COUNTY OF ALPINE

AUDIT REPORT

JUNE 30, 2010

COUNTY OF ALPINE

Table of Contents

	Page
Independent Auditor's Report	1-2
Management's Discussion and Analysis (M D & A)	3-11
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets	12
Statement of Activities	13
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	14
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets – Governmental Activities	15
Statement of Revenues, Expenditures and Changes in Fund Balances	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities – Governmental Activities	17
Proprietary Funds:	
Statement of Fund Net Assets	18
Statement of Revenues, Expenses and Changes in Fund Net Assets	19
Statement of Cash Flows	20
Fiduciary Funds:	
Statement of Fiduciary Net Assets	21
Statement of Changes in Fiduciary Net Assets	22
Notes to Financial Statements	23-47
Required Supplementary Information:	
Schedule of Funding Progress	48
Budgetary Comparison Schedules:	
General Fund	49
Road Fund	50
Social Services	51
Mental Health Services Act	52
STPUD Mitigation Fund	53
Miscellaneous Grants	54
Note to Required Supplementary Information	55

COUNTY OF ALPINE

Table of Contents

	Page
Supplementary Information:	
Combining Statements:	
Nonmajor Governmental Funds:	
Definition	56
Combining Balance Sheet	57-66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	67-76
Fiduciary Funds:	
Definition	77
Combining Statement of Fiduciary Net Assets	78
Combining Statement of Changes in Fiduciary Net Assets	79

GALLINA LLP
CERTIFIED PUBLIC ACCOUNTANTS

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, 2010, 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, 2010, 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 February 17, 2011, 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

925 Highland Pointe Drive, Suite 450 ▪ Roseville, CA 95678-5418
tel: 916.784.7800 ▪ fax: 916.784.7850 ▪ www.gallina.com

reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis (MD & A) and the required supplementary information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund financial statements have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Gallina LLP

Roseville, California
February 17, 2011

COUNTY OF ALPINE

Management's Discussion and Analysis
Required Supplementary Information
June 30, 2010

In this section of the annual financial report, County management discusses financial results for the fiscal year ended June 30, 2010. 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 2009-2010 fiscal year by $26,565,128 (*net assets)*. Of this amount, $5,930,658 (*unrestricted net assets)* may be used to meet ongoing obligations to citizens and creditors, $13,142,089 is restricted for specific purposes (*restricted net assets*), and $7,492,381 is invested in capital assets, net of related debt. The government's total net assets increased by $2,387,985.

- The County governmental funds reported combined fund balances of $18,860,103, an increase of $2,079,142 in comparison with the prior year.

- The County's unreserved, undesignated fund balance for the general fund was $3,703,962 or 58.4% of total general fund expenditures.

- The County's investment in capital assets, net of related debt, increased by $699,615.

- The County's total long-term liabilities increased by $602,935 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.

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.*

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. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Following is the comparative analysis of government-wide data for fiscal years 2009-10 and 2008-09.

Statement of Net Assets
June 30, 2010 and 2009

	Governmental Activities		Business-Type Activities		Totals		
	2010	2009	2010	2009	2010	2009	Variance (%)
Current and Other Assets	$ 23,892,778	$ 19,985,785	$ 61,508	$ 22,007	$ 23,954,286	$ 20,007,792	19.7%
Capital Assets	7,883,208	7,272,766	49,173	--	7,932,381	7,272,766	9.1%
Total Assets	31,775,986	27,258,551	110,681	22,007	31,886,667	27,280,558	16.9%
Current and Other Liabilities	4,099,142	2,412,200	101,621	62,120	4,200,763	2,474,320	69.8%
Long-Term Liabilities	1,120,776	629,095	--	--	1,120,776	629,095	78.2%
Total Liabilities	5,219,918	3,041,295	101,621	62,120	5,321,539	3,103,415	71.5%
Invested in Capital Assets, net of debt	7,443,208	6,792,766	49,173	--	7,492,381	6,792,766	10.3%
Restricted	13,142,089	11,365,143	--	--	13,142,089	11,365,143	15.6%
Unrestricted	5,970,771	6,059,347	(40,113)	(40,113)	5,930,658	6,019,234	-1.5%
Total Net Assets	$ 26,556,068	$ 24,217,256	$ 9,060	$ (40,113)	$ 26,565,128	$ 24,177,143	9.9%

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 $26,565,128 at the close of the most recent fiscal year.

A significant portion of the County's net assets, $5,930,658, 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, $7,492,381, 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.

COUNTY OF ALPINE

Management's Discussion and Analysis
Required Supplementary Information
June 30, 2010

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 $2,387,985 during the current fiscal year. This increase is due to revenues exceeding expenditures by $2,387,985. Please refer to the chart below for detail on the County's revenues and expenses. The $699,615 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.

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

Statement of Activities
For the Years Ended June 30, 2010 and 2009

Statement of Activities
For the Years Ended June 30, 2010 and 2009

	Governmental Activities		Business-Type Activities		Total		
Revenues	2010	2009	2010	2009	2010	2009	Variance (%)
Program Revenues:							
Fees, fines, and charges for services	$ 938,161	$ 1,213,098	$ 1,606	$ --	$ 939,767	$ 1,213,098	-22.5%
Operating grants and contributions	8,283,516	7,270,720	51,365	54,177	8,334,881	7,324,897	13.8%
Capital grants and contributions	10,751	191,234	51,886	--	62,637	191,234	-67.2%
General Revenues:							
Property Taxes	5,740,725	5,404,013	--	--	5,740,725	5,404,013	6.2%
Sales and Use Taxes	307,354	224,679	--	--	307,354	224,679	36.8%
Other Taxes	478,283	480,387	--	--	478,283	480,387	-0.4%
Miscellaneous	141,706	--	--	--	141,706	--	0.0%
Interest and Investment earnings	232,474	367,977	84	457	232,558	368,434	-36.9%
Total Revenues	16,132,970	15,152,108	104,941	54,634	16,237,911	15,206,742	6.8%
Expenses							
General Government	3,616,008	4,040,151	--	--	3,616,008	4,040,151	-10.5%
Public Protection	4,468,071	4,305,526	--	--	4,468,071	4,305,526	3.8%
Public Ways and Facilities	2,189,373	1,491,313	--	--	2,189,373	1,491,313	46.8%
Health and Sanitation	1,713,046	1,686,752	--	--	1,713,046	1,686,752	1.6%
Public Assistance	1,342,804	1,288,312	--	--	1,342,804	1,288,312	4.2%
Education	311,973	154,917	--	--	311,973	154,917	101.4%
Recreation	122,869	106,115	--	--	122,869	106,115	15.8%
Interest on long-term debt	30,014	32,621	--	--	30,014	32,621	-8.0%
Alpine Transit Service	--	--	55,768	72,809	55,768	72,809	-23.4%
Total Expenses	13,794,158	13,105,707	55,768	72,809	13,849,926	13,178,516	5.1%
Change in Net Assets	2,338,812	2,046,401	49,173	(18,175)	2,387,985	2,028,226	17.7%
Net Assets - Beginning	24,217,256	21,832,228	(40,113)	(21,938)	24,177,143	21,810,290	10.9%
Prior period adjustments	--	338,627	--	--	--	338,627	-100.0%
Net Assets - Ending	$ 26,556,068	$ 24,217,256	$ 9,060	$ (40,113)	$ 26,565,128	$ 24,177,143	9.9%

The County's revenues increased by $1,031,169 or 6.8% over prior year. Those specific revenue types exhibiting significant changes this year over last year are discussed below:

- Decrease of $273,331 in charges for services caused by a lack of construction related projects.
- Increase of $1,009,984 in operating and capital grants/contributions caused by an increase in federal grant funding.
- Increase of $336,712 in property taxes caused by incremental growth in property tax values.

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

- Increase of $698,060, or 46.8%, to the public ways and facilities function primarily due to an increase in road repair caused by additional federal funding.
- Decrease of $424,143, or 10.5%, to the general government function primarily due to cuts in library staff and tobacco grant expense reductions.

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 designate (restrict) unreserved fund balance for a particular function, project or activity. Fund balance may be designated for purposes beyond the current year. However, designated fund balance is available for appropriation at any time.

