

COUNTY OF ALPINE

AUDIT REPORT

JUNE 30, 2011

COUNTY OF ALPINE

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INDEPENDENT AUDITOR'S REPORT

Board of Supervisors and Grand Jury
County of Alpine
Markleeville, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Alpine (County), California, as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the County of Alpine, California. Our responsibility is to express opinions 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. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Alpine, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued under separate cover, our report dated May 18, 2012, on our consideration of the County of Alpine'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 controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial

Board of Supervisors and Grand Jury
County of Alpine

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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with us with sufficient evidence to express an opinion or provide any assurances.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Gallina LLP

Roseville, California
May 18, 2012

COUNTY OF ALPINE

Management's Discussion and Analysis Required Supplementary Information June 30, 2011

In this section of the annual financial report, County management discusses financial results for the fiscal year ended June 30, 2011. This discussion and analysis should be read in conjunction with the County's financial statements following this section.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded liabilities at the close of the 2010-2011 fiscal year by \$31,358,967 (*net assets*). Of this amount, \$7,043,686 (*unrestricted net assets*) may be used to meet ongoing obligations to citizens and creditors, \$14,889,126 is restricted for specific purposes (*restricted net assets*), and \$9,426,155 is invested in capital assets, net of related debt. The government's total net assets increased by \$4,793,839.
- The County governmental funds reported combined fund balances of \$22,054,661, an increase of \$3,194,558 in comparison with the prior year.
- The County's unassigned fund balance for the general fund was \$4,799,857 or 80.4% of total general fund expenditures.
- The County's investment in capital assets, net of related debt, increased by \$1,933,774.
- The County's total long-term liabilities decreased by \$71,629 in comparison with the prior year. There were no new capital leases.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of 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

Government-wide financial statements are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business, which is using the accrual basis of accounting. The Government-wide Financial Statements are comprised of the following two components:

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.

COUNTY OF ALPINE

Management's Discussion and Analysis Required Supplementary Information June 30, 2011

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

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 (e.g., uncollected taxes and earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or in part a portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education and recreation. The business-type activities of the County include Alpine Transit Service.

Fund Financial Statements

Fund financial statements are groupings of related accounts that are 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 funds of the County are 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 a county's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

COUNTY OF ALPINE

Management's Discussion and Analysis Required Supplementary Information June 30, 2011

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

The County maintains six individual governmental funds that are considered major funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General, Road, Social Services, Mental Health Services Act, Miscellaneous Grants, and STPUD Mitigation Funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Proprietary funds are maintained two ways: *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 an enterprise fund to account for the County's Alpine Transit Service. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The enterprise fund operations are not considered to be major funds of the County. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses no internal service funds.

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 those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds except for agency funds. The County maintains various agency funds and investment trust funds that are aggregated for financial statement presentation.

Notes to the Basic Financial Statements

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.

Required Supplementary Information

Required Supplementary Information is presented concerning the County's major funds budgetary schedules. The County adopts an annual appropriated budget for its funds. Budgetary comparison schedules have been provided for the General Fund and major special revenue funds to demonstrate compliance with this budget.

COUNTY OF ALPINE

Management's Discussion and Analysis Required Supplementary Information June 30, 2011

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Following is the comparative analysis of government-wide data for fiscal years 2010-11 and 2009-10.

Statement of Net Assets June 30, 2011 and 2010

	Governmental Activities		Business-Type Activities		Totals		Variance (%)
	2011	2010	2011	2010	2011	2010	
Current and Other Assets	\$ 26,984,442	\$ 23,892,778	\$ 46,339	\$ 61,508	\$ 27,030,781	\$ 23,954,286	12.8%
Capital Assets	9,784,547	7,883,208	41,608	49,173	9,826,155	7,932,381	23.9%
Total Assets	<u>36,768,989</u>	<u>31,775,986</u>	<u>87,947</u>	<u>110,681</u>	<u>36,856,936</u>	<u>31,886,667</u>	<u>15.6%</u>
Current and Other Liabilities	3,682,134	4,099,142	86,452	101,621	3,768,586	4,200,763	-10.3%
Long-Term Liabilities	1,729,383	1,120,776	--	--	1,729,383	1,120,776	54.3%
Total Liabilities	<u>5,411,517</u>	<u>5,219,918</u>	<u>86,452</u>	<u>101,621</u>	<u>5,497,969</u>	<u>5,321,539</u>	<u>3.3%</u>
Invested in Capital Assets, net of debt	9,384,547	7,443,208	41,608	49,173	9,426,155	7,492,381	25.8%
Restricted	14,889,126	13,142,089	--	--	14,889,126	13,142,089	13.3%
Unrestricted	7,083,799	5,970,771	(40,113)	(40,113)	7,043,686	5,930,658	18.8%
Total Net Assets	<u>\$ 31,357,472</u>	<u>\$ 26,556,068</u>	<u>\$ 1,495</u>	<u>\$ 9,060</u>	<u>\$ 31,358,967</u>	<u>\$ 26,565,128</u>	<u>18.0%</u>

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 \$31,358,967 at the close of the most recent fiscal year.

A significant portion of the County's net assets, \$7,043,686, represents *unrestricted net assets* which may be used to meet the County's ongoing obligations to citizens and creditors.

Another important portion of the County's net assets, \$9,426,155, reflects its investment in capital assets (e.g. land and easements, structures and improvements, infrastructure, and equipment), less any related debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At the end of the current fiscal year, the County reported positive net asset balances, both for its separate governmental and business-type activities.

The County's net assets increased \$4,793,839 during the current fiscal year, due to revenues exceeding expenses. Please refer to the chart below for detail on the County's revenues and expenses. The \$1,933,774 increase in net assets invested in capital assets, net of related debt, represents capital purchases net of depreciation plus the retirement of related long-term debt.

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Management's Discussion and Analysis Required Supplementary Information June 30, 2011

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

Statement of Activities For the Years Ended June 30, 2011 and 2010

Revenues	Governmental Activities		Business-Type Activities		Total		Variance (%)
	2011	2010	2011	2010	2011	2010	
Program Revenues:							
Fees, fines, and charges for services	\$ 883,398	\$ 938,161	\$ 2,909	\$ 1,606	\$ 886,307	\$ 939,767	-5.7%
Operating grants and contributions	8,257,030	8,283,516	62,803	51,365	8,319,833	8,334,881	-0.2%
Capital grants and contributions	1,460,433	10,751	--	51,886	1,460,433	62,637	2231.6%
General Revenues:							
Property Taxes	5,394,212	5,740,725	--	--	5,394,212	5,740,725	-6.0%
Sales and Use Taxes	339,695	307,354	--	--	339,695	307,354	10.5%
Other Taxes	549,269	478,283	--	--	549,269	478,283	14.8%
Miscellaneous	--	141,706	--	--	--	141,706	0.0%
Interest and Investment earnings	765,229	232,474	375	84	765,604	232,558	229.2%
Total Revenues	17,649,266	16,132,970	66,087	104,941	17,715,353	16,237,911	9.1%
Expenses							
General government	3,950,001	3,616,008	--	--	3,950,001	3,616,008	9.2%
Public protection	4,136,484	4,468,071	--	--	4,136,484	4,468,071	-7.4%
Public ways and facilities	1,655,206	2,189,373	--	--	1,655,206	2,189,373	-24.4%
Health and sanitation	1,582,035	1,713,046	--	--	1,582,035	1,713,046	-7.6%
Public assistance	1,103,304	1,342,804	--	--	1,103,304	1,342,804	-17.8%
Education	270,712	311,973	--	--	270,712	311,973	-13.2%
Recreation	122,385	122,869	--	--	122,385	122,869	-0.4%
Interest on long-term debt	27,735	30,014	--	--	27,735	30,014	-7.6%
Alpine transit service	--	--	73,652	55,768	73,652	55,768	32.1%
Total Expenses	12,847,862	13,794,158	73,652	55,768	12,921,514	13,849,926	-6.7%
Change in Net Assets	4,801,404	2,338,812	(7,565)	49,173	4,793,839	2,387,985	100.7%
Net Assets - Beginning	26,556,068	24,217,256	9,060	(21,938)	26,565,128	24,195,318	9.8%
Net Assets - Ending	\$ 31,357,472	\$ 26,556,068	\$ 1,495	\$ 27,235	\$ 31,358,967	\$ 26,583,303	18.0%

The County's revenues increased by \$1,477,442 or 9.1% over prior year. Those specific revenue types exhibiting significant changes this year over last year are discussed below:

- Increase of \$1,382,748 in operating and capital grants/contributions caused by an increase in federal grant funding.
- Decrease of \$346,513 in property taxes caused by a small decrease in property values.
- Increase of \$533,046 in interest and investment earnings due to an increase in rental income from Leviathan Peak.

The following provides an explanation of expenses by function that changed significantly over the prior year:

- Decrease of \$534,167, or -24.4%, to the public ways and facilities function primarily due to an increase in road repair caused by additional federal funding.
- Decrease of \$239,500, or -17.8%, to the public assistance function primarily due to grant expense reductions.

COUNTY OF ALPINE

Management's Discussion and Analysis
Required Supplementary Information
June 30, 2011

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 contained in the General and Special Revenue and Capital Projects Funds. Included in these funds are the special districts governed by the Board of Supervisors. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *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.

The County's management may assign fund balance for a particular function, project or activity. Fund balance may be assigned for purposes beyond the current year. However, assigned fund balance is available for appropriation at any time.

**Net Change in Fund Balance
Governmental Funds
For Fiscal Years Ended June 30, 2011 and 2010**

	FY 2010/11	FY 2009/10	Increase (Decrease) Amount
Fund Balance - Beginning of Year	\$ 18,860,103	\$ 16,780,961	\$ 2,079,142
Revenues	18,795,641	16,877,554	1,918,087
Expenditures	(15,601,083)	(14,798,412)	(802,671)
Change in net assets	3,194,558	2,079,142	1,115,416
Fund Balance - Ending of Year	\$ 22,054,661	\$ 18,860,103	\$ 3,194,558

At June, 30, 2011, the County's governmental funds reported combined fund balances of \$22,054,661. Of these combined fund balances, \$4,752,907 is spendable without restriction, of that amount \$4,414,113 constitutes *unassigned fund balance* while \$338,794 constitutes *assigned fund balance of the Permanent and Capital Projects Funds*, which is available to meet the County's current and future needs. Of the remaining fund balance, \$14,889,126 is *restricted fund balance* due to constraints imposed by external forces or by enabling legislation of the County. The remainder of the fund balance, \$2,412,628, is *nonspendable fund balance* comprised of advances to other funds, inventory, deposit with others, and permanent fund.

The General Fund is the County's main operating fund. During the year, unassigned fund balance in the General Fund increased by \$593,308. The increase was primarily the result of a \$442,070 increase in fund balance and a \$151,238 decrease in nonspendable fund balance due to a reduction in deposits with others.

COUNTY OF ALPINE

Management's Discussion and Analysis Required Supplementary Information June 30, 2011

The County uses the Road Fund to account for maintenance and construction of roads within the County. During the year, restricted fund balance decreased by \$205,746 during the year. The decrease was primarily the result of a \$210,835 decrease in fund balance and a \$5,089 decrease in nonspendable fund balance due to a reduction in inventory.

The County uses the Social Services Fund to account for public assistance programs provided within the County. The fund experienced a decrease in its restricted fund balance of \$513,275 during the year due to a \$513,275 decrease in the change in fund balance, which was created primarily by a decrease in intergovernmental revenues.

The Mental Health Services Act Fund was established to account for Proposition 63 revenues. The fund recognizes revenues as they are spent on mental health care programs. During the fiscal year, the fund recognized revenues of \$2,663,987 against program expenditures and carried over \$2,341,430 in restricted fund balance to next year.

The STPUD Mitigation Fund, used by the County to account for payments received from the South Tahoe Public Utility District, reported an increase in restricted fund balance of \$155,547 during the year. The increase was primarily the result of a \$126,524 increase in fund balance and a \$29,023 decrease in nonspendable fund balance due to a reduction in advances to other funds.

The County accounts for various federal and state cost reimbursement grants in the Miscellaneous Grants Fund. For fiscal year 2010-2011, the fund incurred \$107,289 more revenues than expenditures because of an increase in intergovernmental revenues.

Budgetary Comparison Schedule General Fund

	Original	Final	Actual	Variance with Final Budget	
	Budget	Budget	Amounts	Amount	Percent
Total Resources	\$ 6,265,715	\$ 6,306,515	\$ 7,168,276	\$ 861,761	12.02%
Total Charges to Appropriations	7,546,003	7,702,875	6,726,206	976,669	14.52%
Net Change in Fund Balances	<u>\$ (1,280,288)</u>	<u>\$ (1,396,360)</u>	<u>\$ 442,070</u>	<u>\$ 1,838,430</u>	<u>26.54%</u>

Resources (revenues) and appropriations (expenditures) represent the legal level of budgetary controls. During the year, actual general fund revenues were \$7,168,276 or 12.02% more than budgeted. In addition, actual general fund expenditures were \$6,726,206 or 14.52% under budget.

COUNTY OF ALPINE

Management's Discussion and Analysis Required Supplementary Information June 30, 2011

CAPITAL ASSETS

The County's investment in capital assets as of June 30, 2011, amounted to \$9,826,155 (net of accumulated depreciation). This investment in a broad range of capital assets includes land, infrastructure (roads and bridges), structures and improvements, and equipment.

The following table shows the County's total investment in capital assets for governmental and proprietary funds. Additional information on the County's capital assets can be found in Note 4 in the Notes to the Financial Statements.

