 | | 37,062 | | | | | (22,116) |

Continued

STATEMENT OF ACTIVITIES

For the year ended June 30, 2010 (In Thousands)

| (Continued) | Net (Expense) Revenue and Changes in Net Assets | | | |
|--|---|--------------------------|-----------|-------------------------|
| | Primary Government | | | Component Unit |
| | Governmental Activities | Business-Type Activities | Total | First 5 Commission Fund |
| Changes in net assets: | | | | |
| Net (expense) revenue | \$ (894,778) | 14,325 | (880,453) | (22,116) |
| General revenues | | | | |
| Taxes: | | | | |
| Property taxes | 593,553 | | 593,553 | |
| Other taxes | 15,991 | | 15,991 | |
| Property taxes in lieu of vehicle license fees | 308,842 | | 308,842 | |
| Sales and use taxes | 20,576 | | 20,576 | |
| Total general tax revenues | 938,962 | | 938,962 | |
| Investment income | 30,941 | 1,046 | 31,987 | 3,965 |
| Other | 85,693 | 18 | 85,711 | |
| Total general revenues | 1,055,596 | 1,064 | 1,056,660 | 3,965 |
| Transfers | 345 | (345) | | |
| Total general revenues and transfers | 1,055,941 | 719 | 1,056,660 | 3,965 |
| Change in net assets | 161,163 | 15,044 | 176,207 | (18,151) |
| Net assets at beginning of year | 3,216,630 | 237,055 | 3,453,685 | 194,801 |
| Net assets at end of year | \$ 3,377,793 | 252,099 | 3,629,892 | 176,650 |

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2010 (In Thousands)

| | General Fund | Public Safety Fund | Tobacco Endowment Fund | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|--------------------|------------------------|--------------------------|--------------------------|
| ASSETS | | | | | |
| Pooled cash and investments | \$ 1,121,752 | 18,315 | 2,530 | 402,237 | 1,544,834 |
| Cash with fiscal agents | 31 | | | | 31 |
| Investments with fiscal agents | 2 | | 408,027 | 40,592 | 448,621 |
| Receivables, net | 338,969 | 33,423 | 5,032 | 125,641 | 503,065 |
| Property taxes receivables, net | 195,499 | | | 751 | 196,250 |
| Due from other funds | 67,382 | | | 11,971 | 79,353 |
| Inventories | 9,418 | | | 1,512 | 10,930 |
| Deposits with others | | | | 31 | 31 |
| Prepaid items | 62 | | | 441 | 503 |
| Restricted assets: | | | | | |
| Cash with fiscal agents | 146 | | | 137 | 283 |
| Investments with fiscal agents | | | | 73,844 | 73,844 |
| Lease receivable | 8,454 | | | 8,898 | 17,352 |
| Total assets | 1,741,715 | 51,738 | 415,589 | 666,055 | 2,875,097 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities | | | | | |
| Accounts payable | 96,014 | | | 39,516 | 135,530 |
| Accrued payroll | 36,576 | | | 2,168 | 38,744 |
| Due to other funds | 36,888 | 46,939 | 3,314 | 21,633 | 108,774 |
| Deferred revenues | 130,190 | | | 44,527 | 174,717 |
| Unearned revenue | 221,939 | | | 3,990 | 225,929 |
| Total liabilities | 521,607 | 46,939 | 3,314 | 111,834 | 683,694 |
| FUND BALANCES | | | | | |
| Reserved fund balance: | | | | | |
| Reserved for loans, due from other funds and prepaids | 6,765 | | | 58,349 | 65,114 |
| Reserved for deposits with others | | | | 19 | 19 |
| Reserved for landfill closure costs | 927 | | | | 927 |
| Reserved for inventories | 9,418 | | | 1,512 | 10,930 |
| Reserved for debt service | | | | 78,839 | 78,839 |
| Reserved for housing repairs and improvements | | | | 426 | 426 |
| Reserved for other purposes | 145,147 | | | 36,755 | 181,902 |
| Unreserved: | | | | | |
| Designated for encumbrances | 267,340 | 3,606 | | | 270,946 |
| Designated for economic uncertainty | 100,000 | | | | 100,000 |
| Designated for realignment health, mental health and social services | 73,729 | | | | 73,729 |
| Designated for unforeseen catastrophic events | 55,500 | | | | 55,500 |
| Designated for subsequent years' expenditures | 66,815 | | | | 66,815 |
| Designated for landfill postclosure and landfill closure costs | 852 | | | | 852 |
| Undesignated | 493,615 | 1,193 | 412,275 | | 907,083 |
| Unreserved, reported in nonmajor: | | | | | |
| Special Revenue Funds | | | | | |
| Designated for encumbrances | | | | 24,881 | 24,881 |
| Designated for subsequent years' expenditures | | | | 31,095 | 31,095 |
| Designated for landfill postclosure and landfill closure costs | | | | 60,972 | 60,972 |
| Undesignated | | | | 171,447 | 171,447 |
| Capital Projects Funds | | | | | |
| Undesignated | | | | 89,926 | 89,926 |
| Total fund balances | 1,220,108 | 4,799 | 412,275 | 554,221 | 2,191,403 |
| Total liabilities and fund balances | \$ 1,741,715 | 51,738 | 415,589 | 666,055 | 2,875,097 |