Net Change in Fund Balance
Governmental Funds
For Fiscal Years Ended June 30, 2010 and 2009

	FY 2009/10	FY 2008/09	Increase (Decrease) Amount
Fund Balance - Beginning of Year	$ 16,780,961	$ 14,987,629	$ 1,793,332
Revenues	16,877,554	15,692,240	1,185,314
Expenditures	(14,798,412)	(14,264,761)	(533,651)
Change in net assets	2,079,142	1,427,479	651,663
Prior period adjustment	--	365,853	(365,853)
Fund Balance - Ending of Year	$ 18,860,103	$ 16,780,961	$ 2,079,142

At June, 30, 2010, the County's governmental funds reported combined fund balances of $18,860,103. Of these combined fund balances, $17,143,702 constitutes *unreserved fund balance of the General, Special Revenue, Permanent and Capital Projects Funds,* which is available to meet the County's current and future needs. The remainder of fund balance, $1,716,401, is *reserved* to indicate that it is *not* available for new spending because it has been committed.

The General Fund is the County's main operating fund. During the year, unreserved undesignated fund balance in the General Fund increased by $806,254. The increase was primarily the result of a $642,635 increase in the change in net assets and a $163,619 decrease in reserved fund balance due to a reduction in deposits with others and program restrictions.

The County uses the Road Fund to account for maintenance and construction of roads within the County. This fund experienced an increase in its unreserved undesignated fund balance of $658,911 during the year is due to revenues exceeding expenditures by $651,544, which was created by a $648,360 decrease in expenditures.

The County uses the Social Services Fund to account for public assistance programs provided within the County. The fund experienced an increase in its unreserved undesignated fund balance of $451,861 during the year due to revenues exceeding expenditures and transfers out by $451,861, which was created primarily by an increase 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 $141,278 against program expenditures and carried over $1,821,629 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 unreserved undesignated fund balance of $144,186 during the year. This increase is primarily attributable to an excess of revenues received in the current year over the funding of County capital improvements.

The County accounts for various federal and state cost reimbursement grants in the Miscellaneous Grants Fund. For fiscal year 2009-2010, the fund incurred $164,634 more revenues than expenditures because of an increase in intergovernmental revenues.

Budgetary Comparison Schedule
General Fund

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Amount	Variance with Final Budget Percent
Total Resources	$ 7,199,211	$ 6,962,626	$ 7,562,553	$ 599,927	7.93%
Total Charges to Appropriations	7,711,217	8,166,298	6,919,918	1,246,380	18.01%
Net Change in Fund Balances	$ (512,006)	$ (1,203,672)	$ 642,635	$ 1,846,307	25.94%

Resources (revenues) and appropriations (expenditures) represent the legal level of budgetary controls. During the year, actual general fund revenues were $7,562,553 or 7.93% more than budgeted. In addition, actual general fund expenditures were $6,919,918 or 18.01% under budget.

CAPITAL ASSETS

The County's investment in capital assets as of June 30, 2010, amounted to $7,932,381 (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	
	2010	2009	2010	2009	2010	2009
Land	$ 1,119,288	$ 1,119,288	$ --	$ --	$ 1,119,288	$ 1,119,288
Construction in Progress	2,321,585	1,268,750	--	--	2,321,585	1,268,750
Structures & improvements	5,183,989	5,132,736	--	--	5,183,989	5,132,736
Equipment	6,494,986	6,077,725	52,955	--	6,547,941	6,077,725
Infrastructure	33,598,640	33,598,640	--	--	33,598,640	33,598,640
Total	48,718,488	47,197,139	52,955	--	48,771,443	47,197,139
Accumulated depreciation	(40,835,280)	(39,924,373)	(3,782)	--	(40,839,062)	(39,924,373)
Net Capital Assets	$ 7,883,208	$ 7,272,766	$ 49,173	$ --	$ 7,932,381	$ 7,272,766

LONG-TERM LIABILITIES

At June 30, 2010, the County had total long-term liabilities outstanding of $1,145,626 as compared to $1,060,737 in the prior year. During the year, retirement of liabilities amounted to $47,225, while additions to long-term liabilities amounted to $132,114.

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	
	2010	2009
Capital lease payable	$ 440,000	$ 480,000
Compensated absences	405,460	378,190
Liability for self-insurance	300,166	202,547
Total	1,145,626	1,060,737
Less current portion	(542,896)	(431,642)
Net Long-term debt	$ 602,730	$ 629,095

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

In the 2010-2011 budget year, the County must 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, 2010

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and investments	$ 19,869,187	$ 6,881	$ 19,876,068
Imprest cash	360	--	360
Accounts receivable	45,689	--	45,689
Due from other governmental agencies	1,767,963	--	1,767,963
Taxes receivable	628,465	--	628,465
Interest receivable	49,463	157	49,620
Internal balances	(54,470)	54,470	--
Deposits with others	1,465,946	--	1,465,946
Inventories and other assets	120,175	--	120,175
Capital Assets:			
Nondepreciable	3,440,873	--	3,440,873
Depreciable, net	4,442,335	49,173	4,491,508
Total Assets	$ 31,775,986	$ 110,681	$ 31,886,667
LIABILITIES			
Accounts payable	$ 719,040	$ 19,951	$ 738,991
Accrued salaries	3,490	--	3,490
Unearned revenue	2,833,716	81,670	2,915,386
Long-Term Liabilities:			
Portion due or payable within one year:			
Liability for compensated absences	202,730	--	202,730
Capital leases	40,000	--	40,000
Estimated liability for claims costs	300,166	--	300,166
Portion due or payable after one year:			
Liability for compensated absences	202,730	--	202,730
Capital leases	400,000	--	400,000
Other post employment benefits	518,046	--	518,046
Total Liabilities	5,219,918	101,621	5,321,539
NET ASSETS			
Investment in capital assets, net of related debt	7,443,208	49,173	7,492,381
Restricted for:			
Capital projects	598,637	--	598,637
Public protection	5,710,336	--	5,710,336
Public ways and facilities	1,864,932	--	1,864,932
Health and sanitation	2,674,303	--	2,674,303
Public assistance	1,600,897	--	1,600,897
County Service Area #1	226,351	--	226,351
Other	466,633	--	466,633
Unrestricted	5,970,771	(40,113)	5,930,658
Total Net Assets	26,556,068	9,060	26,565,128
Total Liabilities and Net Assets	$ 31,775,986	$ 110,681	$ 31,886,667

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
$ (2,812,421)		$ (2,812,421)
(1,915,112)		(1,915,112)
(153,989)		(153,989)
39,990		39,990
688,461		688,461
(278,337)		(278,337)
(100,308)		(100,308)
(30,014)		(30,014)
(4,561,730)		(4,561,730)
	$ 49,089	49,089
(4,561,730)	49,089	(4,512,641)
5,740,725	--	5,740,725
307,354	--	307,354
443,517	--	443,517
34,766	--	34,766
232,474	84	232,558
141,706	--	141,706
6,900,542	84	6,900,626
2,338,812	49,173	2,387,985
24,217,256	(40,113)	24,177,143
$ 26,556,068	$ 9,060	$ 26,565,128

BASIC FINANCIAL STATEMENTS –
FUND FINANCIAL STATEMENTS

Mental Health Services Act	STPUD Mitigation	Miscellaneous Grants	Other Governmental	Total
$ 1,835,745	$ 3,271,566	$ 518,265	$ 6,847,717	$ 19,869,187
--	--	--	125	360
--	--	--	1,238	45,689
--	--	--	--	628,465
--	--	332,332	638,175	1,767,963
--	--	206,464	682,829	900,809
--	129,920	--	--	129,920
4,447	8,091	1,335	13,922	49,463
--	--	--	--	1,465,946
--	--	--	--	120,175
$ 1,840,192	$ 3,409,577	$ 1,058,396	$ 8,184,006	$ 24,977,977
$ 18,563	$ --	$ 140,860	$ 295,178	$ 719,040
--	--	--	--	3,490
--	--	366,283	588,996	955,279
--	--	--	129,920	129,920
1,821,629	--	294,918	995,902	4,310,145
1,840,192	--	802,061	2,009,996	6,117,874
--	--	--	125	360
--	129,920	--	--	129,920
--	--	--	--	1,465,946
--	--	--	--	120,175
--	--	--	--	502,377
--	--	--	--	3,703,962
--	3,279,657	256,335	5,129,052	11,892,530
--	--	--	466,633	466,633
--	--	--	578,200	578,200
--	3,409,577	256,335	6,174,010	18,860,103
$ 1,840,192	$ 3,409,577	$ 1,058,396	$ 8,184,006	$ 24,977,977