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 1,119,288	\$ 1,119,288	\$ --	\$ --	\$ 1,119,288	\$ 1,119,288
Construction in progress	3,187,191	2,321,585	--	--	3,187,191	2,321,585
Structures & improvements	5,939,775	5,183,989	--	--	5,939,775	5,183,989
Equipment	6,569,766	6,494,986	52,955	52,955	6,622,721	6,547,941
Infrastructure	34,694,917	33,598,640	--	--	34,694,917	33,598,640
Total	51,510,937	48,718,488	52,955	52,955	51,563,892	48,771,443
Accumulated depreciation	(41,726,390)	(40,835,280)	(11,347)	(3,782)	(41,737,737)	(40,839,062)
Net Capital Assets	<u>\$ 9,784,547</u>	<u>\$ 7,883,208</u>	<u>\$ 41,608</u>	<u>\$ 49,173</u>	<u>\$ 9,826,155</u>	<u>\$ 7,932,381</u>

LONG-TERM LIABILITIES

At June 30, 2011, the County had total long-term liabilities outstanding of \$1,073,997 as compared to \$1,145,626 in the prior year. During the year, retirement of liabilities amounted to \$235,866, while additions to long-term liabilities amounted to \$164,237.

The following table shows the composition of the County's total outstanding long-term liabilities for governmental activities (the County's business-type activities do not have long-term liabilities).

	Governmental Activities	
	2011	2010
Capital lease payable	\$ 400,000	\$ 440,000
Compensated absences	371,650	405,460
Liability for self-insurance	302,347	300,166
Total	1,073,997	1,145,626
Less current portion	(538,172)	(542,896)
Net Long-term debt	<u>\$ 535,825</u>	<u>\$ 602,730</u>

Additional information on the County's long term debt can be found in Note 5 in the Notes to the Financial Statements.

COUNTY OF ALPINE

Management's Discussion and Analysis
Required Supplementary Information
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ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

In the 2011-2012 budget year, the County must continue to be committed to maintain conservative administrative practices in financial management to avoid erosion of our sound financial base while planning for future obligations. We must recognize the broader prolonged economic slow-down and its effect on revenue as well as planning for possible cash flow issues due to both the State budget shortfall and the delay of grant reimbursement payments.

REQUESTS 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 Alpine County Auditor's Office at P.O. Box 266, Markleeville, California 96120.

**BASIC FINANCIAL STATEMENTS –
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

COUNTY OF ALPINE

Statement of Net Assets
June 30, 2011

<u>ASSETS</u>	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
Cash and investments	\$ 23,574,479	\$ 46,230	\$ 23,620,709
Imprest cash	285	--	285
Accounts receivable	365,843	--	365,843
Due from other governmental agencies	1,021,556	--	1,021,556
Taxes receivable	545,634	--	545,634
Interest receivable	46,851	109	46,960
Deposit with Trindel Insurance	1,314,708	--	1,314,708
Inventories and other assets	115,086	--	115,086
Capital Assets:			
Nondepreciable	4,306,479	--	4,306,479
Depreciable, net	5,478,068	41,608	5,519,676
Total Assets	<u>\$ 36,768,989</u>	<u>\$ 87,947</u>	<u>\$ 36,856,936</u>
 <u>LIABILITIES</u>			
Accounts payable	\$ 674,481	\$ 2,828	\$ 677,309
Unearned revenue	3,007,653	83,624	3,091,277
Long-Term Liabilities:			
Portion due or payable within one year:			
Liability for compensated absences	185,825	--	185,825
Capital leases	50,000	--	50,000
Estimated liability for claims costs	302,347	--	302,347
Portion due or payable after one year:			
Liability for compensated absences	185,825	--	185,825
Capital leases	350,000	--	350,000
Other post employment benefits	655,386	--	655,386
Total Liabilities	<u>5,411,517</u>	<u>86,452</u>	<u>5,497,969</u>
 <u>NET ASSETS</u>			
Investment in capital assets, net of related debt	9,384,547	41,608	9,426,155
Restricted for:			
Capital projects	1,338,427	--	1,338,427
Public protection	1,666,733	--	1,666,733
Public ways and facilities	1,532,628	--	1,532,628
Health and sanitation	5,317,559	--	5,317,559
Public assistance	1,087,622	--	1,087,622
County Service Area #1	235,118	--	235,118
Other	3,711,039	--	3,711,039
Unrestricted	7,083,799	(40,113)	7,043,686
Total Net Assets	<u>31,357,472</u>	<u>1,495</u>	<u>31,358,967</u>
Total Liabilities and Net Assets	<u>\$ 36,768,989</u>	<u>\$ 87,947</u>	<u>\$ 36,856,936</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF ALPINE

Statement of Activities
For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 3,950,001	\$ 541,472	\$ 352,635	\$ 59,280
Public protection	4,136,484	132,623	2,477,588	265,707
Public ways and facilities	1,655,206	36,558	871,393	1,135,446
Health and sanitation	1,582,035	141,411	3,877,185	--
Public assistance	1,103,304	9,661	505,239	--
Education	270,712	8,674	214	--
Recreation and culture	122,385	12,999	172,776	--
Interest on long term debt	27,735	--	--	--
Total Governmental Activities	<u>12,847,862</u>	<u>883,398</u>	<u>8,257,030</u>	<u>1,460,433</u>
Business-Type Activities:				
Alpine Transit Service	73,652	2,909	62,803	--
Total Alpine County	<u>\$ 12,921,514</u>	<u>\$ 886,307</u>	<u>\$ 8,319,833</u>	<u>\$ 1,460,433</u>

Taxes:

Property taxes

Sales and use taxes

Transient occupancy taxes

Other taxes

Unrestricted interest and investment earnings

Total General Revenues

Change in Net Assets

Net assets - July 1, 2010

Net assets - June 30, 2011

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and
Changes in Net Assets

Primary Government		
Governmental Activities	Goviness-Type Activities	Total
\$ (2,996,614)		\$ (2,996,614)
(1,260,566)		(1,260,566)
388,191		388,191
2,436,561		2,436,561
(588,404)		(588,404)
(261,824)		(261,824)
63,390		63,390
(27,735)		(27,735)
(2,247,001)		(2,247,001)
	\$ (7,940)	(7,940)
(2,247,001)	(7,940)	(2,254,941)
5,394,212	--	5,394,212
339,695	--	339,695
519,252	--	519,252
30,017	--	30,017
765,229	375	765,604
7,048,405	375	7,048,780
4,801,404	(7,565)	4,793,839
26,556,068	9,060	26,565,128
\$ 31,357,472	\$ 1,495	\$ 31,358,967

**BASIC FINANCIAL STATEMENTS –
FUND FINANCIAL STATEMENTS**

COUNTY OF ALPINE

Balance Sheet
Governmental Funds
June 30, 2011

	General	Road Fund	Social Services
<u>Assets</u>			
Cash and investments	\$ 5,114,149	\$ 1,433,553	\$ 1,109,249
Imprest cash	210	--	--
Accounts receivable	42,334	1,132	1,142
Taxes receivable	545,634	--	--
Due from other governmental agencies	129,483	--	74,981
Due from other funds	--	--	--
Advances to other funds	--	--	--
Interest receivable	12,820	2,846	2,396
Deposit with Trindel Insurance	1,314,708	--	--
Inventories	--	115,086	--
Total Assets	\$ 7,159,338	\$ 1,552,617	\$ 1,187,768
<u>Liabilities</u>			
Accounts payable	\$ 120,869	\$ 16,663	\$ 46,309
Due to other funds	--	--	--
Advances from other funds	--	--	--
Deferred revenue	923,904	--	53,837
Total Liabilities	1,044,773	16,663	100,146
<u>Fund Balances</u>			
Nonspendable	1,314,708	115,086	--
Restricted	--	1,420,868	1,087,622
Assigned	--	--	--
Unassigned	4,799,857	--	--
Total Fund Balances	6,114,565	1,535,954	1,087,622
Total Liabilities and Fund Balances	\$ 7,159,338	\$ 1,552,617	\$ 1,187,768

The accompanying notes are an integral part of these financial statements.

Mental Health Services Act	STPUD Mitigation	Miscellaneous Grants	Other Governmental	Total
\$ 4,495,655	\$ 3,428,401	\$ 428,693	\$ 7,564,779	\$ 23,574,479
--	--	--	75	285
--	--	--	321,235	365,843
--	--	--	--	545,634
75,000	--	254,819	487,273	1,021,556
--	--	222,179	240,143	462,322
--	100,897	--	481,937	582,834
6,632	6,803	808	14,546	46,851
--	--	--	--	1,314,708
--	--	--	--	115,086
<u>\$ 4,577,287</u>	<u>\$ 3,536,101</u>	<u>\$ 906,499</u>	<u>\$ 9,109,988</u>	<u>\$ 28,029,598</u>
\$ 41,756	\$ --	\$ 37,789	\$ 411,095	\$ 674,481
--	--	--	462,322	462,322
--	--	366,283	216,551	582,834
2,194,101	--	138,803	944,655	4,255,300
<u>2,235,857</u>	<u>--</u>	<u>542,875</u>	<u>2,034,623</u>	<u>5,974,937</u>
--	100,897	--	881,937	2,412,628
2,341,430	3,435,204	363,624	6,240,378	14,889,126
--	--	--	338,794	338,794
--	--	--	(385,744)	4,414,113
<u>2,341,430</u>	<u>3,536,101</u>	<u>363,624</u>	<u>7,075,365</u>	<u>22,054,661</u>
<u>\$ 4,577,287</u>	<u>\$ 3,536,101</u>	<u>\$ 906,499</u>	<u>\$ 9,109,988</u>	<u>\$ 28,029,598</u>

COUNTY OF ALPINE

Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets - Governmental Activities June 30, 2011

Fund Balance - total governmental funds	\$ 22,054,661
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	9,784,547
Revenues that are not available and therefore do not meet the modified accrual criteria are deferred in the governmental funds but are recorded in the statement of activities	1,247,647
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in the governmental funds.	
Estimated liability for claims costs	(302,347)
Capital leases	(400,000)
Compensated absences	(371,650)
Other post employment benefits	<u>(655,386)</u>
Net assets of governmental activities	<u>\$ 31,357,472</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF ALPINE

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011

	General	Road Fund	Social Services
Revenues:			
Taxes	\$ 6,056,907	\$ --	\$ --
Licenses and permits	37,843	1,100	--
Fines, forfeitures and penalties	128,619	1,411	--
Use of money and property	71,190	184,542	10,267
Intergovernmental	492,753	864,940	688,380
Charges for services	336,044	282,779	9,590
Other revenues	40,698	4	71
Total Revenues	7,164,054	1,334,776	708,308
Expenditures:			
Current:			
General government	2,968,825	--	--
Public protection	2,581,047	--	--
Public ways and facilities	--	1,545,611	--
Health and sanitation	36,860	--	--
Public assistance	83,171	--	1,176,333
Education	261,993	--	--
Recreation and cultural services	40,227	--	--
Capital outlay	--	--	--
Debt service:			
Principal	--	--	--
Interest	--	--	--
Total Expenditures	5,972,123	1,545,611	1,176,333
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,191,931	(210,835)	(468,025)
Other Financing Sources (Uses):			
Transfers in	4,222	--	125,635
Transfers out	(754,083)	--	(170,885)
Total Other Financing Sources (Uses)	(749,861)	--	(45,250)
Net Changes in Fund Balances	442,070	(210,835)	(513,275)
Fund Balances, Beginning of Year	5,672,495	1,746,789	1,600,897
Fund Balances, End of Year	\$ 6,114,565	\$ 1,535,954	\$ 1,087,622

The accompanying notes are an integral part of these financial statements.

Mental Health Services Act	STPUD Mitigation	Miscellaneous Grants	Other Governmental	Total
\$ --	\$ --	\$ --	\$ 332,100	\$ 6,389,007
--	--	--	109,124	148,067
--	--	--	3,627	133,657
22,987	69,037	2,922	576,801	937,746
2,641,000	13,122	834,549	4,354,779	9,889,523
--	112,100	--	445,043	1,185,556
--	--	3,479	67,833	112,085
<u>2,663,987</u>	<u>194,259</u>	<u>840,950</u>	<u>5,889,307</u>	<u>18,795,641</u>
--	--	109,871	623,496	3,702,192
--	--	269,492	2,061,812	4,912,351
--	--	--	1,541,388	3,086,999
322,557	--	65,167	1,282,558	1,707,142
--	--	--	--	1,259,504
--	--	--	--	261,993
--	--	79,033	182,721	301,981
--	--	--	301,186	301,186
--	40,000	--	--	40,000
--	27,735	--	--	27,735
<u>322,557</u>	<u>67,735</u>	<u>523,563</u>	<u>5,993,161</u>	<u>15,601,083</u>
<u>2,341,430</u>	<u>126,524</u>	<u>317,387</u>	<u>(103,854)</u>	<u>3,194,558</u>
--	--	--	3,000,356	3,130,213
--	--	(210,098)	(1,995,147)	(3,130,213)
--	--	(210,098)	1,005,209	--
2,341,430	126,524	107,289	901,355	3,194,558
--	3,409,577	256,335	6,174,010	18,860,103
<u>\$ 2,341,430</u>	<u>\$ 3,536,101</u>	<u>\$ 363,624</u>	<u>\$ 7,075,365</u>	<u>\$ 22,054,661</u>

COUNTY OF ALPINE

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Government-Wide Statement of Activities - Governmental Activities
For the Year Ended June 30, 2011

Net change to fund balance - total governmental funds		\$ 3,194,558
---	--	--------------

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for general capital assets, infrastructure, and other related capital assets adjustments	\$ 2,792,449		
Less: current year depreciation	<u>(891,110)</u>		1,901,339

Revenues not available to pay for current-period expenditures are deferred in the governmental funds.	(228,782)
---	-----------

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Principal repayments:	
Capital leases	40,000

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in compensated absences	33,810		
Change in estimated liability for claims costs	(2,181)		
Change in other post employment benefits	<u>(137,340)</u>		<u>(105,711)</u>
Change in net assets of governmental activities		<u>\$ 4,801,404</u>	

The accompanying notes are an integral part of these financial statements.