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE
STATEMENT OF NET ASSETS**
June 30, 2010
(In Thousands)

| | |
|---|---------------------|
| Total fund balances - governmental funds. | \$ 2,191,403 |
| Capital assets used in governmental activities (excluding internal service funds) are not current financial resources and, therefore, are not reported in the balance sheet. This amount represents capital assets net of accumulated depreciation. | 2,901,048 |
| Unamortized issuance costs - bonds, notes and loans payable deferred charges (to be amortized over the life of the debt). | 14,620 |
| Accrued interest on long-term debt. | (26,287) |
| Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds and recognized as revenue in the statement of activities. | 174,717 |
| Long-term liabilities, including bonds, notes, and loans payable, are not due and payable in the current period and, therefore, are not reported in the balance sheet. | (1,990,073) |
| Internal service funds are used by management to charge the costs of information technology, vehicle operations and maintenance, employee benefits, public liability, road and communications services, materials and supplies (purchasing), and facilities services to individual funds; loans for start-up services for new and existing county service districts; and the financing of clothing and personal sundry items for persons institutionalized at various county facilities. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets. | 112,365 |
| Net assets of governmental activities | \$ 3,377,793 |

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2010 (In Thousands)

| | General Fund | Public Safety Fund | Tobacco Endowment Fund | Other Governmental Funds | Total Governmental Funds |
|---|---------------------|--------------------|---------------------------|-----------------------------|-----------------------------|
| Revenues: | | | | | |
| Taxes | \$ 904,515 | | | 41,809 | 946,324 |
| Licenses, permits and franchise fees | 40,967 | | | 6,611 | 47,578 |
| Fines, forfeitures and penalties | 53,996 | | | 3,873 | 57,869 |
| Revenue from use of money and property | 23,171 | | 9,470 | 13,459 | 46,100 |
| Aid from other governmental agencies: | | | | | |
| State | 814,553 | 189,376 | | 132,827 | 1,136,756 |
| Federal | 824,821 | | | 138,464 | 963,285 |
| Other | 91,478 | | | 11,230 | 102,708 |
| Charges for current services | 277,252 | | | 41,031 | 318,283 |
| Other revenue | 33,757 | | | 47,462 | 81,219 |
| Total revenues | 3,064,510 | 189,376 | 9,470 | 436,766 | 3,700,122 |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 197,124 | | | 8,332 | 205,456 |
| Public protection | 1,055,315 | | | 8,575 | 1,063,890 |
| Public ways and facilities | 10,063 | | | 56,330 | 66,393 |
| Health and sanitation | 635,148 | | | 40,108 | 675,256 |
| Public assistance | 1,034,340 | | | 134,947 | 1,169,287 |
| Education | 906 | | | 36,516 | 37,422 |
| Recreation and cultural | 28,102 | | | 1,880 | 29,982 |
| Capital outlay | 27,184 | | | 178,328 | 205,512 |
| Debt service: | | | | | |
| Principal | 28,777 | | | 140,282 | 169,059 |
| Interest and fiscal charges | 17,025 | | | 84,011 | 101,036 |
| Bond issuance costs | | | | 739 | 739 |
| Payment to refunded bond escrow agent | 4,436 | | | 10,941 | 15,377 |
| Total expenditures | 3,038,420 | | | 700,989 | 3,739,409 |
| Excess (deficiency) of revenues over (under) expenditures | 26,090 | 189,376 | 9,470 | (264,223) | (39,287) |
| Other financing sources (uses): | | | | | |
| Sale of capital assets | 338 | | | 27 | 365 |
| Issuance of bonds and loans: | | | | | |
| Premium on issuance of refunding bonds | | | | 7,803 | 7,803 |
| Refunding bonds issued | | | | 80,940 | 80,940 |
| Payment to escrow agent/refunded bond | | | | (83,173) | (83,173) |