COUNTY OF ALPINE

Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Assets - Governmental Activities
June 30, 2010

Fund Balance - total governmental funds	$ 18,860,103
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.	7,883,208
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	1,476,429
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	(300,166)
Capital leases	(440,000)
Compensated absences	(405,460)
Other post employment benefits	(518,046)
Net assets of governmental activities	$ 26,556,068

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

Mental Health Services Act	STPUD Mitigation	Miscellaneous Grants	Other Governmental	Total
$ --	$ --	$ --	$ 349,279	$ 6,453,440
--	--	--	115,837	151,454
--	--	--	5,279	201,889
15,034	44,810	5,014	91,183	420,274
126,244	51,689	1,138,973	3,013,253	8,170,327
--	115,200	--	350,531	1,336,159
--	--	--	68,850	141,706
141,278	211,699	1,143,987	3,994,212	16,875,249
--	--	176,185	917,078	4,046,263
--	--	358,293	2,038,385	5,349,652
--	--	--	459,100	1,914,303
141,278	--	102,684	1,402,237	1,682,289
--	--	--	--	1,313,207
--	--	--	--	270,750
--	--	7,500	16,027	68,335
--	--	--	83,298	83,298
--	40,000	--	--	40,000
--	30,315	--	--	30,315
141,278	70,315	644,662	4,916,125	14,798,412
--	141,384	499,325	(921,913)	2,076,837
--	--	116,329	2,723,933	2,841,926
--	(24,745)	(451,020)	(1,750,191)	(2,841,926)
--	--	--	--	2,305
--	(24,745)	(334,691)	973,742	2,305
--	116,639	164,634	51,829	2,079,142
--	3,292,938	91,701	6,122,181	16,780,961
$ --	$ 3,409,577	$ 256,335	$ 6,174,010	$ 18,860,103

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, 2010

Net change to fund balance - total governmental funds		$ 2,079,142
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	$ 1,521,349	
Less: current year depreciation	(910,907)	610,442
Governmental fund revenues deferred at year end due to unavailability and therefore, deferred under the modified accrual method of accounting were recognized as revenue on the full accrual method of accounting.		248,551
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	(27,270)	
Change in accrued interest payable	3,612	
Change in estimated liability for claims costs	(97,619)	
Change in other post employment benefits	(518,046)	(639,323)
Change in net assets of governmental activities		$ 2,338,812

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, 2010

ASSETS		
Cash and investments	$	6,881
Interest receivable		157
Due from other funds		54,470
Equipment, net of accumulated depreciation		49,173
Total Assets	$	110,681
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$	19,951
Deferred revenue		81,670
Total Current Liabilities		101,621
Net Assets:		
Invested in capital assets, net of related debt		49,173
Unrestricted		(40,113)
Total Net Assets		9,060
Total Liabilities and Net Assets	$	110,681

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, 2010

Operating Revenue:	
Fare revenues	$ 1,606
Operating Expenses:	
Purchased transportation	45,216
Fuel	1,512
Insurance	5,258
Depreciation	3,782
Total Operating Expenses	55,768
Operating Income (Loss)	(54,162)
Non-Operating Revenues (Expenses):	
Federal transit administration grants	51,365
Interest	84
Total Non-Operating Revenues (Expenses)	51,449
Income before contributions and capital grants	(2,713)
Capital grants	51,886
Change in Net Assets	49,173
Net Assets - Beginning of Year	(40,113)
Net Assets - End of Year	$ 9,060

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, 2010

CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash receipts from customers and users		1,606
Cash paid to suppliers for goods and services	$	(54,555)
Net Cash Provided (Used) by Operating Activities		(52,949)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received (paid)		57
Net Cash Provided (Used) by Investing Activities		57
CASH FLOWS FROM CAPITAL RELATED FINANCING ACTIVITIES:		
Capital grants		56,886
Payments for capital assets		(52,955)
Net Cash Provided (Used) by Capital Related Financing Activities		3,931
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Operating grants and other support		88,435
Interfund loans - proceeds and collections		(54,470)
Net Cash Provided (Used) by Noncapital Financing Activities		33,965
Net Increase (Decrease) in Cash and Cash Equivalents		(14,996)
Cash and Cash Equivalents, Beginning of Year		21,877
Cash and Cash Equivalents, End of Year	$	6,881
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	$	(54,162)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation		3,782
Changes in assets and liabilities:		
Increase (decrease) in:		
Accounts payable		(2,569)
Net Cash Provided (Used) by Operating Activities	$	(52,949)

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

COUNTY OF ALPINE

Statement of Fiduciary Net Assets
June 30, 2010

	Investment Trust	Agency Funds
ASSETS		
Cash and Investments in County Treasury	$ 6,829,796	$ 724,389
Total Assets	6,829,796	724,389
LIABILITIES		
Agency obligations	--	724,389
Total Liabilities	--	724,389
NET ASSETS		
Net assets held in trust for investment pool participants	6,829,796	--
Total Net Assets	$ 6,829,796	$ --

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, 2010

	Investment Trust
ADDITIONS	
Contributions to investment pool	$ 5,568,987
Investment earnings	77,491
Total Additions	5,646,478
DEDUCTIONS	
Withdrawals of members' contributions	5,487,339
Total Deductions	5,487,339
Change in net assets	159,139
Net Assets - Beginning of Year	6,670,657
Net Assets - End of Year	$ 6,829,796

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.

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.

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.

When both restricted and unrestricted net assets are available for a given purpose, unrestricted resources are used only after the restricted resources are depleted.

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 and recreation services.

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. These funds have been earmarked by the County for the maintenance and construction of capital improvements.

- 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.

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.

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.

In accordance with GASB Statement No. 31, investments are reported on the statement of net assets/balance sheet at their fair value and all changes in fair value are reflected in income. Fair values were obtained from custodial statements for all investments. Investments are marked to fair value annually except for investments in mutual funds and external investment pools. These investments are reported at amortized cost which approximates fair value.

The County follows the practice of pooling cash and investments. The fair value of each participant's position in the pool is the same as the value of the pool shares determined on a dollar-to-dollar basis, adjusted for investment income distributed at the end of each quarter. Only a withdrawal from the pool of a size that jeopardizes pool participants would cause the withdrawal to be done at market value.

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.

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

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

H. **Property Tax Revenue** (continued)

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.

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 the 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 long-term liability.

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. The maximum accrual permitted is 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 fund balance reserve account in 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.

L. **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.

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.

At June 30, 2010, total County cash and investments were as follows:

Cash:		
Cash on hand	$	131
Deposits		427,606
Total cash		427,737
Investments:		
In Treasurer's pool		27,002,516
Total cash and investments	$	27,430,253

Total cash and investments at June 30, 2010 were presented on the County's financial statements as follows:

Primary government		19,876,068
Investment trust fund		6,829,796
Agency funds		724,389
Total cash and investments	$	27,430,253

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

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
Repurchase Agreements	1 Year	None	None
Money Market Mutual Funds	N/A	15%	10%
Local Agency Investment Fund (LAIF)	N/A	None	None

At June 30, 2010, the difference between the cost and fair values was not material. Fair values are obtained from custodial statements for all investments.

At June 30, 2010, the County had the following investments:

	Interest Rates	Maturities	Par	Fair Value	Carrying Value	WAM (Years)
Investments in Investment Pool						
Federal agency obligations	1.375%-6.875%	8/15/2010-12/11/2013	$ 3,535,000	$ 3,692,086	$ 3,599,917	1.54
U.S. Treasuries	1.375%-4.875%	1/15/2011-3/31/2013	1,570,000	1,640,777	1,609,536	1.54
FDIC Insured US Corporate	1.950%-3.250%	12/9/2011-6/22/2012	840,000	866,791	853,876	1.86
Money Market Funds	Variable	On Demand	40,869	40,869	40,869	0.00
LAIF	Variable	On Demand	20,898,318	20,898,318	20,898,318	0.00
Total investments in investment pool			$ 26,884,187	$ 27,138,841	$ 27,002,516	0.36

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. 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.