COUNTY OF ALPINE

Statement of Fund Net Assets
Proprietary Funds - Alpine Transit Service
June 30, 2011

ASSETS

Cash and investments	\$	46,230
Interest receivable		109
Equipment, net of accumulated depreciation		<u>41,608</u>
Total Assets	\$	<u><u>87,947</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable	\$	2,828
Deferred revenue		<u>83,624</u>
Total Current Liabilities		<u>86,452</u>
Net Assets:		
Invested in capital assets, net of related debt		41,608
Unrestricted		<u>(40,113)</u>
Total Net Assets		<u>1,495</u>
Total Liabilities and Net Assets	\$	<u><u>87,947</u></u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF ALPINE

Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds - Alpine Transit Service
For the Year Ended June 30, 2011

Operating Revenue:	
Fare revenues	<u>\$ 2,909</u>
Operating Expenses:	
Salaries and benefits	23,310
Administrative	31,704
Fuel	3,008
Insurance	8,065
Depreciation	<u>7,565</u>
Total Operating Expenses	<u>73,652</u>
Operating Income (Loss)	<u>(70,743)</u>
Non-Operating Revenues (Expenses):	
Federal transit administration grants	28,582
Local Transportation Fund allocations	34,221
Interest	<u>375</u>
Total Non-Operating Revenues (Expenses)	<u>63,178</u>
Change in Net Assets	(7,565)
Net Assets - Beginning of Year	<u>9,060</u>
Net Assets - End of Year	<u><u>\$ 1,495</u></u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF ALPINE

Statement of Cash Flows
Proprietary Funds - Alpine Transit Service
For the Year Ended June 30, 2011

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash receipts from customers and users	\$ 2,909
Cash paid to employees	(23,310)
Cash paid to suppliers for goods and services	<u>(59,900)</u>
Net Cash Provided (Used) by Operating Activities	<u>(80,301)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest received (paid)	<u>423</u>
Net Cash Provided (Used) by Investing Activities	<u>423</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Operating grants and other support	64,757
Interfund loans - proceeds and collections	<u>54,470</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>119,227</u>

Net Increase (Decrease) in Cash and Cash Equivalents 39,349

Cash and Cash Equivalents, Beginning of Year 6,881

Cash and Cash Equivalents, End of Year \$ 46,230

**Reconciliation of Operating Income (Loss)
to Net Cash Provided (Used) by
Operating Activities:**

Operating income (loss)	\$ (70,743)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	7,565
Changes in assets and liabilities:	
Increase (decrease) in:	
Accounts payable	<u>(17,123)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (80,301)</u></u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF ALPINE

Statement of Fiduciary Net Assets
June 30, 2011

	<u>Investment Trust</u>	<u>Agency Funds</u>
<u>ASSETS</u>		
Cash and Investments in County Treasury	\$ 6,632,262	\$ 692,695
Total Assets	<u>6,632,262</u>	<u>692,695</u>
<u>LIABILITIES</u>		
Agency obligations	--	692,695
Total Liabilities	<u>--</u>	<u>692,695</u>
<u>NET ASSETS</u>		
Net assets held in trust for investment pool participants	6,632,262	--
Total Net Assets	<u>\$ 6,632,262</u>	<u>\$ --</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF ALPINE

Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2011

	<u>Investment Trust</u>
<u>ADDITIONS</u>	
Contributions to investment pool	\$ 5,012,227
Investment earnings	57,777
Total Additions	<u>5,070,004</u>
<u>DEDUCTIONS</u>	
Distributions from pooled investment	5,267,538
Total Deductions	<u>5,267,538</u>
Change in net assets	(197,534)
Net Assets - Beginning of Year	<u>6,829,796</u>
Net Assets - End of Year	<u><u>\$ 6,632,262</u></u>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

The notes provided in the Financial Section of this report are considered an integral and essential part of adequate disclosure and fair presentation of this report. The notes include a Summary of Significant Accounting Policies for the County, and other necessary disclosure of pertinent matters relating to the financial position of the County. The notes express significant insight to the financial statements and are conjunctive to understanding the rationale for presentation of the financial statements and information contained in this document.

COUNTY OF ALPINE

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 1: **Summary of Significant Accounting Policies**

A. Description of the Reporting Entity

The County operates under an Administrator-Board of Supervisors form of government and provides the following services: public protection, public ways and facilities, health and sanitation, public assistance, education, culture and recreation, and general services.

The accounting methods and procedures adopted by the County conform to generally accepted accounting principles as applied to governmental entities. These financial statements present the government and its component units, entities for which the government is considered to be financially accountable under the criteria set by Governmental Accounting Standards Board (GASB) Statement No. 14.

Reporting for component units on the County's financial statements can be blended or discretely presented. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Blended component units are an extension of the County and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the County. Each component unit has a June 30th year end.

Blended Component Units. The County Service Area #1 and Alpine Transportation Commission are districts governed by the County Board of Supervisors. The component unit's governing body is substantially the same as the primary government, hence, these units are presented by blending them with the primary government.

Discretely Presented Component Units. There are no component units of the County which meet the criteria for discrete presentation.

B. 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. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

COUNTY OF ALPINE

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2011

Note 1: **Summary of Significant Accounting Policies** (continued)

B. Basis of Presentation (continued)

Government-Wide Financial Statements (continued)

The statement of activities presents a comparison between program 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. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated indirect expenses. 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.

Fund Financial Statements

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

Proprietary fund *operating* revenues are charges for the goods or services provided by the fund as part of its principal activity. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. *Operating* expenses include costs of providing services and delivering goods. All other expenses not meeting this definition are reported as *nonoperating* expenses.

The County reports the following major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as public protection, public ways and facilities, health and sanitation, public assistance, education, recreation services and general services.

COUNTY OF ALPINE

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2011

Note 1: **Summary of Significant Accounting Policies** (continued)

B. Basis of Presentation (continued)

Fund Financial Statements (continued)

- The *Road Fund* was established to provide for maintenance and construction of roadways. Revenues consist primarily of the County's share of state highway use tax and are supplemented by federal and state funds.
- The *Social Services Fund* provides for the public assistance of the residents of the County.
- The *Mental Health Services Act Fund* was established to account for Proposition 63 passed in 2004 to expand and further develop mental health services in the County.
- The *STPUD Mitigation Fund* was established to account for mitigation/compensation fees received annually from the South Tahoe Public Utility District.
- The *Miscellaneous Grants Fund* was established to track financial activity for various federal and state cost reimbursement grants.

The County reports the following enterprise fund as a major fund:

- The *Alpine Transit Service Fund* provides public transit services in the County.

The County reports the following fiduciary fund types:

- The *Investment Trust Fund* accounts for the assets of legally separate entities that deposit cash with the County Treasurer. These entities include school and community college districts, other special districts governed by local boards, regional boards and authorities and pass through funds for tax collections for cities. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.
- The *Agency Funds* account for assets held by the County as an agent for various local governments.

COUNTY OF ALPINE

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2011

Note 1: **Summary of Significant Accounting Policies** (continued)

C. Basis of Accounting

The government-wide, proprietary and investment trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange 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 accounted for using the modified accrual basis of accounting in which revenues are recognized in the accounting period in which they become available and measurable, and expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. Revenues are considered to be available when they are collectible within 60 days of the end of the current fiscal period. The exception is unmatured principal and interest on general long-term debt and expenditures related to compensated absences and claims and judgments, which should be recognized when payment due.

Significant revenue sources that have been treated as “susceptible to accrual” under the modified accrual basis include taxes, interest, rentals, and intergovernmental revenues.

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 existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

Agency Fund assets and liabilities are custodial in nature and do not involve the measurement of the results of operations.

COUNTY OF ALPINE

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2011

Note 1: **Summary of Significant Accounting Policies** (continued)

D. Cash and Cash Equivalents

For purposes of the accompanying statement of cash flows, the enterprise funds consider all highly liquid investments with a maturity of three months or less when purchased, and their equity in the County Treasurer's investment pool, to be cash equivalents.

E. Investments

California Government Code Section 53600, et seq., authorizes the County to invest in obligations of the U.S. Treasury, agencies and instrumentalities, obligations of the state or any local agency of the State of California, bankers' acceptances, commercial paper, negotiable certificates of deposits, repurchase agreements or reverse repurchase agreements, medium-term notes issued by corporations and the State of California Local Agency Investment Fund. The County Treasurer may also invest in certain open-ended mutual funds permitted by the Government Code.

Cash and investments include the cash balances of substantially all funds, which are pooled and invested by the County Treasurer. The Alpine County Treasury Pool (Pool) is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool. Interest earned on pooled investments is apportioned quarterly to certain participating funds based upon each fund's average daily deposit balance with all remaining interest deposited in the General Fund.

Investments are stated at fair value. Fair value is established quarterly based on quoted market prices received from the securities custodian. Fair value of investments held fluctuates with interest rates. The fair value of participants' position in the Pool is the same as the value of the Pool shares. The value of participants' equity withdrawn is based on the book value of the participants' percentage participation at the date of such withdrawal. The total percentage share of the Pool that relates to external involuntary participants is 23.7% as of June 30, 2011.

G. Inventory

Inventories are valued at cost on a moving average basis. Inventories in the Road Fund, a major special revenue fund, consist of road supplies, fuel and various consumable items.

COUNTY OF ALPINE

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2011

Note 1: **Summary of Significant Accounting Policies** (continued)

H. Property Tax Revenue

Property taxes attach as an enforceable lien at January 1. Taxes are levied on July 1 and payable in two installments, December 10 and April 10. All general property taxes are then allocated by the County Auditor's Office to the various taxing entities per the legislation implementing Proposition 13. The method of allocation used by the County is subject to review by the State of California. County property tax revenues are recognized when levied to the extent that they are measurable.

I. Capital Assets

Capital assets (including infrastructure) are recorded at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. Capital assets include public domain (infrastructure) general fixed assets consisting of certain improvements including roads, bridges, water/sewer, lighting system, drainage systems, and flood control. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide statements and proprietary funds.

The estimated useful lives are as follows:

Infrastructure (except for the maintained pavement subsystem)	30 years
Structures and improvements	30 years
Equipment	5 to 50 years

The County has two networks of infrastructure assets – roads and bridges. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, water/sewer, lighting, drainage and flood control. These infrastructure assets are likely to be the largest asset class of the County. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is not required for Phase 3 governments, those that had less than \$10,000,000 in revenues for fiscal year 1999. The County qualifies as a Phase 3 government and, therefore, no retroactive reporting of infrastructure is required or has been included in these financial statements.

COUNTY OF ALPINE

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2011

Note 1: **Summary of Significant Accounting Policies** (continued)

J. **Compensated Absences**

The County accounts for Compensated Absences (Unpaid Vacation, Sick Leave and Compensatory Time) in accordance with GASB Statement No. 16. In governmental funds, compensated absences are recorded as expenditures in the year paid. As it is County's policy to liquidate any unpaid vacation at June 30 from future resources rather than currently available expendable resources, the entire unpaid liability for the governmental funds is recorded as a current or long-term liability in the government-wide financial statements. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

Employees accrue vacation at the rate of 10 to 20 days per year dependent on length of employment. Unused vacation time accrued is payable at 100% of the accrual at termination of employment up to a maximum of 30 days. Sick leave is accrued at the rate of 12 days per year. At termination, accrued sick leave is payable at 20% to those with fewer than five years of service and 25% to those with more than five years of service.

K. **Interfund Transactions**

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance in the applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or business-type activities are netted as part of the reconciliation to the government-wide presentation.

COUNTY OF ALPINE

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2011

Note 1: **Summary of Significant Accounting Policies** (continued)

L. Net Assets

The government-wide and business-type activities fund financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted and unrestricted.

- *Invested in Capital Assets, Net of Related Debt* – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Assets* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Assets* – This category represents net assets of the County, not restricted for any project or other purpose.

M. Fund Balance

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the County is bound to honor constraints on how specific amounts can be spent.

- *Nonspendable fund balance* – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- *Restricted fund balance* – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed fund balance* – amounts that can only be used for specific purposes determined by formal action of the County's highest level of decision-making authority (the Board of Supervisors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

COUNTY OF ALPINE

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2011

Note 1: **Summary of Significant Accounting Policies** (continued)

M. **Fund Balance** (continued)

- *Assigned fund balance* – amounts that are constrained by the County's *intent* to be used for specific purposes. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose. This is also the classification for residual funds in the County's special revenue funds.
- *Unassigned fund balance* – the residual classification for the County's General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The Board of Supervisors establishes, modifies or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, followed by the unrestricted, committed, assigned and unassigned resources as they are needed.

N. **Use of Estimates**

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures and the actual results could differ from those estimates.

O. **New Accounting Pronouncements**

Governmental Accounting Standards Board Statement No. 54

For the fiscal year ended June 30, 2011, the County implemented Governmental Accounting Standards Board Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*. The requirements of this statement are effective for financial statement periods beginning after June 15, 2010.

COUNTY OF ALPINE

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2011

Note 1: **Summary of Significant Accounting Policies** (continued)

O. **New Accounting Pronouncements** (continued)

GASB 54 establishes new accounting and financial reporting standards for all governments that report governmental funds. The statements enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and it classifies the existing governmental fund type definitions to improve the comparability of governmental fund statements. GASB 54 establishes fund balance classifications that are hierarchy based on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Note 2: **Cash and Investments**

The County sponsors an investment pool that is managed by the County Treasurer for the purpose of increasing interest earnings through investment activities. Cash and investments for most County activities are included in the investment pool. Interest earned on the investment pool is distributed to the participating funds using a formula based on the average quarterly cash balance of each fund.