| Transfers in | 226,039 | | | 225,979 | 452,018 |
| Transfers out | (223,042) | (188,226) | (24,200) | (22,215) | (457,683) |
| Total other financing sources (uses) | 3,335 | (188,226) | (24,200) | 209,361 | 270 |
| Net change in fund balances | 29,425 | 1,150 | (14,730) | (54,862) | (39,017) |
| Fund balances at beginning of year | 1,190,038 | 3,649 | 427,005 | 609,177 | 2,229,869 |
| Increase (decrease) in | | | | | |
| Reserve for inventories | 645 | | | (94) | 551 |
| Fund balances at end of year | \$ 1,220,108 | 4,799 | 412,275 | 554,221 | 2,191,403 |

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2010
(In Thousands)**

| | |
|--|-------------|
| Net change in fund balances - total governmental funds | \$ (39,017) |
| Governmental funds accrue property tax revenue which is deemed collectible within 60 days. However, for the statement of activities the total amount estimated to ultimately be collected is accrued. | (7,362) |
| Revenues that do not provide current financial resources are not reported as revenues in the funds (deferred revenue) but are recognized as revenue in the statement of activities. | (7,216) |
| Adjustment to reserve for inventories. | 551 |
| Change in accounting estimate for closure and postclosure costs - (public protection function) - San Marcos Landfill. | 376 |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. | 103,872 |
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets. | (68,690) |
| The issuance of long-term debt (e.g. bonds, notes, and loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. | 182,133 |
| Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | (14,032) |
| Internal service funds are used by management to charge the costs of centralized services to individual funds. The net revenue (or expense) of internal service funds is reported within governmental activities. | 10,548 |
| Change in net assets - governmental activities | \$ 161,163 |

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS**

June 30, 2010 (In thousands)

| | Business-Type Activities | Governmental Activities |
|---|-----------------------------|----------------------------|
| | Enterprise Funds | Internal Service Funds |
| ASSETS | | |
| Current assets: | | |
| Pooled cash and investments | \$ 78,297 | 179,368 |
| Receivables, net | 13,362 | 2,055 |
| Due from other funds | 266 | 31,337 |
| Inventories | | 1,350 |
| Total current assets | 91,925 | 214,110 |
| Noncurrent assets: | | |
| Due from other funds | 3,363 | 98 |
| Capital assets: | | |
| Land | 11,565 | |
| Construction in progress | 21,186 | 341 |
| Buildings and improvements | 102,874 | |
| Equipment | 1,307 | 127,324 |
| Software | | 66,697 |
| Road network | 6,362 | |
| Sewer network | 85,632 | |
| Accumulated depreciation | (62,272) | (126,457) |
| Total noncurrent assets | 170,017 | 68,003 |
| Total assets | 261,942 | 282,113 |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 7,126 | 37,431 |
| Accrued payroll | 199 | 967 |
| Accrued interest | | 4 |
| Due to other funds | 703 | 4,940 |
| Unearned revenue | 37 | 641 |
| Bonds and loans payable | 242 | 698 |
| Capital lease payable | | 28 |
| Compensated absences | 188 | 900 |
| Claims and judgments | | 32,066 |
| Total current liabilities | 8,495 | 77,675 |
| Noncurrent liabilities: | | |
| Bonds and loans payable | 1,567 | 4,035 |
| Capital lease payable | | 214 |
| Compensated absences | 272 | 1,300 |
| Claims and judgments | | 86,033 |
| Total noncurrent liabilities | 1,839 | 91,582 |
| Total liabilities | 10,334 | 169,257 |
| NET ASSETS | | |
| Invested in capital assets, net of related debt | 164,845 | 67,663 |
| Unrestricted net assets | 86,763 | 45,193 |
| Total net assets | \$ 251,608 | 112,856 |