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

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 and the County's Investment Policy limit investments in commercial paper to the rating of AAA by two of the three major rating services.

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.

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, 2010.

Investments In Investment Pool	S&P	Moody's	% of Portfolio
Federal agency obligations	AAA	Aaa	13.60%
U.S. Treasuries	AAA	Aaa	6.05%
FDIC Insured/US Corporate	AAA	Aaa	3.19%
Money Market Funds	AAA	Aaa	0.15%
LAIF	Unrated	Unrated	77.01%
			100.00%

There were no investments in the securities of any individual issuer other then U.S. Treasury securities, mutual money market funds and external investment pools that represented five percent or more of total investments at June 30, 2010.

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

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, 2010, the County's investment position in the State of California Local Agency Investment Fund (LAIF) was $20,898,318, 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 $69.4 billion. Of that amount, 5.42% was invested in structured notes and asset-backed securities with the remaining 94.58% invested in other non-derivative financial products.

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, 2010:

Statement of Net Assets

Net assets held for pool participants	$ 27,430,253
Equity of internal pool participants	$ 20,600,457
Equity of external pool participants	6,829,796
Total net assets	$ 27,430,253

Statement of Changes in Net Assets

Investment earnings	$ 408,694
Investment expenses	(114,872)
Net contribution from pool participants	2,670,097
Increase in Net Assets	2,963,919
Net assets at July 1, 2009	24,466,334
Net assets at June 30, 2010	$ 27,430,253

Note 3: **Deferred Revenue**

Governmental funds report deferred revenue in connection with receivables for revenues considered unavailable 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, 2010, the various components of deferred revenue and unearned revenue in the governmental funds were as follows:

	Unavailable	Unearned	Total
Property taxes receivable (General Fund)	$ 628,465	$ --	$ 628,465
Receivables collected after the period of availability (other then taxes)	847,964	--	847,964
Revenues received prior to meeting all eligibility requirements	--	2,833,716	2,833,716
Total	$ 1,476,429	$ 2,833,716	$ 4,310,145

Note 4: Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	Balance July 1, 2009	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2010
Governmental Activities					
Capital assets, not being depreciated:					
Land	$ 1,119,288	$ --	$ --	$ --	$ 1,119,288
Construction in progress	1,268,750	1,367,203	--	(314,368)	2,321,585
Total capital assets, not being depreciated	2,388,038	1,367,203	--	(314,368)	3,440,873
Capital assets, being depreciated:					
Infrastructure	33,598,640	--	--	--	33,598,640
Structures and improvements	5,132,736	51,253	--	--	5,183,989
Equipment	6,077,725	102,893	--	314,368	6,494,986
Total capital assets, being depreciated	44,809,101	154,146	--	314,368	45,277,615
Less accumulated depreciation for:					
Infrastructure	(33,598,640)	--	--	--	(33,598,640)
Structures and improvements	(2,290,190)	(171,200)	--	--	(2,461,390)
Equipment	(4,035,543)	(739,707)	--	--	(4,775,250)
Total accumulated depreciation	(39,924,373)	(910,907)	--	--	(40,835,280)
Total capital assets, being depreciated, net	4,884,728	(756,761)	--	314,368	4,442,335
Government activities capital assets, net	$ 7,272,766	$ 610,442	$ --	$ --	$ 7,883,208
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)	--	--	(3,782)
Total accumulated depreciation	--	(3,782)	--	--	(3,782)
Total capital assets, being depreciated, net	--	49,173	--	--	49,173
Business-type activities capital assets, net	$ --	$ 49,173	$ --	$ --	$ 49,173

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

Depreciation expense was charged to governmental functions as follows:

General government	$ 397,375
Public protection	328,947
Public ways	104,660
Health and sanitation	6,253
Public assistance	19,492
Recreations and culture	54,180
Total Depreciation Expense – Governmental Functions	$ 910,907

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

Alpine Transit Service	$ 3,782

Note 5: **Long-Term Liabilities**

Long-term debt at June 30, 2010 consisted of the following:

Governmental Activities	Date of Issue	Date of Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2010
Capital Lease to finance a new social services building	1998	2018	6.45%	$30,000 - $70,000	$795,000	$ 440,000
Total Governmental Activities					$795,000	$ 440,000

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

	Balance July 1, 2009	Additions	Retirements	Balance June 30, 2010	Amounts Due Within One Year
Capital leases payable	$ 480,000	$ --	$ (40,000)	$ 440,000	$ 40,000
Compensated absences	378,190	27,270	--	405,460	202,730
Liability for claims costs	202,547	104,844	(7,225)	300,166	300,166
Totals	$ 1,060,737	$ 132,114	$ (47,225)	$ 1,145,626	$ 542,896

Note 5: **Long-Term Liabilities** (continued)

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.

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, 2010:

	Stated Interest Rate	Present Value of Remaining Payments as of June 30, 2010
Social Services Building	6.45%	$ 440,000

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

Social Services Building	$ 795,000
Less: accumulated depreciation	(318,815)
Total	$ 476,186

As of June 30, 2010, future minimum lease payments under capital leases were as follows:

Year Ending June 30:	
2011	$ 67,735
2012	74,994
2013	71,769
2014	68,544
2015	75,158
2016-2018	212,093
Total Future Minimum Lease Payments	570,293
Less: Interest	130,293
Present Value of Minimum Lease Payments	$ 440,000

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 2009/2010 was 13.714% for miscellaneous employees and 28.305% 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 2009/2010, the County of Alpine's annual pension cost of $683,783 was equal to the County's required and actual contributions. The required contribution for fiscal year 2009/2010 was determined as part of the June 30, 2007 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
6/30/08	$ 803,390	100%	$ --
6/30/09	785,078	100%	--
6/30/10	683,783	100%	--

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 $200,000 for workers' compensation and $100,000 for general liability. Above the self-insured retention, excess insurance coverage is up to a limit of $15,000,000 for both programs.

Trindel continues to carry commercial insurance for worker's compensation and general liability. 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, 2010, the balance of the deposit was $1,465,946.

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

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

	June 30, 2010	June 30, 2009
Unpaid claims, beginning of year	$ 202,547	$ 92,798
Current year claims (including IBNRs)	104,844	170,054
Claims payments and changes in	(7,225)	(60,305)
Unpaid claims, end of year	$ 300,166	$ 202,547

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 2009/10 ARC is $813,627.

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

For 2009/10, the County contributed $295,581 to the Plan as the amount of healthcare insurance benefits reimbursed to eligible employees.

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 2009/10 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/10	$813,627	36.33%	$518,046

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.

Funded Status and Funding Progress. The funded status of the plan as of January 1, 2008, the plan's most recent actuarial valuation date, was as follows (dollar amounts in thousands):

Actuarial accrued liability (AAL)	$8,364,946
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	$8,364,946
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active Plan members)	$4,380,489
UAAL as a percentage of covered payroll	190.96%

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.

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

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, 2008 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. Healthcare costs were forecasted to increase by 8.5% in 2011, then by ½ percent less each year until 2016 at which time increases would level off at 4.5% 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, 2008 was 30 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, 2010 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
Nonmajor Governmental Funds	Nonmajor Governmental Funds	$ 316,546
	Miscellaneous Grants	366,283
		682,829
Miscellaneous Grants	Nonmajor Governmental Funds	206,464
Road Fund	Nonmajor Governmental Funds	11,516
Transit Fund	Nonmajor Governmental Funds	54,470
		$ 955,279

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

Interfund Receivables/Payables (continued)

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	$ 129,920

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, 2010:

Transfer from	Transfer to	Amount
General Fund	Nonmajor Governmental Funds	$ 573,798
Social Services	Nonmajor Governmental Funds	42,172
Miscellaneous Grants	General Fund	1,157
	Nonmajor Governmental Funds	449,863
		451,020
Nonmajor Governmental Funds	General Fund	507
	Miscellaneaus Grants	91,584
	Nonmajor Governmental Funds	1,658,100
		1,750,191
STPUD Mitigation	Miscellaneaus Grants	24,745
	Totals	$ 2,841,926

Note 12: Net Assets/Fund Balances

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.

In the fund financial statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various reserves and designations are established by actions of the Board and management and can be increased, reduced or eliminated by similar actions.

The term "reserved" is used to indicate that a portion of reported fund balance is (1) legally restricted to a specific use or (2) not available for appropriation or expenditure. The County's management will sometimes designate portions of unreserved (available) fund balance based on tentative future spending plans.