The investment pool includes both voluntary and involuntary participation from external entities. The State of California statutes require certain special districts and other governmental entities to maintain their cash surplus with the County Treasurer.

The County investment pool is not registered with the Securities and Exchange Commission as an investment company. Investments made by the Treasurer are regulated by the California Government Code and by the County's investment policy. The objectives of the policy are in order of priority, safety, liquidity, yield, and public trust. The County has established a treasury oversight committee to monitor and review the management of public funds maintained in the investment pool in accordance with Article 6 Section 27131 of the California Government Code. The oversight committee and the Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the members of the oversight committee and the investment pool participants every month. The report covers the type of investments in the pool, maturity dates, par value, actual costs and fair value.

COUNTY OF ALPINE

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2011

Note 2: **Cash and Investments** (continued)

At June 30, 2011, total County cash and investments were as follows:

Cash:	
Cash on hand	\$ 580
Deposits	294,751
Total Cash	295,331
Investments:	
In Treasurer's pool	30,650,620
Total Cash and Investments	\$ 30,945,951

Total cash and investments at June 30, 2011 were presented on the County's financial statements as follows:

Primary government	\$ 23,620,994
Investment trust fund	6,632,262
Agency funds	692,695
Total Cash and Investments	\$ 30,945,951

Investments

The table below identifies the investment types that are authorized for the County by the California Government Code or the County's investment policy, where more restrictive. The table also identifies certain provisions of the County's investment policy that address interest rate risk, credit risk, and concentration risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	1 Year	5%	None
U.S. Treasury Obligations	5 Years	None	None
U.S. Agency Obligations	5 Years	None	None
Collateralized Bank Deposits	1 Year	10%	None
Money Market Mutual Funds	N/A	15%	10%
Local Agency Investment Fund (LAIF)	N/A	None	None
Notes Issued By Corporations Under FDIC, TLGP, Programs	5 Years	None	None

At June 30, 2011, the difference between the cost and fair values was not material. Fair values are obtained from custodial statements for all investments.

COUNTY OF ALPINE

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2011

Note 2: **Cash and Investments** (continued)

At June 30, 2011, the County had the following investments:

	<u>Interest Rates</u>	<u>Maturities</u>	<u>Par</u>	<u>Fair Value</u>	<u>Carrying Value</u>	<u>WAM (Years)</u>
Investments in Investment Pool						
Federal Agency Obligations	0.875% - 5.750%	10/3/11 - 2/9/15	\$ 3,970,000	\$ 4,111,988	\$ 4,051,669	1.67
U.S. Treasuries	1.375% - 4.875%	7/31/11 - 3/31/14	1,285,000	1,315,874	1,299,334	1.10
FDIC Insured US Corporate	1.950% - 3.250%	12/9/11 - 6/22/12	840,000	855,892	846,229	0.87
Money Market Funds	Variable	On Demand	47,382	47,382	47,382	0.00
LAIF	Variable	On Demand	24,406,006	24,406,006	24,406,006	0.00
Total Investments in Investment Pool			<u>\$ 30,548,388</u>	<u>\$ 30,737,142</u>	<u>\$ 30,650,620</u>	<u>0.29</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The general rule is the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County manages its exposure to declines in fair values by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities to provide the necessary cash flow and liquidity needed for operations. The County monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity (WAM) of its portfolio.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law limits investments in commercial paper to the rating of AAA by two of the three major rating services, however, the County's current investment policy does not allow any investment in commercial paper.

Concentration of Credit Risk

State law and/or the County's Investment Policy limit investments in money market mutual funds, collateralized bank deposits, and local agency bonds to no more than 15%, 10%, and 5%, respectively, of the investment pool at the time of purchase. State law and/or the County's Investment Policy also limit investments in any one money market mutual fund to no more than 10% of the investment pool at the time of purchase.

Any concentration of credit risk that exists for the remainder of the portfolio is mitigated by guarantees of the U.S. Government or by state law limiting investment concentrations, as is the case with the County's investment in the Local Agency Investment Fund.

COUNTY OF ALPINE

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2011

Note 2: **Cash and Investments** (continued)

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of the County Investment Pool's fair value at June 30, 2011.

Investments in Investment Pool	<u>S&P</u>	<u>Moody's</u>	<u>% of Portfolio</u>
Federal Agency Obligations	AAA	Aaa	13.56%
U.S. Treasuries	AAA	Aaa	4.34%
FDIC Insured US Corporate	AAA	Aaa	2.82%
Money Market Funds	AAA	Aaa	0.16%
LAIF	Unrated	Unrated	79.12%
			<u>100.00%</u>

There were no investments in the securities of any individual issuer other than external investment pools that represented five percent or more of total investments at June 30, 2011.

Custodial Credit Risk

For investments and deposits held with fiscal agents, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or deposits that are in the possession of an outside party. At year end, the County's investment pool had no securities exposed to custodial credit risk.

The County Treasurer's Pool maintains an investment in the State of California Local Agency Investment Fund (LAIF). LAIF is part of the Pooled Money Investment Account (PMIA), an investment pool consisting of funds held by the state in addition to those deposited in LAIF. All PMIA funds are managed by the Investment Division of the State Treasurer's Office. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California Government Code. Participants in the pool include voluntary and involuntary participants, such as special districts and school districts for which there are legal provisions regarding their investments. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute.

At June 30, 2011, the County's investment position in the State of California Local Agency Investment Fund (LAIF) was \$24,406,006, which approximates fair value and is the same as the value of the pool shares which is determined on an amortized cost basis. The total amount invested by all public agencies in PMIA on that day was \$66.4 billion. Of that amount, 5.01% was invested in structured notes and asset-backed securities with the remaining 94.99% invested in other non-derivative financial products.

COUNTY OF ALPINE

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 2: **Cash and Investments** (continued)

County Investment Pool condensed Financial Statements

The following represents a condensed statement of net assets and changes in net assets for the County's investment pool as of June 30, 2011:

Statement of Net Assets

Net assets held for pool participants	\$ 30,945,666
Equity of internal pool participants	\$ 24,313,404
Equity of external pool participants	6,632,262
Total net assets	\$ 30,945,666

Statement of Changes in Net Assets

Investment earnings	\$ 337,608
Investment expenses	(110,915)
Net contribution from pool participants	3,288,720
Increase in Net Assets	3,515,413
Net assets at July 1, 2010	27,430,253
Net assets at June 30, 2011	\$ 30,945,666

Note 3: **Deferred Revenue**

Governmental funds report deferred revenue in connection with receivables that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. As of June 30, 2011, the various components of deferred revenue and unearned revenue in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Property taxes receivable (General Fund)	\$ 545,634	\$ --	\$ 545,634
Receivables collected after the period of availability (other than taxes)	702,013	--	702,013
Amounts received prior to meeting all eligibility requirements	--	3,007,653	3,007,653
Total	\$ 1,247,647	\$ 3,007,653	\$ 4,255,300

COUNTY OF ALPINE

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 4: **Capital Assets**

Capital asset activity for the year ended June 30, 2011 was as follows:

	Balance July 1, 2010	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2011
Governmental Activities (with ISF)					
Capital assets, not being depreciated:					
Land	\$ 1,119,288	\$ --	\$ --	\$ --	\$ 1,119,288
Construction in progress	2,321,585	1,222,442	--	(356,836)	3,187,191
Total capital assets, not being depreciated	3,440,873	1,222,442	--	(356,836)	4,306,479
Capital assets, being depreciated:					
Structures and improvements	5,183,989	398,950	--	356,836	5,939,775
Equipment	6,494,986	101,289	(26,509)	--	6,569,766
Infrastructure	33,598,640	1,096,277	--	--	34,694,917
Total capital assets, being depreciated	45,277,615	1,596,516	(26,509)	356,836	47,204,458
Less accumulated depreciation for:					
Structures and improvements	(2,461,390)	(197,486)	--	--	(2,658,876)
Equipment	(4,775,250)	(693,175)	--	--	(5,468,425)
Infrastructure	(33,598,640)	(449)	--	--	(33,599,089)
Total accumulated depreciation	(40,835,280)	(891,110)	--	--	(41,726,390)
Total capital assets, being depreciated, net	4,442,335	705,406	(26,509)	356,836	5,478,068
Governmental activities capital assets, net	<u>\$ 7,883,208</u>	<u>\$ 1,927,848</u>	<u>\$ (26,509)</u>	<u>\$ --</u>	<u>\$ 9,784,547</u>
Business-Type Activities					
Capital assets, being depreciated:					
Equipment	\$ 52,955	\$ --	\$ --	\$ --	\$ 52,955
Total capital assets, being depreciated	52,955	--	--	--	52,955
Less accumulated depreciation for:					
Equipment	(3,782)	(7,565)	--	--	(11,347)
Total accumulated depreciation	(3,782)	(7,565)	--	--	(11,347)
Total capital assets, being depreciated, net	49,173	(7,565)	--	--	41,608
Business-type activities capital assets, net	<u>\$ 49,173</u>	<u>\$ (7,565)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 41,608</u>

COUNTY OF ALPINE

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 4: **Capital Assets** (continued)

Depreciation expense was charged to governmental functions as follows:

Governmental Activities - Depreciation Expense:	<u>Total</u>
General government	\$ 304,413
Public protection	307,053
Public ways and facilities	179,436
Health and sanitation	7,677
Public assistance	17,811
Recreation and culture	74,720
Total	<u>\$ 891,110</u>

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

Alpine Transit Service	<u>\$ 7,565</u>
------------------------	------------------------

Note 5: **Long-Term Liabilities**

Long-term debt at June 30, 2011 consisted of the following:

	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2011</u>
<u>Governmental Activities</u>						
Capital Lease						
to finance a new social services building	1998	2018	6.45%	\$30,000 - \$70,000	<u>\$ 795,000</u>	<u>\$ 400,000</u>
Total Governmental Activities					<u>\$ 795,000</u>	<u>\$ 400,000</u>

A schedule of changes in long-term liabilities for the fiscal year ended are shown below:

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2011</u>	<u>Amounts Due Within One Year</u>
Capital leases payable	\$ 440,000	\$ --	\$ (40,000)	\$ 400,000	\$ 50,000
Compensated absences	405,460	--	(33,810)	371,650	185,825
Liability for claims costs	300,166	164,237	(162,056)	302,347	302,347
Totals	<u>\$ 1,145,626</u>	<u>\$ 164,237</u>	<u>\$ (235,866)</u>	<u>\$ 1,073,997</u>	<u>\$ 538,172</u>

The STPUD Mitigation Fund is responsible for the payments on the County's capital lease. Liabilities for compensated absences are generally liquidated by the General Fund and the Road Fund. Claims are paid by the General Fund.

COUNTY OF ALPINE

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 6: **Capital Lease**

The County has entered into certain capital lease agreements under which the related buildings and equipment will become the property of the County when all terms of the lease agreements are met. All of the County's capital lease balances relate to governmental activities.

The following is a summary of equipment leased under capital lease agreements by the County as of June 30, 2011:

	Stated Interest Rate	Present Value of Remaining Payments as of June 30, 2011
Social Services Building	6.45%	\$ 400,000

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

Social Services Building	\$ 795,000
Less: accumulated depreciation	(343,696)
Total	\$ 451,304

As of June 30, 2011, future minimum lease payments under capital leases were as follows:

Year Ending June 30:		
2012	\$	74,994
2013		71,769
2014		68,544
2015		75,158
2016		71,288
2016-2020		140,804
Total Future Minimum Lease Payments		502,557
Less: Interest		(102,557)
Present Value of Minimum Lease Payments	\$	400,000

COUNTY OF ALPINE

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 7: **County Employees Retirement Plan (Defined Benefit Pension Plan)**

A. Plan Description

The County of Alpine contributes to the California Public Employees Retirement System (PERS), a cost-sharing multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. Copies of the PERS annual financial report may be obtained from their Executive Office – 400 P Street, Sacramento, CA 95814.

B. Funding Policy

Active plan members in the Miscellaneous Plan and the Safety Plan are required to contribute 7% and 9% of their annual covered salary, respectively. The County makes this contribution for and on behalf of the employees and, in addition, is required to contribute the actuarially determined remaining amounts necessary to fund the benefits of its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal 2010/2011 was 13.340% for miscellaneous employees and 27.294% for safety plan employees. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

C. Annual Pension Cost

For fiscal year 2010/2011, the County of Alpine’s annual pension cost of \$695,230 was equal to the County’s required and actual contributions. The required contribution for fiscal year 2010/2011 was determined as part of the June 30, 2008 actuarial valuation for the cost-sharing pool.

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2009	\$ 785,078	100%	\$ --
6/30/2010	683,783	100%	--
6/30/2011	695,230	100%	--

COUNTY OF ALPINE

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2011

Note 8: **Commitments and Contingencies**

A. **Claims and Judgments**

The County has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

B. **Litigation**

The County is a party to several claims and actions pending. None of these claims are reflected in these financial statements. Legal counsel believes that none of the pending claims or lawsuits, either separately or in the aggregate, will have a material financial impact on the financial statements.

Note 9: **Risk Management**

The County is exposed to various risks of loss related to workers' compensation and property liability. The County participates in a joint powers agreement established in 1980 to provide coverage for workers' compensation and general liability exposures and to pay for the administration of the program. The Joint Powers Agreement established for its members the Trindel Insurance Fund (Trindel).

The agreement for the formation of Trindel provides that the system will be self-sustaining through member premiums and will reinsure through a commercial company for claims in excess of self-insured retention. Trindel retains a self-insured retention of \$125,000 for workers' compensation and \$100,000 for general liability. Above the self-insured retention, excess insurance coverage is up to a limit of \$25,000,000 for both programs.

Trindel continues to carry commercial insurance for worker's compensation and general liability in excess of self-insured retention. Settled claims resulting from risks have not exceeded the commercial insurance coverage in any of the past fiscal years. The County currently reports all of its risk management activities in its General Fund. Premiums due to Trindel are reported when incurred.