Reconciliation between net assets - enterprise funds and net assets of business-type activities as reported in the government-wide statement of net assets

| | |
|---|------------|
| Total net assets | \$ 251,608 |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds | 491 |
| Net assets of business-type activities | \$ 252,099 |

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS PROPRIETARY FUNDS

For the Year Ended June 30, 2010 (In Thousands)

| | Business-Type Activities | Governmental Activities |
|---|-----------------------------|----------------------------|
| | Enterprise Funds | Internal Service Funds |
| Operating revenues: | | |
| Charges for current services | \$ 35,738 | 316,559 |
| Other revenue | 18 | 4,162 |
| Total operating revenues | 35,756 | 320,721 |
| Operating expenses: | | |
| Salaries and employee benefits | 6,766 | 33,526 |
| Repairs and maintenance | 7,698 | 37,622 |
| Equipment rental | 930 | 1,118 |
| Sewage processing | 11,119 | |
| Contracted services | 4,315 | 149,065 |
| Depreciation | 3,493 | 16,983 |
| Utilities | 245 | 17,748 |
| Cost of material | | 1,815 |
| Claims and judgments | | 30,551 |
| Fuel | 9 | 9,577 |
| Other operating expenses | 1,926 | 25,466 |
| Total operating expenses | 36,501 | 323,471 |
| Operating income (loss) | (745) | (2,750) |
| Nonoperating revenues (expenses): | | |
| Grants | 15,330 | 5,166 |
| Investment income | 1,046 | 1,573 |
| Interest expense | (115) | (144) |
| Gain (loss) on disposal of assets | | (647) |
| Total nonoperating revenues (expenses) | 16,261 | 5,948 |
| Income (loss) before capital contributions and transfers | 15,516 | 3,198 |
| Capital contributions | | 1,213 |
| Transfers in | 309 | 10,737 |
| Transfers out | (654) | (4,727) |
| Change in net assets | 15,171 | 10,421 |
| Net assets (deficits) at beginning of year | 236,437 | 102,435 |
| Net assets (deficits) at end of year | \$ 251,608 | 112,856 |

Reconciliation between changes in net assets - enterprise funds and changes in net assets of business-type activities as reported in the government-wide statement of activities

| | |
|---|------------------|
| Change in net assets | \$ 15,171 |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds | (127) |
| Change in net assets of business-type activities | \$ 15,044 |

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended June 30, 2010 (In Thousands)