Designated portions of fund balance represent financial resources legally available for uses other than those tentatively planned. As of June 30, 2010, the County's general fund had designations of $502,377 to fund future retiree other pension medical employment benefits.

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	$ 13,919
State Subvention	63,160
Sheriff Anti-Drug	59,752
DA Victim Witness	14,287
State OES FEMA	105,417
SAFER Grant	8,227
Capital Project:	
County Road Improvement	20,437

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

Note 14: Proposition 1A Borrowing by the State of California

Under the provisions of Proposition 1A and as part of the 2009-10 budget package passed by the California state legislature on July 28, 2009, the State of California borrowed 8% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in lieu sales tax, and supplemental property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). The State is required to repay this borrowing plus interest by June 30, 2013. After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period. The amount of this borrowing pertaining to the County was $385,773.

Authorized with the 2009-10 State budget package, the Proposition 1A Securitization Program was instituted by the California Statewide Communities Development Authority ("California Communities"), a joint powers authority sponsored by the California State Association of Counties and the League of California Cities, to enable local governments to sell their Proposition 1A receivables to California Communities. Under the securitization program, California Communities simultaneously purchased the Proposition 1A receivables and issued bonds ("Prop 1A Bonds") to provide local agencies with cash proceeds on January 15, 2010, and May 3, 2010. The purchase price paid to the local agencies equaled 100% of the amount of the property tax reduction. All transaction costs of issuance and interest were paid by the State of California.

Note 14: **Proposition 1A Borrowing by the State of California** (continued)

Participating local agencies have no obligation on the bonds and no credit exposure to the State. The County participated in the Securitization Program and accordingly property taxes have been recorded in the same manner as if the State had not exercised its rights under Proposition 1A. The receivable sale proceeds were equal to the book value and, as a result, no gain or loss was recorded.

Note 15: **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. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* intended to enhance the usefulness of fund balance information by establishing fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reporting in governmental funds.

The definitions of the general fund, special revenue fund types, capital project fund type, debt service fund type and permanent fund type are clarified by the provisions in this statement. Interpretations of certain items within the definition of the special revenue fund type have been provided and, for some governments, those interpretations may affect the activities chosen to be reported as special revenue funds.

The requirements of this statement are effective for financial statements for periods beginning after June 15, 2010. Fund balance reclassifications made to conform to the provisions of the statement are required to be applied retroactively by restating beginning fund balance.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF ALPINE

Required Supplementary Information
For the Year Ended June 30, 2010

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

		Funded Status				
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	0.0%	$ 4,380,489	190.96%

COUNTY OF ALPINE

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Budgetary fund balances, Beginning of Year	$ 5,029,860	$ 5,029,860	$ 5,029,860	$ --
Resources (inflows):				
Taxes	5,465,488	5,188,600	6,104,161	915,561
Licenses and permits	32,695	32,695	34,117	1,422
Fines, forfeits and penalties	72,281	162,281	194,885	32,604
Revenue from use of money and property	104,350	114,650	88,433	(26,217)
Aid from other governments	985,095	917,583	494,605	(422,978)
Charges for services	49,000	51,500	578,562	527,062
Miscellaneous revenue	34,000	39,015	63,821	24,806
Transfers in and sale of capital assets	456,302	456,302	3,969	(452,333)
Amounts available for appropriation	7,199,211	6,962,626	7,562,553	599,927
Charges to appropriations (outflows):				
Current:				
General government	3,750,413	3,857,015	2,953,000	904,015
Public protection	3,157,282	3,212,410	2,952,974	259,436
Health and sanitation	38,185	38,185	36,090	2,095
Public assistance	138,070	138,070	88,498	49,572
Education	313,623	326,123	270,750	55,373
Recreation and cultural services	45,471	52,471	44,808	7,663
Transfers out	268,173	542,024	573,798	(31,774)
Total charges to appropriations	7,711,217	8,166,298	6,919,918	1,246,380
Net change in fund balances	(512,006)	(1,203,672)	642,635	1,846,307
Budgetary Fund Balances, End of Year	$ 4,517,854	$ 3,826,188	$ 5,672,495	$ 1,846,307

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	$ 7,562,553
Transfers in from other funds and proceeds from sale of capital assets are inflows of resources for budgetary purposes but are not considered revenues in GAAP financial statements	(3,969)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	$ 7,558,584
Uses/outflows of resources:	
Actual charges to appropriations from the Budgetary Comparison Schedule above	$ 6,919,918
Transfers out to other funds are outflows of resources for budgetary purposes but are not considered expenditures in GAAP financial statements	(573,798)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	$ 6,346,120

COUNTY OF ALPINE

Budgetary Comparison Schedule
Road Fund
For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Bedgetary fund balances, Beginning of Year	$ 1,095,245	$ 1,095,245	$ 1,095,245	$ --
Resources (inflows):				
Licenses and permits	1,000	1,000	1,500	500
Fines, forfeits and penalties	1,000	1,000	1,725	725
Revenue from use of money and property	178,300	178,300	161,551	(16,749)
Aid from other governments	935,000	540,000	1,649,115	1,109,115
Charges for services	355,660	355,660	291,866	(63,794)
Miscellaneous revenue	--	--	990	990
Amounts available for appropriation	1,470,960	1,075,960	2,106,747	1,030,787
Charges to appropriations (outflows):				
Current:				
Public way and facilities	1,777,314	1,641,334	1,455,203	186,131
Total charges to appropriations	1,777,314	1,641,334	1,455,203	186,131
Net change in fund balances	(306,354)	(565,374)	651,544	1,216,918
Budgetary Fund Balances, End of Year	$ 788,891	$ 529,871	$ 1,746,789	$ 1,216,918

COUNTY OF ALPINE

Budgetary Comparison Schedule
Social Services Fund
For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Budgetary Fund Balances, Beginning of Year	$ 1,149,036	$ 1,149,036	$ 1,149,036	$ --
Resources (inflows):				
Revenue from use of money and property	3,000	23,000	14,249	(8,751)
Aid from other governments	1,442,037	1,787,440	1,696,448	(90,992)
Miscellaneous revenue	--	--	8,045	8,045
Amounts available for appropriation	1,445,037	1,810,440	1,718,742	(91,698)
Charges to appropriations (outflows):				
Current:				
Public assistance	1,594,179	1,619,582	1,224,709	394,873
Transfers out	--	300,000	42,172	257,828
Total charges to appropriations	1,594,179	1,919,582	1,266,881	652,701
Net change in fund balances	(149,142)	(109,142)	451,861	561,003
Budgetary Fund Balances, End of Year	$ 999,894	$ 1,039,894	$ 1,600,897	$ 561,003

Reconciliation of Budgetary Inflows and Outflows to GAAP Revenues and Expenditures

Sources/outflows of resources:	
Actual charges to appropriations from the Budgetary Comparison Schedule above	$ 1,266,881
Transfers out to other funds are outflows of resources for budgetary purposes but are not considered revenues in GAAP financial statements	(42,172)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	$ 1,224,709

COUNTY OF ALPINE

Budgetary Comparison Schedule
Mental Health Services Act
For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Budgetary fund balances, Beginning of Year	$ --	$ --	$ --	$ --
Resources (inflows):				
Revenue from use of money and property	3,000	3,000	15,034	12,034
Aid from other governments	400,000	400,000	126,244	(273,756)
Amounts available for appropriation	403,000	403,000	141,278	(261,722)
Charges to appropriations (outflows):				
Current:				
Health and sanitation	366,572	366,572	141,278	225,294
Total charges to appropriations	366,572	366,572	141,278	225,294
Net change in fund balances	36,428	36,428	--	(36,428)
Budgetary Fund Balances, End of Year	$ 36,428	$ 36,428	$ --	$ (36,428)

COUNTY OF ALPINE

Budgetary Comparison Schedule
STPUD Mitigation Fund
For the Year Ended June 30, 2010