The County holds a deposit with Trindel Insurance from which claims are paid. At June 30, 2011, the balance of the deposit was \$1,314,708.

COUNTY OF ALPINE

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2011

Note 9: **Risk Management** (continued)

Changes in the balance of claims liability for the current and previous fiscal year were as follows:

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Unpaid claims, Beginning of Year	\$ 300,166	\$ 202,547
Current year claims (including IBNRs)	164,237	104,844
Claim payments and changes in estimates	<u>(162,056)</u>	<u>(7,225)</u>
Unpaid claims, End of Year	<u>\$ 302,347</u>	<u>\$ 300,166</u>

Each member of Trindel pays an annual premium to the insurance system which is evaluated each year based on the number of personnel, estimated payroll and an experience factor.

Note 10: **Other Post-Retirement Benefits**

Plan Description. The County of Alpine Retiree Healthcare Plan is a single-employer defined benefit healthcare plan administered by the County. The Plan provides healthcare insurance benefits to eligible retirees.

Retirees not yet eligible for Medicare Supplement coverage receive the same coverage under the Operating Engineers plan and participate in the same cost sharing formula as active employees until age 65. After becoming eligible for Medicare, retirees and/or their dependents who wish to retain coverage must enroll in an available plan offered by AARP.

The County pays a specific dollar amount toward the cost of retiree coverage and, depending on the date of employment may also pay a portion of the coverage for the retiree's spouse or eligible dependents. Between negotiated increases in the dollar subsidy, the County absorbs 50% of premium increases, with retirees absorbing the remaining 50%.

Funding Policy. The contribution requirements of the plan members and the County are established and may be amended by the County. The County is not pre-funding the plan.

The annual required contribution (ARC) is an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The County ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize the unfunded actuarial liability over a period of 30 years. The 2010/11 ARC is \$464,447.

COUNTY OF ALPINE

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 10: **Other Post-Retirement Benefits** (continued)

For 2010/11, the County contributed \$328,438 to the Plan as the amount of healthcare insurance benefits reimbursed to eligible employees.

Annual required contribution	\$	464,447
Interest on net OPEB-implicit subsidy obligation		23,312
Adjustment to annual required contribution		(21,981)
Annual OPEB-implicit subsidy cost		465,778
Contributions made		(328,438)
Increase in obligation		137,340
Net OPEB Obligation - beginning of year		518,046
Net OPEB Obligation - end of year	\$	655,386

Annual OPEB Cost and Net OPEB Obligation.

The County's Annual OPEB Cost, the percentage of Annual OPEB Cost contributed to the Plan (as described in the funding policy above), and the Net OPEB Obligation for fiscal years 2009/10 and 2010/11 is as follows:

Year Ended June 30	Net Pension Obligation Beginning of Year	Annual OPEB-Subsidy Obligation	Annual Actual Contribution	Percentage of Annual Cost Contribution	Net Pension Obligation End of Year
2010	\$ --	\$ 813,627	\$ 295,581	36.3%	\$ 518,046
2011	518,046	465,778	328,438	70.5%	655,386

In future years, three year trend information will be presented. Fiscal year 2009/10 was the first year of implementation of GASB Statement No. 45, and the County elected to implement prospectively.

COUNTY OF ALPINE

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2011

Note 10: **Other Post-Retirement Benefits** (continued)

Annual OPEB Cost and Net OPEB Obligation. (continued)

Funded Status and Funding Progress. The funded status of the plan as of January 1, 2011, the plan's most recent actuarial valuation date, was as follows (dollar amounts in thousands):

Actuarial accrued liability (AAL)	\$	7,146,425
Actuarial value of plan assets		--
Unfunded actuarial accrued liability (UAAL)	\$	<u>7,146,425</u>
Funded ratio (actuarial value of plan assets/AAL)		0.00%
Covered payroll (active Plan members)	\$	3,809,470
UAAL as a percentage of covered payroll		187.60%

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

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2011 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.5% investment rate of return (net of administrative expenses). Salary increases were estimated at 3.25% per year. Information on mortality, turnover and retirement rates was based on CalPERS public agency data.

COUNTY OF ALPINE

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 10: **Other Post-Retirement Benefits** (continued)

Healthcare costs were forecasted to increase by 9.5% in 2012, then by ½ percent less each year until 2016 at which time increases would level off at 5.0% per year thereafter. The actuarial value of assets is equal to the market value. The UAAL is being amortized as a level percentage of projected payroll over 30 years on a closed basis. The remaining amortization period at January 1, 2011 was 29 years.

Note 11: **Interfund Transactions**

Interfund Receivables/Payables

Interfund balances were for goods and services provided and short-term loans to cover cash deficits. These balances are expected to be repaid in the next fiscal year. The composition of interfund balances as of June 30, 2011 is as follows:

Due from/to other funds:

The County records short-term interfund balances to eliminate deficit cash positions and to reflect conditional grants between funds.

Receivable Fund	Payable Fund	Amount
Miscellaneous Grants	Nonmajor Governmental Funds	\$ 222,179
Nonmajor Governmental Funds	Nonmajor Governmental Funds	240,143
		\$ 462,322

Advances from/to other funds:

Interfund advances are long-term loans that are not expected to be repaid during the next fiscal year.

Receivable Fund	Payable Fund	Amount
STPUD Mitigation Fund	Nonmajor Governmental Funds	\$ 100,897
Nonmajor Governmental Funds	Miscellaneous Grants	366,283
	Nonmajor Governmental Funds	115,654
		\$ 582,834

COUNTY OF ALPINE

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 11: **Interfund Transactions** (continued)

Transfers:

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various County operations and re-allocations of special revenues. The following schedule briefly summarizes all of the County's transfer activity for the year ended June 30, 2011:

Between Funds Within the Governmental or Business-Type Activities:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 754,083
Social Services	General Fund	3,086
	Nonmajor Governmental Funds	167,799
		<u>170,885</u>
Miscellaneous Grants	Nonmajor Governmental Funds	210,098
		<u>210,098</u>
Nonmajor Governmental Funds	General Fund	1,136
	Social Services	125,635
	Nonmajor Governmental Funds	1,868,376
		<u>1,995,147</u>
	Transfers Within Governmental Funds	<u>\$ 3,130,213</u>

COUNTY OF ALPINE

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 12: **Fund Balances**

A detailed schedule of fund balances as of June 30, 2011, is as follows:

	General Fund	Road Fund	Social Services	Mental Health Services Act	STPUD Mitigation	Miscellaneous Grants	Other Governmental	Total
Fund Balances:								
Non-spendable:								
Permanent funds	-	-	-	-	-	-	400,000	400,000
Advances to other funds	-	-	-	-	100,897	-	481,937	582,834
Deposits with others	1,314,708	-	-	-	-	-	-	1,314,708
Inventories	-	115,086	-	-	-	-	-	115,086
Total Non-spendable	<u>1,314,708</u>	<u>115,086</u>	<u>-</u>	<u>-</u>	<u>100,897</u>	<u>-</u>	<u>881,937</u>	<u>2,412,628</u>
Restricted:								
General government	-	-	-	-	3,435,204	-	275,835	3,711,039
Public protection	-	-	-	-	-	363,624	1,480,897	1,844,521
Public ways and facilities	-	-	-	-	-	-	10,520	10,520
Health and sanitation	-	-	-	2,341,430	-	-	2,952,169	5,293,599
Public assistance	-	-	1,087,622	-	-	-	-	1,087,622
Road repairs	-	1,420,868	-	-	-	-	-	1,420,868
Fish and game preservation	-	-	-	-	-	-	57,330	57,330
Tobacco programs	-	-	-	-	-	-	23,960	23,960
Transportation programs	-	-	-	-	-	-	101,240	101,240
Radio repeater	-	-	-	-	-	-	751,992	751,992
Leviathan Peak	-	-	-	-	-	-	417,063	417,063
Vehicle replacement	-	-	-	-	-	-	169,372	169,372
Total Restricted	<u>-</u>	<u>1,420,868</u>	<u>1,087,622</u>	<u>2,341,430</u>	<u>3,435,204</u>	<u>363,624</u>	<u>6,240,378</u>	<u>14,889,126</u>
Assigned to:								
Capital projects	-	-	-	-	-	-	272,377	272,377
Permanent funds	-	-	-	-	-	-	66,417	66,417
Total Assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>338,794</u>	<u>338,794</u>
Unassigned:	4,799,857	-	-	-	-	-	(385,744)	4,414,113
Total Fund Balance	<u>6,114,565</u>	<u>1,535,954</u>	<u>1,087,622</u>	<u>2,341,430</u>	<u>3,536,101</u>	<u>363,624</u>	<u>7,075,365</u>	<u>22,054,661</u>

Note 13: **Deficit Fund Balances/Net Assets**

Deficit fund balances/net assets at the fiscal year ended, were as follows:

Special Revenue:	
Parks and Recreation Grant	\$ 3,074
State Subvention	30,661
Sheriff Anti-Drug	41,059
DA Victim Witness	19,870
State OES FEMA	186,975
MV Pipeline Prop 50	89,720
SAFER Grant	7,520
Capital Project:	
County Road Improvement	6,865

It is anticipated that reimbursements receivable in the next fiscal year will eliminate the deficit fund balances listed above

COUNTY OF ALPINE

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2011

Note 14: **New Accounting Pronouncements**

The Governmental Accounting Standards Board (GASB) recently released several new accounting and financial reporting standards. The following new standards may have a significant impact on the County's financial reporting process in future years.

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, will improve the information presented about the financial reporting entity, which is comprised of a primary government and related entities (component units). The amendments to the criteria for including component units allow users of financial statements to better assess the accountability of elected officials of the primary government by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that the government determines would be misleading to exclude. The requirements of Statement 61 are effective for financial statements for periods beginning after June 15, 2012.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, is intended to improve financial reporting by providing citizens and other users of state and local government financial reports with information about how past transactions will continue to impact a government's financial statements in the future.

It provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (which is the net residual amount of the other elements). The Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. The provisions of Statement 63 are effective for financial statements for periods beginning after December 15, 2011, with earlier application encouraged.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF ALPINE

Required Supplementary Information
For the Year Ended June 30, 2011

Schedule of Funding Progress – Retirement Plan

Information for the individual plans with less than 100 employees is no longer available. Information is available on a pooled-basis only and can be obtained from CalPERS, P.O. Box 942709, Sacramento, CA 94229-2709.

Schedule of Funding Progress – Retiree Healthcare Plan

Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded/ (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	UAAL as a % of Payroll
January 1, 2008	\$ 8,364,946	\$ -	\$ 8,364,946	0.00%	\$ 4,380,489	190.96%
January 1, 2011	\$ 7,146,425	\$ -	\$ 7,146,425	0.00%	\$ 3,809,470	187.60%

COUNTY OF ALPINE

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary fund balances, Beginning of Year	\$ 5,672,495	\$ 5,672,495	\$ 5,672,495	\$ --
Resources (inflows):				
Taxes	4,840,066	4,840,066	6,056,907	1,216,841
Licenses and permits	32,695	32,695	37,843	5,148
Fines, forfeits and penalties	166,130	166,130	128,619	(37,511)
Revenue from use of money and property	91,167	91,167	71,190	(19,977)
Aid from other governments	808,005	808,005	492,753	(315,252)
Charges for services	259,652	305,452	336,044	30,592
Miscellaneous revenue	43,000	43,000	40,698	(2,302)
Transfers in	25,000	20,000	4,222	(15,778)
Amounts available for appropriation	<u>6,265,715</u>	<u>6,306,515</u>	<u>7,168,276</u>	<u>861,761</u>
Charges to appropriations (outflows):				
Current:				
General government	3,653,625	3,710,053	2,968,825	741,228
Public protection	2,674,464	2,770,608	2,581,047	189,561
Health and sanitation	36,185	36,185	36,860	(675)
Public assistance	117,100	117,100	83,171	33,929
Education	270,946	273,846	261,993	11,853
Recreation and cultural services	41,000	41,000	40,227	773
Transfers out	752,683	754,083	754,083	--
Total charges to appropriations	<u>7,546,003</u>	<u>7,702,875</u>	<u>6,726,206</u>	<u>976,669</u>
Net change in fund balances	<u>(1,280,288)</u>	<u>(1,396,360)</u>	<u>442,070</u>	<u>1,838,430</u>
Budgetary Fund Balances, End of Year	<u>\$ 4,392,207</u>	<u>\$ 4,276,135</u>	<u>\$ 6,114,565</u>	<u>\$ 1,838,430</u>

Reconciliation of Budgetary Inflows and Outflows to GAAP Revenues and Expenditures

Sources/inflows of resources:

Actual amounts available for appropriation from the Budgetary Comparison Schedule above	\$ 7,168,276
Transfers in from other funds are inflows of resources for budgetary purposes but are not considered revenues in GAAP financial statements	<u>(4,222)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 7,164,054</u>

Uses/outflows of resources:

Actual charges to appropriations from the Budgetary Comparison Schedule above	\$ 6,726,206
Transfers out to other funds are outflows of resources for budgetary purposes but are not considered expenditures in GAAP financial statements	<u>(754,083)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u>\$ 5,972,123</u>