| | Business-Type Activities | Governmental Activities |
|--|-----------------------------|----------------------------|
| | Enterprise Funds | Internal Service Funds |
| Cash flows from operating activities: | | |
| Cash received from customers | \$ 29,789 | 11,502 |
| Cash received from other funds | 6,903 | 309,767 |
| Cash payments to suppliers | (26,704) | (231,270) |
| Cash payments to employees | (6,724) | (33,736) |
| Cash payments to other funds | (1,403) | (14,114) |
| Cash paid for judgments and claims | | (20,980) |
| Net cash provided (used) by operating activities | 1,861 | 21,169 |
| Cash flows from noncapital financing activities: | | |
| Operating grants | 7,934 | 6,432 |
| Transfers from other funds | 309 | 10,737 |
| Transfers to other funds | (654) | (4,727) |
| Advances to other funds | | 107 |
| Principal paid on long-term debt | | (522) |
| Interest paid on long-term debt | | (129) |
| Proceeds from loans | | 1,028 |
| Net cash provided (used) by non-capital financing activities | 7,589 | 12,926 |
| Cash flows from capital and related financing activities: | | |
| Capital contributions | | 146 |
| Acquisition of capital assets | (13,267) | (14,613) |
| Proceeds from sale of assets | 8 | 1,453 |
| Principal paid on long-term debt | (229) | |
| Principal paid on capital lease | | (26) |
| Interest paid on long-term debt | (115) | |
| Interest paid on capital lease | | (14) |
| Net cash provided (used) by capital and related financing activities | (13,603) | (13,054) |
| Cash flows from investing activities: | | |
| Investment income | 1,174 | 1,756 |
| Net increase (decrease) in cash and cash equivalents | (2,979) | 22,797 |
| Cash and cash equivalents - beginning of year | 81,276 | 156,571 |
| Cash and cash equivalents - end of year | 78,297 | 179,368 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | |
| Operating income (loss) | (745) | (2,750) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | |
| Decrease (increase) in accounts receivables | 696 | 1,899 |
| Decrease (increase) in due from other funds | 229 | (4,809) |
| Decrease (increase) in inventory | | 397 |
| Increase (decrease) in accounts payable | (1,441) | (352) |
| Increase (decrease) in accrued payroll | 31 | 127 |
| Increase (decrease) in due to other funds | (423) | 58 |
| Increase (decrease) in unearned revenue | 9 | 333 |
| Increase (decrease) in compensated absences | 12 | (288) |
| Increase (decrease) in claims and judgments | | 9,571 |
| Depreciation | 3,493 | 16,983 |
| Total adjustments | 2,606 | 23,919 |
| Net cash provided (used) by operating activities | 1,861 | 21,169 |
| Non-cash investing and capital financing activities: | | |
| Capital acquisitions included in accounts payable | 6,705 | 3,096 |
| Acquisition of capital leased asset | | 268 |
| Governmental contributions of capital assets | \$ | 1,067 |

STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS

June 30, 2010 (In Thousands)

| | Investment Trust Funds | Agency Funds |
|--|---------------------------|----------------|
| ASSETS | | |
| Pooled cash and investments | \$ 2,982,687 | 351,847 |
| Cash with fiscal agents | | 1,685 |
| Investments with fiscal agents | 156,034 | |
| Receivables: | | |
| Accounts receivable | | 282 |
| Investment income receivable | 6,831 | 6,645 |
| Total assets | 3,145,552 | 360,459 |
| LIABILITIES | | |
| Accounts payable | | 23,151 |
| Warrants outstanding | | 171,207 |
| Accrued payroll | | 38 |
| Due to other governments | | 166,063 |
| Total liabilities | | 360,459 |
| NET ASSETS | | |
| Held in trust for pool participants | 2,989,491 | |
| Held in trust for individual investment accounts | 156,061 | |
| Total held in trust | \$ 3,145,552 | |

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS**

For the Year Ended June 30, 2010 (In Thousands)

| | Investment Trust Funds |
|--|---------------------------|
| ADDITIONS | |
| Contributions: | |
| Contributions to investments | \$ 5,303,460 |
| Total contributions | 5,303,460 |
| Investment earnings: | |
| Net increase (decrease) in fair value of Investments | (1,850) |
| Investment income | 43,905 |
| Total investment earnings | 42,055 |
| Total additions | 5,345,515 |
| DEDUCTIONS | |
| Distributions from investments | 5,973,768 |
| Total deductions | 5,973,768 |
| Change in net assets | (628,253) |
| Net assets at beginning of year | 3,773,805 |
| Net assets at end of year | \$ 3,145,552 |