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Budgetary Fund Balances - Beginning of Year	$ 3,292,938	$ 3,292,938	$ 3,292,938	$ --
Resources (inflows):				
Revenue from use of money and property	70,000	70,000	44,810	(25,190)
Aid from other governments	51,000	51,000	51,689	689
Charges for services	--	--	115,200	115,200
Amounts available for appropriation	121,000	121,000	211,699	90,699
Charges to appropriations (outflows):				
Principal and interest	3,316,979	3,340,966	70,315	3,270,651
Transfers out	--	--	24,745	(24,745)
Total charges to appropriations	3,316,979	3,340,966	95,060	3,245,906
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,195,979)	(3,219,966)	116,639	3,336,605
Net change in fund balances	(3,195,979)	(3,219,966)	116,639	3,336,605
Budgetary Fund Balances - End of Year	$ 96,959	$ 72,972	$ 3,409,577	$ 3,336,605

Reconciliation of Budgetary Inflows and Outflows to GAAP Revenues and Expenditures

Sources/outflows of resources:	
Actual charges to appropriations from the Budgetary Comparison Schedule above	$ 95,060
Transfers out to other funds are outflows of resources for budgetary purposes but are not considered revenues in GAAP financial statements	(24,745)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	$ 70,315

COUNTY OF ALPINE

Budgetary Comparison Schedule
Miscellaneous Grants
For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Budgetary fund balances, Beginning of Year	$ 91,701	$ 91,701	$ 91,701	$ --
Resources (inflows):				
Revenue from use of money and property	300	300	5,014	4,714
Aid from other governments	745,724	1,134,106	1,138,973	4,867
Miscellaneous revenue	408,281	461,960	--	(461,960)
Transfers in	--	33,097	116,329	83,232
Amounts available for appropriation	1,154,305	1,629,463	1,260,316	(369,147)
Charges to appropriations (outflows):				
Current:				
General government	156,855	254,161	176,185	77,976
Public protection	924,311	711,604	358,293	353,311
Health and sanitation	59,037	139,581	102,684	36,897
Education	57,788	57,788	--	57,788
Recreation and cultural services	82,144	82,144	7,500	74,644
Transfers out	222,163	256,028	451,020	(194,992)
Total charges to appropriations	1,502,298	1,501,306	1,095,682	405,624
Net change in fund balances	(347,993)	128,157	164,634	36,477
Budgetary Fund Balances, End of Year	$ (256,292)	$ 219,858	$ 256,335	$ 36,477

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	$ 1,260,316
Transfers in from other funds and proceeds from sale of capital assets are inflows of resources for budgetary purposes but are not considered revenues in GAAP financial statements	(116,329)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	$ 1,143,987
Uses/outflows of resources:	
Actual charges to appropriations from the Budgetary Comparison Schedule above	$ 1,095,682
Transfers out to other funds are outflows of resources for budgetary purposes but are not considered expenditures in GAAP financial statements	(451,020)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	$ 644,662

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 for the proceeds of specific revenue sources (other than expendable trust or for major capital projects) that are legally restricted to expenditures for particular purposes.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or in trust funds).

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for the benefit of the government or its citizens.

COUNTY OF ALPINE

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	State Public Health	Mental Health	Parks and Recreation Grant	Fish and Game
Assets				
Cash and investments	$ 352,224	$ 2,308,812	$ 84,389	$ 69,637
Imprest cash	100	--	--	--
Accounts receivable	--	--	--	170
Due from other governmental agencies	71,127	16,577	33,420	--
Interest receivable	811	4,903	(89)	196
Due from other funds	--	--	--	--
Total Assets	$ 424,262	$ 2,330,292	$ 117,720	$ 70,003
Liabilities and Fund Balance				
Accounts payable	$ 3,536	$ 8,656	$ --	$ --
Deferred revenue	49,220	373,256	--	--
Due to other funds	--	--	131,639	--
Advances from other funds	129,920	--	--	--
Total Liabilities	182,676	381,912	131,639	--
Fund Balances				
Reserved for imprest cash	100	--	--	--
Unreserved:				
Undesignated	241,486	1,948,380	(13,919)	70,003
Total Fund Balances	241,586	1,948,380	(13,919)	70,003
Total Liabilities and Fund Balances	$ 424,262	$ 2,330,292	$ 117,720	$ 70,003

continued

COUNTY OF ALPINE

Combining Balance Sheet (continued)
Nonmajor Governmental Funds
June 30, 2010

	Local Transportation	State Transit Assistance	State Subvention	Building
Assets				
Cash and investments	$ --	$ 29,927	$ --	$ 76,063
Imprest cash	--	--	--	25
Accounts receivable	--	--	--	1,068
Due from other governmental agencies	--	--	179,037	--
Interest receivable	214	64	(280)	201
Due from other funds	95,358	--	2,800	--
Total Assets	$ 95,572	$ 29,991	$ 181,557	$ 77,357
Liabilities and Fund Balance				
Accounts payable	$ 20,000	$ --	$ 25,052	$ 2,515
Deferred revenue	--	--	69,837	--
Due to other funds	2,800	--	149,828	--
Advances from other funds	--	--	--	--
Total Liabilities	22,800	--	244,717	2,515
Fund Balances				
Reserved for imprest cash	--	--	--	25
Unreserved:				
Undesignated	72,772	29,991	(63,160)	74,817
Total Fund Balances	72,772	29,991	(63,160)	74,842
Total Liabilities and Fund Balances	$ 95,572	$ 29,991	$ 181,557	$ 77,357

continued

COUNTY OF ALPINE

Combining Balance Sheet (continued)
Nonmajor Governmental Funds
June 30, 2010

	Tobacco	Drug and Alcohol	Sheriff Anti-Drug	DA Victim Witness
Assets				
Cash and investments	$ 86,111	$ 463,174	$ 80,544	$ 10,827
Imprest cash	--	--	--	--
Accounts receivable	--	--	--	--
Due from other governmental agencies	--	28,741	42,610	--
Interest receivable	125	1,127	201	(46)
Due from other funds	--	--	--	--
Total Assets	$ 86,236	$ 493,042	$ 123,355	$ 10,781
Liabilities and Fund Balance				
Accounts payable	$ 7,394	$ 8,705	$ 24,843	$ 159
Deferred revenue	78,842	--	42,610	--
Due to other funds	--	--	115,654	24,909
Advances from other funds	--	--	--	--
Total Liabilities	86,236	8,705	183,107	25,068
Fund Balances				
Reserved for imprest cash	--	--	--	--
Unreserved:				
Undesignated	--	484,337	(59,752)	(14,287)
Total Fund Balances	--	484,337	(59,752)	(14,287)
Total Liabilities and Fund Balances	$ 86,236	$ 493,042	$ 123,355	$ 10,781

continued

COUNTY OF ALPINE

Combining Balance Sheet (continued)
Nonmajor Governmental Funds
June 30, 2010

	Aviation	County Service Area #1	COPS Grant	Prop 36 SACPA
Assets				
Cash and investments	$ 13,850	$ 221,253	$ 212,257	$ 276,066
Imprest cash	--	--	--	--
Accounts receivable	--	--	--	--
Due from other governmental agencies	--	10,000	22,827	--
Interest receivable	43	581	507	685
Due from other funds	--	--	--	--
Total Assets	$ 13,893	$ 231,834	$ 235,591	$ 276,751
Liabilities and Fund Balance				
Accounts payable	$ --	$ 5,483	$ --	$ --
Deferred revenue	--	--	--	276,751
Due to other funds	--	--	24,105	--
Advances from other funds	--	--	--	--
Total Liabilities	--	5,483	24,105	276,751
Fund Balances				
Reserved for imprest cash	--	--	--	--
Unreserved:				
Undesignated	13,893	226,351	211,486	--
Total Fund Balances	13,893	226,351	211,486	--
Total Liabilities and Fund Balances	$ 13,893	$ 231,834	$ 235,591	$ 276,751

continued

COUNTY OF ALPINE

Combining Balance Sheet (continued)
Nonmajor Governmental Funds
June 30, 2010

	Water Rights	Parking Records Mgmt	State OES FEMA	Radio Repeater
Assets				
Cash and investments	$ 5,561	$ 32,052	$ --	$ 263,383
Imprest cash	--	--	--	--
Accounts receivable	--	--	--	--
Due from other governmental agencies	--	--	105,386	--
Interest receivable	14	76	(87)	--
Due from other funds	--	--	--	--
Total Assets	$ 5,575	$ 32,128	$ 105,299	$ 263,383
Liabilities and Fund Balance				
Accounts payable	$ --	$ --	$ 2,650	$ 111,231
Deferred revenue	--	--	105,386	--
Due to other funds	--	--	102,734	--
Advances from other funds	--	--	--	--
Total Liabilities	--	--	210,770	111,231
Fund Balances				
Reserved for imprest cash	--	--	--	--
Unreserved:				
Undesignated	5,575	32,128	(105,471)	152,152
Total Fund Balances	5,575	32,128	(105,471)	152,152
Total Liabilities and Fund Balances	$ 5,575	$ 32,128	$ 105,299	$ 263,383