COUNTY OF ALPINE

Budgetary Comparison Schedule
Road Fund
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary fund balances, Beginning of Year	\$ 1,746,789	\$ 1,746,789	\$ 1,746,789	\$ --
Resources (inflows):				
Licenses and permits	1,500	1,500	1,100	(400)
Fines, forfeits and penalties	1,500	1,500	1,411	(89)
Revenue from use of money and property	176,100	176,100	184,542	8,442
Aid from other governments	983,000	998,000	864,940	(133,060)
Charges for services	306,000	306,000	282,779	(23,221)
Miscellaneous revenue	--	--	4	4
Transfers in	--	4,962	--	(4,962)
Amounts available for appropriation	<u>1,468,100</u>	<u>1,488,062</u>	<u>1,334,776</u>	<u>(153,286)</u>
Charges to appropriations (outflows):				
Current:				
Public way and facilities	<u>1,712,019</u>	<u>1,741,823</u>	<u>1,545,611</u>	<u>196,212</u>
Total charges to appropriations	<u>1,712,019</u>	<u>1,741,823</u>	<u>1,545,611</u>	<u>196,212</u>
Net change in fund balances	<u>(243,919)</u>	<u>(253,761)</u>	<u>(210,835)</u>	<u>42,926</u>
Budgetary Fund Balances, End of Year	<u><u>\$ 1,502,870</u></u>	<u><u>\$ 1,493,028</u></u>	<u><u>\$ 1,535,954</u></u>	<u><u>\$ 42,926</u></u>

COUNTY OF ALPINE

Budgetary Comparison Schedule
Social Services Fund
For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balances, Beginning of Year	\$ 1,600,897	\$ 1,600,897	\$ 1,600,897	\$ --
Resources (inflows):				
Revenue from use of money and property	13,000	13,000	10,267	(2,733)
Aid from other governments	1,412,477	1,412,477	688,380	(724,097)
Charges for services	--	--	9,590	9,590
Miscellaneous revenue	--	--	71	71
Transfers in	--	23,418	125,635	102,217
Amounts available for appropriation	<u>1,425,477</u>	<u>1,448,895</u>	<u>833,943</u>	<u>(614,952)</u>
Charges to appropriations (outflows):				
Current:				
Public assistance	1,391,295	1,414,713	1,176,333	238,380
Transfers out	200,000	223,418	170,885	52,533
Total charges to appropriations	<u>1,591,295</u>	<u>1,638,131</u>	<u>1,347,218</u>	<u>290,913</u>
Net change in fund balances	<u>(165,818)</u>	<u>(189,236)</u>	<u>(513,275)</u>	<u>(324,039)</u>
Budgetary Fund Balances, End of Year	<u>\$ 1,435,079</u>	<u>\$ 1,411,661</u>	<u>\$ 1,087,622</u>	<u>\$ (324,039)</u>

Reconciliation of Budgetary Inflows and Outflows to GAAP Revenues and Expenditures

Sources/inflows of resources:			
Actual amounts available for appropriation from the Budgetary Comparison Schedule above			\$ 833,943
Transfers in from other funds are inflows of resources for budgetary purposes but are not considered revenues in GAAP financial statements			<u>(125,635)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances			<u>\$ 708,308</u>
Uses/outflows of resources:			
Actual charges to appropriations from the Budgetary Comparison Schedule above			\$ 1,347,218
Transfers out to other funds are outflows of resources for budgetary purposes but are not considered expenditures in GAAP financial statements			<u>(170,885)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances			<u>\$ 1,176,333</u>

COUNTY OF ALPINE

Budgetary Comparison Schedule
Mental Health Services Act
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary fund balances, Beginning of Year	\$ --	\$ --	\$ --	\$ --
Resources (inflows):				
Revenue from use of money and property	3,000	3,000	22,987	19,987
Aid from other governments	770,000	770,000	2,641,000	1,871,000
Amounts available for appropriation	<u>773,000</u>	<u>773,000</u>	<u>2,663,987</u>	<u>1,890,987</u>
Charges to appropriations (outflows):				
Current:				
Health and sanitation	565,532	572,929	322,557	250,372
Total charges to appropriations	<u>565,532</u>	<u>572,929</u>	<u>322,557</u>	<u>250,372</u>
Net change in fund balances	<u>207,468</u>	<u>200,071</u>	<u>2,341,430</u>	<u>2,141,359</u>
Budgetary Fund Balances, End of Year	<u>\$ 207,468</u>	<u>\$ 200,071</u>	<u>\$ 2,341,430</u>	<u>\$ 2,141,359</u>

COUNTY OF ALPINE

Budgetary Comparison Schedule
STPUD Mitigation Fund
For the Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Budgetary Fund Balances - Beginning of Year	\$ 3,409,577	\$ 3,409,577	\$ 3,409,577	\$ --
Resources (inflows):				
Revenue from use of money and property	38,000	38,000	69,037	31,037
Aid from other governments	50,000	50,000	13,122	(36,878)
Charges for services	--	--	112,100	112,100
Miscellaneous revenue	100,000	100,000	--	(100,000)
Amounts available for appropriation	<u>188,000</u>	<u>188,000</u>	<u>194,259</u>	<u>6,259</u>
Charges to appropriations (outflows):				
Principal and interest	<u>3,458,414</u>	<u>3,458,414</u>	<u>67,735</u>	<u>3,390,679</u>
Total charges to appropriations	<u>3,458,414</u>	<u>3,458,414</u>	<u>67,735</u>	<u>3,390,679</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,270,414)</u>	<u>(3,270,414)</u>	<u>126,524</u>	<u>3,396,938</u>
Net change in fund balances	<u>(3,270,414)</u>	<u>(3,270,414)</u>	<u>126,524</u>	<u>3,396,938</u>
Budgetary Fund Balances - End of Year	<u>\$ 139,163</u>	<u>\$ 139,163</u>	<u>\$ 3,536,101</u>	<u>\$ 3,396,938</u>

COUNTY OF ALPINE

Budgetary Comparison Schedule
Miscellaneous Grants
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary fund balances, Beginning of Year	\$ 256,335	\$ 256,335	\$ 256,335	\$ --
Resources (inflows):				
Revenue from use of money and property	130	130	2,922	2,792
Aid from other governments	1,206,039	1,195,039	834,549	(360,490)
Miscellaneous revenue	99,379	105,491	3,479	(102,012)
Amounts available for appropriation	<u>1,305,548</u>	<u>1,300,660</u>	<u>840,950</u>	<u>(459,710)</u>
Charges to appropriations (outflows):				
Current:				
General government	107,875	144,287	109,871	34,416
Public protection	715,198	755,198	269,492	485,706
Health and sanitation	159,889	108,050	65,167	42,883
Recreation and cultural services	78,636	78,636	79,033	(397)
Transfers out	247,642	311,855	210,098	101,757
Total charges to appropriations	<u>1,309,240</u>	<u>1,398,026</u>	<u>733,661</u>	<u>664,365</u>
Net change in fund balances	<u>(3,692)</u>	<u>(97,366)</u>	<u>107,289</u>	<u>204,655</u>
Budgetary Fund Balances, End of Year	<u>\$ 252,643</u>	<u>\$ 158,969</u>	<u>\$ 363,624</u>	<u>\$ 204,655</u>

Reconciliation of Budgetary Inflows and Outflows to GAAP Revenues and Expenditures

Uses/outflows of resources:			
Actual charges to appropriations from the Budgetary Comparison Schedule above			\$ 733,661
Transfers out to other funds are outflows of resources for budgetary purposes but are not considered expenditures in GAAP financial statements			<u>(210,098)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances			<u>\$ 523,563</u>

COUNTY OF ALPINE

Note to Required Supplementary Information For the Year Ended June 30, 2011

BUDGETARY BASIS OF ACCOUNTING

General Budget Policies

By State law, the County Board of Supervisors must approve a tentative budget no later than June 30 of each year, and adopt a final budget no later than August 30. A public hearing must be conducted to receive comments prior to adoption.

From the effective date of the budget, which is adopted and controlled at the departmental level, the amounts stated therein as proposed expenditures become appropriations to the various County departments. However, the legal level of control is the fund level. The Board of Supervisors may amend the budget by resolution during the fiscal year. Department heads may, upon approval of the Auditor-Controller, make transfers from one object or purpose to another within the same budget unit. All other budget amendments must be approved by the Board. It is this final revised budget that is presented in the basic financial statements. Appropriations lapse at year end.

Budgets are adopted for the general fund and all special revenue funds. Accounting principles applied for purposes of developing data on a budgetary basis are materially the same as those used to present financial statements in conformity with GAAP, except that transfers in are regarded as inflows of resources for budgetary purposes and not revenues for GAAP financial statement presentation and transfers out are considered outflows of resources for budgetary purposes but not expenditures for GAAP financial statement presentation.

Individual fund budgetary comparisons are not presented at the detail budget unit level due to their excessive length. A separate publication presenting this information is available.

SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds are used to account and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

Capital Project Funds are used to account for the financial resources to be used for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

COUNTY OF ALPINE

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011

	State Public Health	Mental Health	Parks and Recreation Grant	Fish and Game
<u>Assets</u>				
Cash and investments	\$ 521,300	\$ 2,109,732	\$ --	\$ 66,138
Imprest cash	50	--	--	--
Accounts receivable	24,050	--	101,381	--
Due from other governmental agencies	116,727	20,118	--	--
Interest receivable	881	3,877	--	152
Due from other funds	--	--	--	--
Advances to other funds	--	--	--	--
	<u>\$ 663,008</u>	<u>\$ 2,133,727</u>	<u>\$ 101,381</u>	<u>\$ 66,290</u>
<u>Liabilities and Fund Balance</u>				
Accounts payable	\$ 7,805	\$ 24,452	\$ 219	\$ 8,960
Deferred revenue	108,479	172,565	--	--
Due to other funds	--	--	104,236	--
Advances from other funds	100,897	--	--	--
	<u>217,181</u>	<u>197,017</u>	<u>104,455</u>	<u>8,960</u>
<u>Fund Balances</u>				
Nonspendable	--	--	--	--
Restricted	445,827	1,936,710	--	57,330
Assigned	--	--	--	--
Unassigned	--	--	(3,074)	--
	<u>445,827</u>	<u>1,936,710</u>	<u>(3,074)</u>	<u>57,330</u>
Total Fund Balances	<u>445,827</u>	<u>1,936,710</u>	<u>(3,074)</u>	<u>57,330</u>
Total Liabilities and Fund Balances	<u>\$ 663,008</u>	<u>\$ 2,133,727</u>	<u>\$ 101,381</u>	<u>\$ 66,290</u>

continued

COUNTY OF ALPINE

Combining Balance Sheet (continued)
 Nonmajor Governmental Funds
 June 30, 2011

	Local Transportation	State Transit Assistance	State Subvention	Building
<u>Assets</u>				
Cash and investments	\$ 23,080	\$ 30,164	\$ --	\$ 114,800
Imprest cash	--	--	--	25
Accounts receivable	--	--	--	--
Due from other governmental agencies	--	--	82,742	--
Interest receivable	133	61	--	271
Due from other funds	50,602	--	2,800	--
Advances to other funds	--	--	--	--
	--	--	--	--
Total Assets	\$ 73,815	\$ 30,225	\$ 85,542	\$ 115,096
 <u>Liabilities and Fund Balance</u>				
Accounts payable	\$ --	\$ --	\$ 26,601	\$ 2,127
Deferred revenue	--	--	39,000	--
Due to other funds	2,800	--	50,602	--
Advances from other funds	--	--	--	--
	--	--	--	--
Total Liabilities	2,800	--	116,203	2,127
 <u>Fund Balances</u>				
Nonspendable	--	--	--	--
Restricted	71,015	30,225	--	112,969
Assigned	--	--	--	--
Unassigned	--	--	(30,661)	--
	--	--	(30,661)	--
Total Fund Balances	71,015	30,225	(30,661)	112,969
Total Liabilities and Fund Balances	\$ 73,815	\$ 30,225	\$ 85,542	\$ 115,096

continued

COUNTY OF ALPINE

Combining Balance Sheet (continued)
 Nonmajor Governmental Funds
 June 30, 2011

	<u>Tobacco</u>	<u>Drug and Alcohol</u>	<u>Sheriff Anti-Drug</u>	<u>DA Victim Witness</u>
<u>Assets</u>				
Cash and investments	\$ 103,035	\$ 567,777	\$ 48,634	\$ --
Imprest cash	--	--	--	--
Accounts receivable	--	--	26,550	11,829
Due from other governmental agencies	--	824	40,046	13,020
Interest receivable	256	1,031	131	--
Due from other funds	--	--	--	--
Advances to other funds	--	--	--	--
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 103,291</u>	<u>\$ 569,632</u>	<u>\$ 115,361</u>	<u>\$ 24,849</u>
<u>Liabilities and Fund Balance</u>				
Accounts payable	\$ 489	\$ --	\$ 720	\$ 53
Deferred revenue	78,842	--	40,046	13,020
Due to other funds	--	--	--	31,646
Advances from other funds	--	--	115,654	--
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>79,331</u>	<u>--</u>	<u>156,420</u>	<u>44,719</u>
<u>Fund Balances</u>				
Nonspendable	--	--	--	--
Restricted	23,960	569,632	--	--
Assigned	--	--	--	--
Unassigned	--	--	(41,059)	(19,870)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>23,960</u>	<u>569,632</u>	<u>(41,059)</u>	<u>(19,870)</u>
Total Liabilities and Fund Balances	<u>\$ 103,291</u>	<u>\$ 569,632</u>	<u>\$ 115,361</u>	<u>\$ 24,849</u>