continued

COUNTY OF ALPINE

Combining Balance Sheet (continued)
Nonmajor Governmental Funds
June 30, 2010

	Law Enforcement AB443	Assessor's Trust	Search & Rescue	MV Pipeline Prop 50
Assets				
Cash and investments	$ 757,520	$ 31,000	$ 9,976	$ 1,483
Imprest cash	--	--	--	--
Accounts receivable	--	--	--	--
Due from other governmental agencies	121,934	--	--	--
Interest receivable	2,174	77	25	4
Due from other funds	584,671	--	--	--
Total Assets	$ 1,466,299	$ 31,077	$ 10,001	$ 1,487
Liabilities and Fund Balance				
Accounts payable	$ 35,498	$ --	$ --	$ --
Deferred revenue	--	--	--	--
Due to other funds	--	--	--	--
Advances from other funds	--	--	--	--
Total Liabilities	35,498	--	--	--
Fund Balances				
Reserved for imprest cash	--	--	--	--
Unreserved:				
Undesignated	1,430,801	31,077	10,001	1,487
Total Fund Balances	1,430,801	31,077	10,001	1,487
Total Liabilities and Fund Balances	$ 1,466,299	$ 31,077	$ 10,001	$ 1,487

continued

COUNTY OF ALPINE

Combining Balance Sheet (continued)
Nonmajor Governmental Funds
June 30, 2010

	Youth Offender Block Grant	Fire Protection	Recorder's Trust	Court Services
Assets				
Cash and investments	$ 68,471	$ 193,296	$ 94,549	$ 28,685
Imprest cash	--	--	--	--
Accounts receivable	--	--	--	--
Due from other governmental agencies	--	--	--	--
Interest receivable	157	473	234	71
Due from other funds	--	--	--	--
Total Assets	$ 68,628	$ 193,769	$ 94,783	$ 28,756
Liabilities and Fund Balance				
Accounts payable	$ 120	$ --	$ --	$ 28,685
Deferred revenue	--	--	--	--
Due to other funds	--	--	--	--
Advances from other funds	--	--	--	--
Total Liabilities	120	--	--	28,685
Fund Balances				
Reserved for imprest cash	--	--	--	--
Unreserved:				
Undesignated	68,508	193,769	94,783	71
Total Fund Balances	68,508	193,769	94,783	71
Total Liabilities and Fund Balances	$ 68,628	$ 193,769	$ 94,783	$ 28,756

continued

COUNTY OF ALPINE

Combining Balance Sheet (continued)
Nonmajor Governmental Funds
June 30, 2010

	SAFER Grant	Total Special Revenue	Permanent Fund TPL Tax Exchange
Assets			
Cash and investments	$ 12,823	$ 5,783,933	$ 466,633
Imprest cash	--	125	--
Accounts receivable	--	1,238	--
Due from other governmental agencies	6,516	638,175	--
Interest receivable	(25)	12,436	--
Due from other funds	--	682,829	--
Total Assets	$ 19,314	$ 7,118,736	$ 466,633
Liabilities and Fund Balance			
Accounts payable	$ 1,730	$ 286,257	$ --
Deferred revenue	--	995,902	--
Due to other funds	25,811	577,480	--
Advances from other funds	--	129,920	--
Total Liabilities	27,541	1,989,559	--
Fund Balances			
Reserved for imprest cash	--	125	--
Unreserved:			
Undesignated	(8,227)	5,129,052	466,633
Total Fund Balances	(8,227)	5,129,177	466,633
Total Liabilities and Fund Balances	$ 19,314	$ 7,118,736	$ 466,633

COUNTY OF ALPINE

Combining Balance Sheet (continued)
Nonmajor Governmental Funds
June 30, 2010

	Capital Projects			
	Accumulated Capital Outlay	County Road Improvement	Vehicle Replacement	Total Capital Projects
Assets				
Cash and investments	$ 429,505	$ --	$ 167,646	$ 597,151
Imprest cash	--	--	--	--
Accounts receivable	--	--	--	--
Due from other governmental agencies	--	--	--	--
Interest receivable	1,070	--	416	1,486
Due from other funds	--	--	--	--
Total Assets	$ 430,575	$ --	$ 168,062	$ 598,637
Liabilities and Fund Balance				
Accounts payable	$ --	$ 8,921	$ --	$ 8,921
Deferred revenue	--	--	--	--
Due to other funds	--	11,516	--	11,516
Advances from other funds	--	--	--	--
Total Liabilities	--	20,437	--	20,437
Fund Balances				
Reserved for imprest cash	--	--	--	--
Unreserved:				
Undesignated	430,575	(20,437)	168,062	578,200
Total Fund Balances	430,575	(20,437)	168,062	578,200
Total Liabilities and Fund Balances	$ 430,575	$ --	$ 168,062	$ 598,637

continued

COUNTY OF ALPINE

Combining Balance Sheet (continued)
Nonmajor Governmental Funds
June 30, 2010

	Total Nonmajor Governmental Funds
Assets	
Cash and investments	$ 6,847,717
Imprest cash	125
Accounts receivable	1,238
Due from other governmental agencies	638,175
Interest receivable	13,922
Due from other funds	682,829
Total Assets	$ 8,184,006
Liabilities and Fund Balance	
Accounts payable	$ 295,178
Deferred revenue	995,902
Due to other funds	588,996
Advances from other funds	129,920
Total Liabilities	2,009,996
Fund Balances	
Reserved for imprest cash	125
Unreserved:	
Undesignated	6,173,885
Total Fund Balances	6,174,010
Total Liabilities and Fund Balances	$ 8,184,006

COUNTY OF ALPINE

Combining Statements of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	State Public Health	Mental Health	Parks and Recreation Grant	Fish and Game
Revenues:				
Taxes	$ --	$ --	$ --	$ --
Licenses and permits	--	--	--	--
Fines, forfeitures, and penalties	--	--	--	2,122
Use of money and property	16,597	25,403	(390)	594
Aid from other governmental agencies	288,398	260,825	80,025	48,023
Charges for services	93,908	--	--	--
Other revenue	3,291	--	--	250
Total Revenues	402,194	286,228	79,635	50,989
Expenditures:				
Current:				
General government	--	87	--	--
Public protection	--	--	--	26,993
Public ways and facilities	--	--	--	--
Health and sanitation	614,538	305,661	--	--
Recreation and culture	--	--	16,027	--
Capital outlay	--	--	--	--
Total Expenditures	614,538	305,748	16,027	26,993
Excess (Deficiency) of Revenues Over (Under) Expenditures	(212,344)	(19,520)	63,608	23,996
Other Financing Sources (Uses):				
Transfers in	509,312	--	--	--
Transfers out	(139,422)	(18,700)	--	--
Total Other Financing Sources (Uses)	369,890	(18,700)	--	--
Net Changes in Fund Balances	157,546	(38,220)	63,608	23,996
Fund Balances, Beginning of Year	84,040	1,986,600	(77,527)	46,007
Fund Balances, End of Year	$ 241,586	$ 1,948,380	$ (13,919)	$ 70,003

continued

COUNTY OF ALPINE

Combining Statements of Revenues, Expenditures
and Changes in Fund Balances (continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	Local Transportation	State Transit Assistance	State Subvention	Building
Revenues:				
Taxes	$ 63,653	$ 6,272	$ --	$ --
Licenses and permits	--	--	--	115,837
Fines, forfeitures, and penalties	--	--	--	--
Use of money and property	1,042	294	(790)	1,192
Aid from other governmental agencies	--	--	247,113	--
Charges for services	--	--	--	40,189
Other revenue	--	--	--	(363)
Total Revenues	64,695	6,566	246,323	156,855
Expenditures:				
Current:				
General government	--	--	--	334,954
Public protection	--	--	--	--
Public ways and facilities	70,000	5,000	251,811	--
Health and sanitation	--	--	--	--
Recreation and culture	--	--	--	--
Capital outlay	--	--	--	--
Total Expenditures	70,000	5,000	251,811	334,954
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,305)	1,566	(5,488)	(178,099)
Other Financing Sources (Uses):				
Transfers in	--	--	--	223,033
Transfers out	--	--	--	--
Total Other Financing Sources (Uses)	--	--	--	223,033
Net Changes in Fund Balances	(5,305)	1,566	(5,488)	44,934
Fund Balances, Beginning of Year	78,077	28,425	(57,672)	29,908
Fund Balances, End of Year	$ 72,772	$ 29,991	$ (63,160)	$ 74,842