continued

COUNTY OF ALPINE

Combining Balance Sheet (continued)
 Nonmajor Governmental Funds
 June 30, 2011

	<u>Aviation</u>	<u>County Service Area #1</u>	<u>COPS Grant</u>	<u>Prop 36 SACPA</u>
<u>Assets</u>				
Cash and investments	\$ 10,498	\$ 251,594	\$ 173,785	\$ 278,349
Imprest cash	--	--	--	--
Accounts receivable	--	--	28,501	--
Due from other governmental agencies	--	--	--	--
Interest receivable	22	583	370	558
Due from other funds	--	--	--	--
Advances to other funds	--	--	--	--
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 10,520</u>	<u>\$ 252,177</u>	<u>\$ 202,656</u>	<u>\$ 278,907</u>
 <u>Liabilities and Fund Balance</u>				
Accounts payable	\$ --	\$ 17,059	\$ --	\$ --
Deferred revenue	--	--	--	278,907
Due to other funds	--	--	--	--
Advances from other funds	--	--	--	--
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u> </u>	<u>17,059</u>	<u> </u>	<u>278,907</u>
 <u>Fund Balances</u>				
Nonspendable	--	--	--	--
Restricted	10,520	235,118	202,656	--
Assigned	--	--	--	--
Unassigned	--	--	--	--
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>10,520</u>	<u>235,118</u>	<u>202,656</u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 10,520</u>	<u>\$ 252,177</u>	<u>\$ 202,656</u>	<u>\$ 278,907</u>

continued

COUNTY OF ALPINE

Combining Balance Sheet (continued)
 Nonmajor Governmental Funds
 June 30, 2011

	<u>Water Rights</u>	<u>Parking Records Mgmt</u>	<u>State OES FEMA</u>
<u>Assets</u>			
Cash and investments	\$ 5,607	\$ 29,017	\$ --
Imprest cash	--	--	--
Accounts receivable	--	--	--
Due from other governmental agencies	--	--	168,385
Interest receivable	11	62	--
Due from other funds	--	--	--
Advances to other funds	--	--	--
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 5,618</u>	<u>\$ 29,079</u>	<u>\$ 168,385</u>
 <u>Liabilities and Fund Balance</u>			
Accounts payable	\$ --	\$ --	\$ 234
Deferred revenue	--	--	168,385
Due to other funds	--	--	186,741
Advances from other funds	--	--	--
	<hr/>	<hr/>	<hr/>
Total Liabilities	<hr/>	<hr/>	<hr/>
 <u>Fund Balances</u>			
Nonspendable	--	--	--
Restricted	5,618	29,079	--
Assigned	--	--	--
Unassigned	--	--	(186,975)
	<hr/>	<hr/>	<hr/>
Total Fund Balances	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 5,618</u>	<u>\$ 29,079</u>	<u>\$ 168,385</u>

continued

COUNTY OF ALPINE

Combining Balance Sheet (continued)
 Nonmajor Governmental Funds
 June 30, 2011

	Law Enforcement AB443	Assessor's Trust	Search & Rescue	MV Pipeline Prop 50
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Assets</u>				
Cash and investments	\$ 442,337	\$ 30,411	\$ 10,058	\$ --
Imprest cash	--	--	--	--
Accounts receivable	125,160	--	--	--
Due from other governmental agencies	--	--	--	45,411
Interest receivable	1,675	61	20	--
Due from other funds	186,741	--	--	--
Advances to other funds	481,937	--	--	--
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 1,237,850</u>	<u>\$ 30,472</u>	<u>\$ 10,078</u>	<u>\$ 45,411</u>
 <u>Liabilities and Fund Balance</u>				
Accounts payable	\$ --	\$ 119	\$ --	\$ 33,423
Deferred revenue	--	--	--	45,411
Due to other funds	--	--	--	56,297
Advances from other funds	--	--	--	--
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	--	119	--	135,131
 <u>Fund Balances</u>				
Nonspendable	481,937	--	--	--
Restricted	755,913	30,353	10,078	--
Assigned	--	--	--	--
Unassigned	--	--	--	(89,720)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>1,237,850</u>	<u>30,353</u>	<u>10,078</u>	<u>(89,720)</u>
Total Liabilities and Fund Balances	<u>\$ 1,237,850</u>	<u>\$ 30,472</u>	<u>\$ 10,078</u>	<u>\$ 45,411</u>

continued

COUNTY OF ALPINE

Combining Balance Sheet (continued)
 Nonmajor Governmental Funds
 June 30, 2011

	Youth Offender Block Grant	Fire Protection	Recorder's Trust	Court Services
<u>Assets</u>				
Cash and investments	\$ 67,168	\$ 223,070	\$ 97,696	\$ 28,617
Imprest cash	--	--	--	--
Accounts receivable	--	--	--	--
Due from other governmental agencies	--	--	--	--
Interest receivable	157	404	196	48
Due from other funds	--	--	--	--
Advances to other funds	--	--	--	--
	<u>\$ 67,325</u>	<u>\$ 223,474</u>	<u>\$ 97,892</u>	<u>\$ 28,665</u>
 <u>Liabilities and Fund Balance</u>				
Accounts payable	\$ 3,000	\$ 10,667	\$ 124	\$ 28,617
Deferred revenue	--	--	--	--
Due to other funds	--	--	--	--
Advances from other funds	--	--	--	--
	<u>3,000</u>	<u>10,667</u>	<u>124</u>	<u>28,617</u>
 <u>Fund Balances</u>				
Nonspendable	--	--	--	--
Restricted	64,325	212,807	97,768	48
Assigned	--	--	--	--
Unassigned	--	--	--	--
	<u>64,325</u>	<u>212,807</u>	<u>97,768</u>	<u>48</u>
Total Fund Balances	<u>64,325</u>	<u>212,807</u>	<u>97,768</u>	<u>48</u>
Total Liabilities and Fund Balances	<u>\$ 67,325</u>	<u>\$ 223,474</u>	<u>\$ 97,892</u>	<u>\$ 28,665</u>

continued

COUNTY OF ALPINE

Combining Balance Sheet (continued)
 Nonmajor Governmental Funds
 June 30, 2011

	<u>SAFER Grant</u>	<u>Total Special Revenue</u>	<u>Permanent Fund TPL Tax Exchange</u>
<u>Assets</u>			
Cash and investments	\$ --	\$ 5,232,867	\$ 465,509
Imprest cash	--	75	--
Accounts receivable	--	317,471	--
Due from other governmental agencies	--	487,273	--
Interest receivable	--	10,960	908
Due from other funds	--	240,143	--
Advances to other funds	--	481,937	--
	<hr/>	<hr/>	<hr/>
Total Assets	\$ --	\$ 6,770,726	\$ 466,417
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>Liabilities and Fund Balance</u>			
Accounts payable	\$ 7,520	\$ 172,189	\$ --
Deferred revenue	--	944,655	--
Due to other funds	--	432,322	--
Advances from other funds	--	216,551	--
	<hr/>	<hr/>	<hr/>
Total Liabilities	7,520	1,765,717	--
	<hr/>	<hr/>	<hr/>
<u>Fund Balances</u>			
Nonspendable	--	481,937	400,000
Restricted	--	4,901,951	--
Assigned	--	--	66,417
Unassigned	(7,520)	(378,879)	--
	<hr/>	<hr/>	<hr/>
Total Fund Balances	(7,520)	5,005,009	466,417
Total Liabilities and Fund Balances	\$ --	\$ 6,770,726	\$ 466,417
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

continued

COUNTY OF ALPINE

Combining Balance Sheet (continued)
 Nonmajor Governmental Funds
 June 30, 2011

	Capital Projects			
	Accumulated Capital Outlay	County Road Improvement	Vehicle Replacement	Leviathan Peak
<u>Assets</u>				
Cash and investments	\$ 302,164	\$ 26,290	\$ 169,033	\$ 439,646
Imprest cash	--	--	--	--
Accounts receivable	248	3,516	--	--
Due from other governmental agencies	--	--	--	--
Interest receivable	1,379	55	339	905
Due from other funds	--	--	--	--
Advances to other funds	--	--	--	--
Total Assets	\$ 303,791	\$ 29,861	\$ 169,372	\$ 440,551
<u>Liabilities and Fund Balance</u>				
Accounts payable	\$ 31,414	\$ 6,726	\$ --	\$ 23,488
Deferred revenue	--	--	--	--
Due to other funds	--	30,000	--	--
Advances from other funds	--	--	--	--
Total Liabilities	31,414	36,726	--	23,488
<u>Fund Balances</u>				
Nonspendable	--	--	--	--
Restricted	--	--	169,372	417,063
Assigned	272,377	--	--	--
Unassigned	--	(6,865)	--	--
Total Fund Balances	272,377	(6,865)	169,372	417,063
Total Liabilities and Fund Balances	\$ 303,791	\$ 29,861	\$ 169,372	\$ 440,551

continued

COUNTY OF ALPINE

Combining Balance Sheet (continued)
 Nonmajor Governmental Funds
 June 30, 2011

	Capital Projects		
	Radio Repeater	Total Capital Projects	Total Nonmajor Governmental Funds
<u>Assets</u>			
Cash and investments	\$ 929,270	\$ 1,866,403	\$ 7,564,779
Imprest cash	--	--	75
Accounts receivable	--	3,764	321,235
Due from other governmental agencies	--	--	487,273
Interest receivable	--	2,678	14,546
Due from other funds	--	--	240,143
Advances to other funds	--	--	481,937
	<u>\$ 929,270</u>	<u>\$ 1,872,845</u>	<u>\$ 9,109,988</u>
 <u>Liabilities and Fund Balance</u>			
Accounts payable	\$ 177,278	\$ 238,906	\$ 411,095
Deferred revenue	--	--	944,655
Due to other funds	--	30,000	462,322
Advances from other funds	--	--	216,551
	<u>177,278</u>	<u>268,906</u>	<u>2,034,623</u>
 <u>Fund Balances</u>			
Nonspendable	--	--	881,937
Restricted	751,992	1,338,427	6,240,378
Assigned	--	272,377	338,794
Unassigned	--	(6,865)	(385,744)
	<u>751,992</u>	<u>1,603,939</u>	<u>7,075,365</u>
Total Fund Balances	<u>751,992</u>	<u>1,603,939</u>	<u>7,075,365</u>
Total Liabilities and Fund Balances	<u>\$ 929,270</u>	<u>\$ 1,872,845</u>	<u>\$ 9,109,988</u>

COUNTY OF ALPINE

Combining Statements of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2011

	<u>State Public Health</u>	<u>Mental Health</u>	<u>Parks and Recreation Grant</u>	<u>Fish and Game</u>
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--
Fines, forfeitures, and penalties	--	--	--	1,752
Use of money and property	16,937	15,061	(710)	417
Aid from other governmental agencies	295,835	336,898	176,140	48,032
Charges for services	133,375	--	--	--
Other revenue	8,036	--	--	--
Total Revenues	<u>454,183</u>	<u>351,959</u>	<u>175,430</u>	<u>50,201</u>
Expenditures:				
Current:				
General government	--	--	--	--
Public protection	--	--	--	62,874
Public ways and facilities	--	--	--	--
Health and sanitation	551,878	344,131	--	--
Recreation and culture	--	--	182,721	--
Capital outlay	--	--	--	--
Total Expenditures	<u>551,878</u>	<u>344,131</u>	<u>182,721</u>	<u>62,874</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(97,695)</u>	<u>7,828</u>	<u>(7,291)</u>	<u>(12,673)</u>
Other Financing Sources (Uses):				
Transfers in	445,696	280,000	18,136	--
Transfers out	<u>(143,760)</u>	<u>(299,498)</u>	<u>--</u>	<u>--</u>
Total Other Financing Sources (Uses)	<u>301,936</u>	<u>(19,498)</u>	<u>18,136</u>	<u>--</u>
Net Changes in Fund Balances	204,241	(11,670)	10,845	(12,673)
Fund Balances, Beginning of Year	<u>241,586</u>	<u>1,948,380</u>	<u>(13,919)</u>	<u>70,003</u>
Fund Balances, End of Year	<u><u>\$ 445,827</u></u>	<u><u>\$ 1,936,710</u></u>	<u><u>\$ (3,074)</u></u>	<u><u>\$ 57,330</u></u>

continued

COUNTY OF ALPINE

Combining Statements of Revenues, Expenditures
and Changes in Fund Balances (continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2011

	Local Transportation	State Transit Assistance	State Subvention	Building
Revenues:				
Taxes	\$ 56,538	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	94,656
Fines, forfeitures, and penalties	--	--	--	--
Use of money and property	645	234	(322)	609
Aid from other governmental agencies	--	--	221,627	--
Charges for services	--	--	--	29,603
Other revenue	20,000	--	--	13
Total Revenues	<u>77,183</u>	<u>234</u>	<u>221,305</u>	<u>124,881</u>
Expenditures:				
Current:				
General government	--	--	--	206,367
Public protection	--	--	--	--
Public ways and facilities	78,940	--	188,806	--
Health and sanitation	--	--	--	--
Recreation and culture	--	--	--	--
Capital outlay	--	--	--	--
Total Expenditures	<u>78,940</u>	<u>--</u>	<u>188,806</u>	<u>206,367</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,757)</u>	<u>234</u>	<u>32,499</u>	<u>(81,486)</u>
Other Financing Sources (Uses):				
Transfers in	--	--	--	119,613
Transfers out	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>119,613</u>
Net Changes in Fund Balances	(1,757)	234	32,499	38,127
Fund Balances, Beginning of Year	<u>72,772</u>	<u>29,991</u>	<u>(63,160)</u>	<u>74,842</u>
Fund Balances, End of Year	<u>\$ 71,015</u>	<u>\$ 30,225</u>	<u>\$ (30,661)</u>	<u>\$ 112,969</u>

continued

COUNTY OF ALPINE

Combining Statements of Revenues, Expenditures
and Changes in Fund Balances (continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2011

	Tobacco	Drug and Alcohol	Sheriff Anti-Drug	DA Victim Witness
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--
Fines, forfeitures, and penalties	--	--	--	--
Use of money and property	765	3,776	458	(185)
Aid from other governmental agencies	201,533	330,970	144,481	43,428
Charges for services	--	--	--	--
Other revenue	--	--	--	--
Total Revenues	202,298	334,746	144,939	43,243
Expenditures:				
Current:				
General government	--	--	--	--
Public protection	--	--	126,246	48,826
Public ways and facilities	--	--	--	--
Health and sanitation	137,098	249,451	--	--
Recreation and culture	--	--	--	--
Capital outlay	--	--	--	--
Total Expenditures	137,098	249,451	126,246	48,826
Excess (Deficiency) of Revenues Over (Under) Expenditures	65,200	85,295	18,693	(5,583)
Other Financing Sources (Uses):				
Transfers in	143,760	--	--	--
Transfers out	(185,000)	--	--	--
Total Other Financing Sources (Uses)	(41,240)	--	--	--
Net Changes in Fund Balances	23,960	85,295	18,693	(5,583)
Fund Balances, Beginning of Year	--	484,337	(59,752)	(14,287)
Fund Balances, End of Year	\$ 23,960	\$ 569,632	\$ (41,059)	\$ (19,870)

continued

COUNTY OF ALPINE

Combining Statements of Revenues, Expenditures
and Changes in Fund Balances (continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2011

	Aviation	County Service Area #1	COPS Grant	Prop 36 SACPA
Revenues:				
Taxes	\$ --	\$ 275,562	\$ --	\$ --
Licenses and permits	--	--	--	--
Fines, forfeitures, and penalties	--	1,875	--	--
Use of money and property	74	2,455	1,524	--
Aid from other governmental agencies	--	381	166,429	--
Charges for services	--	265,848	--	--
Other revenue	--	39,652	--	--
Total Revenues	<u>74</u>	<u>585,773</u>	<u>167,953</u>	<u>--</u>
Expenditures:				
Current:				
General government	--	366,362	--	--
Public protection	--	196,844	177,247	--
Public ways and facilities	3,447	--	--	--
Health and sanitation	--	--	--	--
Recreation and culture	--	--	--	--
Capital outlay	--	--	--	--
Total Expenditures	<u>3,447</u>	<u>563,206</u>	<u>177,247</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,373)</u>	<u>22,567</u>	<u>(9,294)</u>	<u>--</u>
Other Financing Sources (Uses):				
Transfers in	--	3,000	1,600	--
Transfers out	--	(16,800)	(1,136)	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>(13,800)</u>	<u>464</u>	<u>--</u>
Net Changes in Fund Balances	(3,373)	8,767	(8,830)	--
Fund Balances, Beginning of Year	<u>13,893</u>	<u>226,351</u>	<u>211,486</u>	<u>--</u>
Fund Balances, End of Year	<u>\$ 10,520</u>	<u>\$ 235,118</u>	<u>\$ 202,656</u>	<u>\$ --</u>

continued

COUNTY OF ALPINE

Combining Statements of Revenues, Expenditures
and Changes in Fund Balances (continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2011

	Water Rights	Parking Records Mgmt	State OES FEMA
Revenues:			
Taxes	\$ --	\$ --	\$ --
Licenses and permits	--	--	--
Fines, forfeitures, and penalties	--	--	--
Use of money and property	43	243	(465)
Aid from other governmental agencies	--	--	338,352
Charges for services	--	7,304	--
Other revenue	--	--	--
Total Revenues	43	7,547	337,887
Expenditures:			
Current:			
General government	--	14,516	--
Public protection	--	--	--
Public ways and facilities	--	--	58,831
Health and sanitation	--	--	--
Recreation and culture	--	--	--
Capital outlay	--	--	--
Total Expenditures	--	14,516	58,831
Excess (Deficiency) of Revenues Over (Under) Expenditures	43	(6,969)	279,056
Other Financing Sources (Uses):			
Transfers in	--	3,920	--
Transfers out	--	--	(360,560)
Total Other Financing Sources (Uses)	--	3,920	(360,560)
Net Changes in Fund Balances	43	(3,049)	(81,504)
Fund Balances, Beginning of Year	5,575	32,128	(105,471)
Fund Balances, End of Year	\$ 5,618	\$ 29,079	\$ (186,975)

continued

COUNTY OF ALPINE

Combining Statements of Revenues, Expenditures
and Changes in Fund Balances (continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2011

	Law Enforcement AB443	Assessor's Trust	Search & Rescue	MV Pipeline Prop 50
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--
Fines, forfeitures, and penalties	--	--	--	--
Use of money and property	7,013	239	77	(362)
Aid from other governmental agencies	406,699	--	--	80,626
Charges for services	--	3,814	--	--
Other revenue	132	--	--	--
Total Revenues	<u>413,844</u>	<u>4,053</u>	<u>77</u>	<u>80,264</u>
Expenditures:				
Current:				
General government	--	4,777	--	--
Public protection	320,672	--	--	--
Public ways and facilities	--	--	--	171,471
Health and sanitation	--	--	--	--
Recreation and culture	--	--	--	--
Capital outlay	--	--	--	--
Total Expenditures	<u>320,672</u>	<u>4,777</u>	<u>--</u>	<u>171,471</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>93,172</u>	<u>(724)</u>	<u>77</u>	<u>(91,207)</u>
Other Financing Sources (Uses):				
Transfers in	--	--	--	--
Transfers out	(286,123)	--	--	--
Total Other Financing Sources (Uses)	<u>(286,123)</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Changes in Fund Balances	(192,951)	(724)	77	(91,207)
Fund Balances, Beginning of Year	<u>1,430,801</u>	<u>31,077</u>	<u>10,001</u>	<u>1,487</u>
Fund Balances, End of Year	<u>\$ 1,237,850</u>	<u>\$ 30,353</u>	<u>\$ 10,078</u>	<u>\$ (89,720)</u>

continued

COUNTY OF ALPINE

Combining Statements of Revenues, Expenditures
and Changes in Fund Balances (continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2011

	Youth Offenders Grant	Fire Protection	Recorder's Trust	Court Services
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	14,468	--	--
Fines, forfeitures, and penalties	--	--	--	--
Use of money and property	520	1,529	743	103
Aid from other governmental agencies	117,000	9,700	--	--
Charges for services	--	--	5,099	--
Other revenue	--	--	--	--
Total Revenues	<u>117,520</u>	<u>25,697</u>	<u>5,842</u>	<u>103</u>
Expenditures:				
Current:				
General government	--	--	2,857	28,617
Public protection	121,703	23,459	--	--
Public ways and facilities	--	--	--	--
Health and sanitation	--	--	--	--
Recreation and culture	--	--	--	--
Capital outlay	--	--	--	--
Total Expenditures	<u>121,703</u>	<u>23,459</u>	<u>2,857</u>	<u>28,617</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,183)</u>	<u>2,238</u>	<u>2,985</u>	<u>(28,514)</u>
Other Financing Sources (Uses):				
Transfers in	--	16,800	--	28,491
Transfers out	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>16,800</u>	<u>--</u>	<u>28,491</u>
Net Changes in Fund Balances	(4,183)	19,038	2,985	(23)
Fund Balances, Beginning of Year	<u>68,508</u>	<u>193,769</u>	<u>94,783</u>	<u>71</u>
Fund Balances, End of Year	<u>\$ 64,325</u>	<u>\$ 212,807</u>	<u>\$ 97,768</u>	<u>\$ 48</u>

continued

COUNTY OF ALPINE

Combining Statements of Revenues, Expenditures
and Changes in Fund Balances (continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2011

	<u>SAFER Grant</u>	<u>Special Revenue Total</u>	<u>Permanent Fund TPL Tax Exchange</u>
Revenues:			
Taxes	\$ --	\$ 332,100	\$ --
Licenses and permits	--	109,124	--
Fines, forfeitures, and penalties	--	3,627	--
Use of money and property	(74)	51,347	(216)
Aid from other governmental agencies	56,841	2,974,972	--
Charges for services	--	445,043	--
Other revenue	--	67,833	--
Total Revenues	<u>56,767</u>	<u>3,984,046</u>	<u>(216)</u>
Expenditures:			
Current:			
General government	--	623,496	--
Public protection	56,060	1,133,931	--
Public ways and facilities	--	501,495	--
Health and sanitation	--	1,282,558	--
Recreation and culture	--	182,721	--
Capital outlay	--	--	--
Total Expenditures	<u>56,060</u>	<u>3,724,201</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>707</u>	<u>259,845</u>	<u>(216)</u>
Other Financing Sources (Uses):			
Transfers in	--	1,061,016	--
Transfers out	--	(1,292,877)	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>(231,861)</u>	<u>--</u>
Net Changes in Fund Balances	707	27,984	(216)
Fund Balances, Beginning of Year	<u>(8,227)</u>	<u>4,977,025</u>	<u>466,633</u>
Fund Balances, End of Year	<u><u>\$ (7,520)</u></u>	<u><u>\$ 5,005,009</u></u>	<u><u>\$ 466,417</u></u>

continued

COUNTY OF ALPINE

Combining Statements of Revenues, Expenditures
and Changes in Fund Balances (continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2011

	Capital Projects			
	Accumulated Capital Outlay	County Road Improvement	Vehicle Replacement	Leviathan Peak
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--
Fines, forfeitures, and penalties	--	--	--	--
Use of money and property	3,606	(1,355)	1,310	522,109
Aid from other governmental agencies	59,280	1,054,820	--	78,007
Charges for services	--	--	--	--
Other revenue	--	--	--	--
Total Revenues	<u>62,886</u>	<u>1,053,465</u>	<u>1,310</u>	<u>600,116</u>
Expenditures:				
Current:				
General government	--	--	--	--
Public protection	--	--	--	--
Public ways and facilities	--	1,039,893	--	--
Health and sanitation	--	--	--	--
Recreation and culture	--	--	--	--
Capital outlay	174,458	--	--	126,728
Total Expenditures	<u>174,458</u>	<u>1,039,893</u>	<u>--</u>	<u>126,728</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(111,572)</u>	<u>13,572</u>	<u>1,310</u>	<u>473,388</u>
Other Financing Sources (Uses):				
Transfers in	581,090	--	--	--
Transfers out	(627,716)	--	--	(56,325)
Total Other Financing Sources (Uses)	<u>(46,626)</u>	<u>--</u>	<u>--</u>	<u>(56,325)</u>
Net Changes in Fund Balances	(158,198)	13,572	1,310	417,063
Fund Balances, Beginning of Year	<u>430,575</u>	<u>(20,437)</u>	<u>168,062</u>	<u>--</u>
Fund Balances, End of Year	<u>\$ 272,377</u>	<u>\$ (6,865)</u>	<u>\$ 169,372</u>	<u>\$ 417,063</u>

continued

COUNTY OF ALPINE

Combining Statements of Revenues, Expenditures
and Changes in Fund Balances (continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2011

	<u>Capital Projects</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Radio Repeater</u>	<u>Total Capital Total</u>	
Revenues:			
Taxes	\$ --	\$ --	\$ 332,100
Licenses and permits	--	--	109,124
Fines, forfeitures, and penalties	--	--	3,627
Use of money and property	--	525,670	576,801
Aid from other governmental agencies	187,700	1,379,807	4,354,779
Charges for services	--	--	445,043
Other revenue	--	--	67,833
Total Revenues	<u>187,700</u>	<u>1,905,477</u>	<u>5,889,307</u>
Expenditures:			
Current:			
General government	--	--	623,496
Public protection	927,881	927,881	2,061,812
Public ways and facilities	--	1,039,893	1,541,388
Health and sanitation	--	--	1,282,558
Recreation and culture	--	--	182,721
Capital outlay	--	301,186	301,186
Total Expenditures	<u>927,881</u>	<u>2,268,960</u>	<u>5,993,161</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(740,181)</u>	<u>(363,483)</u>	<u>(103,854)</u>
Other Financing Sources (Uses):			
Transfers in	1,358,250	1,939,340	3,000,356
Transfers out	<u>(18,229)</u>	<u>(702,270)</u>	<u>(1,995,147)</u>
Total Other Financing Sources (Uses)	<u>1,340,021</u>	<u>1,237,070</u>	<u>1,005,209</u>
Net Changes in Fund Balances	599,840	873,587	901,355
Fund Balances, Beginning of Year	<u>152,152</u>	<u>730,352</u>	<u>6,174,010</u>
Fund Balances, End of Year	<u><u>\$ 751,992</u></u>	<u><u>\$ 1,603,939</u></u>	<u><u>\$ 7,075,365</u></u>

FIDUCIARY FUNDS

Fiduciary Funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the government holds for others in an agency capacity.

COUNTY OF ALPINE

Combining Statement of Fiduciary Net Assets
Investment Trust Funds
June 30, 2011

	<u>School Districts</u>	<u>Special Districts under Local Board</u>	<u>Total</u>
<u>Assets</u>			
Cash and investments	\$ 6,574,514	\$ 57,748	\$ 6,632,262
Total Assets	<u>6,574,514</u>	<u>57,748</u>	<u>6,632,262</u>
<u>Net Assets</u>			
Net assets held in trust for investment pool participants	<u>\$ 6,574,514</u>	<u>\$ 57,748</u>	<u>\$ 6,632,262</u>

COUNTY OF ALPINE

Combining Statement of Changes in Fiduciary Net Assets
Investment Trust Funds
For the Year Ended June 30, 2011

	<u>School Districts</u>	<u>Special Districts Governed by Local Boards</u>	<u>Total</u>
Additions:			
Contributions to investment pool	\$ 4,958,671	\$ 53,556	\$ 5,012,227
Investment earnings	<u>57,281</u>	<u>496</u>	<u>57,777</u>
Total Additions	<u>5,015,952</u>	<u>54,052</u>	<u>5,070,004</u>
Deductions:			
Distributions from pooled investment	<u>5,205,409</u>	<u>62,129</u>	<u>5,267,538</u>
Change in net assets	(189,457)	(8,077)	(197,534)
Net assets - beginning	<u>6,763,971</u>	<u>65,825</u>	<u>6,829,796</u>
Net assets - ending	<u><u>\$ 6,574,514</u></u>	<u><u>\$ 57,748</u></u>	<u><u>\$ 6,632,262</u></u>