continued

COUNTY OF ALPINE

Combining Statements of Revenues, Expenditures
and Changes in Fund Balances (continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	Tobacco	Drug and Alcohol	Sheriff Anti-Drug	DA Victim Witness
Revenues:				
Taxes	$ --	$ --	$ --	$ --
Licenses and permits	--	--	--	--
Fines, forfeitures, and penalties	--	1,113	--	--
Use of money and property	571	4,990	787	(177)
Aid from other governmental agencies	61,411	351,653	123,508	30,505
Charges for services	--	--	--	--
Other revenue	20	860	--	--
Total Revenues	62,002	358,616	124,295	30,328
Expenditures:				
Current:				
General government	--	--	--	--
Public protection	--	--	164,144	39,532
Public ways and facilities	--	--	--	--
Health and sanitation	171,276	310,762	--	--
Recreation and culture	--	--	--	--
Capital outlay	--	--	--	--
Total Expenditures	171,276	310,762	164,144	39,532
Excess (Deficiency) of Revenues Over (Under) Expenditures	(109,274)	47,854	(39,849)	(9,204)
Other Financing Sources (Uses):				
Transfers in	109,274	--	668	--
Transfers out	--	--	--	--
Total Other Financing Sources (Uses)	109,274	--	668	--
Net Changes in Fund Balances	--	47,854	(39,181)	(9,204)
Fund Balances, Beginning of Year	--	436,483	(20,571)	(5,083)
Fund Balances, End of Year	$ --	$ 484,337	$ (59,752)	$ (14,287)

continued

COUNTY OF ALPINE

Combining Statements of Revenues, Expenditures
and Changes in Fund Balances (continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	Aviation	County Service Area #1	COPS Grant	Prop 36 SACPA
Revenues:				
Taxes	$ --	$ 279,354	$ --	$ --
Licenses and permits	--	--	--	--
Fines, forfeitures, and penalties	--	2,044	--	--
Use of money and property	280	2,699	1,479	--
Aid from other governmental agencies	--	(733)	133,746	--
Charges for services	--	216,434	--	--
Other revenue	--	37,008	--	--
Total Revenues	280	536,806	135,225	--
Expenditures:				
Current:				
General government	--	542,796	--	--
Public protection	--	135,599	149,128	--
Public ways and facilities	19,341	--	--	--
Health and sanitation	--	--	--	--
Recreation and culture	--	--	--	--
Capital outlay	--	--	--	--
Total Expenditures	19,341	678,395	149,128	--
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,061)	(141,589)	(13,903)	--
Other Financing Sources (Uses):				
Transfers in	--	133,000	200,000	--
Transfers out	--	(16,213)	(507)	--
Total Other Financing Sources (Uses)	--	116,787	199,493	--
Net Changes in Fund Balances	(19,061)	(24,802)	185,590	--
Fund Balances, Beginning of Year	32,954	251,153	25,896	--
Fund Balances, End of Year	$ 13,893	$ 226,351	$ 211,486	$ --

continued

COUNTY OF ALPINE

Combining Statements of Revenues, Expenditures
and Changes in Fund Balances (continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	Water Rights	Parking Records Mgmt	State OES FEMA	Radio Repeater
Revenues:				
Taxes	$ --	$ --	$ --	$ --
Licenses and permits	--	--	--	--
Fines, forfeitures, and penalties	--	--	--	--
Use of money and property	63	292	(1,355)	--
Aid from other governmental agencies	--	--	807,173	--
Charges for services	--	--	--	--
Other revenue	--	8,741	4,284	--
Total Revenues	63	9,033	810,102	--
Expenditures:				
Current:				
General government	--	6,853	--	--
Public protection	--	--	--	1,196,035
Public ways and facilities	--	--	60,895	--
Health and sanitation	--	--	--	--
Recreation and culture	--	--	--	--
Capital outlay	--	--	--	--
Total Expenditures	--	6,853	60,895	1,196,035
Excess (Deficiency) of Revenues Over (Under) Expenditures	63	2,180	749,207	(1,196,035)
Other Financing Sources (Uses):				
Transfers in	--	5,000	755	1,348,187
Transfers out	--	--	(855,023)	--
Total Other Financing Sources (Uses)	--	5,000	(854,268)	1,348,187
Net Changes in Fund Balances	63	7,180	(105,061)	152,152
Fund Balances, Beginning of Year	5,512	24,948	(410)	--
Fund Balances, End of Year	$ 5,575	$ 32,128	$ (105,471)	$ 152,152

continued

COUNTY OF ALPINE

Combining Statements of Revenues, Expenditures
and Changes in Fund Balances (continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	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	9,861	328	112	54
Aid from other governmental agencies	412,320	--	--	33,050
Charges for services	--	--	--	--
Other revenue	--	3,588	--	--
Total Revenues	422,181	3,916	112	33,104
Expenditures:				
Current:				
General government	--	1,011	--	--
Public protection	208,095	--	--	--
Public ways and facilities	--	--	--	31,617
Health and sanitation	--	--	--	--
Recreation and culture	--	--	--	--
Capital outlay	--	--	--	--
Total Expenditures	208,095	1,011	--	31,617
Excess (Deficiency) of Revenues Over (Under) Expenditures	214,086	2,905	112	1,487
Other Financing Sources (Uses):				
Transfers in	--	--	--	--
Transfers out	(215,588)	--	--	--
Total Other Financing Sources (Uses)	(215,588)	--	--	--
Net Changes in Fund Balances	(1,502)	2,905	112	1,487
Fund Balances, Beginning of Year	1,432,303	28,172	9,889	--
Fund Balances, End of Year	$ 1,430,801	$ 31,077	$ 10,001	$ 1,487

continued

COUNTY OF ALPINE

Combining Statements of Revenues, Expenditures
and Changes in Fund Balances (continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	Youth Offenders Grant	Fire Protection	Recorder's Trust	Court Services
Revenues:				
Taxes	$ --	$ --	$ --	$ --
Licenses and permits	--	--	--	--
Fines, forfeitures, and penalties	--	--	--	--
Use of money and property	758	2,035	1,037	265
Aid from other governmental agencies	117,000	--	--	--
Charges for services	--	--	--	--
Other revenue	--	5,695	5,476	--
Total Revenues	117,758	7,730	6,513	265
Expenditures:				
Current:				
General government	--	--	2,692	28,685
Public protection	101,885	2,500	--	--
Public ways and facilities	--	--	--	--
Health and sanitation	--	--	--	--
Recreation and culture	--	--	--	--
Capital outlay	--	--	--	--
Total Expenditures	101,885	2,500	2,692	28,685
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,873	5,230	3,821	(28,420)
Other Financing Sources (Uses):				
Transfers in	--	16,213	--	28,491
Transfers out	--	(3,356)	--	--
Total Other Financing Sources (Uses)	--	12,857	--	28,491
Net Changes in Fund Balances	15,873	18,087	3,821	71
Fund Balances, Beginning of Year	52,635	175,682	90,962	--
Fund Balances, End of Year	$ 68,508	$ 193,769	$ 94,783	$ 71

continued

COUNTY OF ALPINE

Combining Statements of Revenues, Expenditures
and Changes in Fund Balances (continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	SAFER Grant	Special Revenue Total	Permanent Fund TPL Tax Exchange
Revenues:			
Taxes	$ --	$ 349,279	$ --
Licenses and permits	--	115,837	--
Fines, forfeitures, and penalties	--	5,279	--
Use of money and property	(123)	67,898	15,025
Aid from other governmental agencies	19,236	3,013,253	--
Charges for services	--	350,531	--
Other revenue	--	68,850	--
Total Revenues	19,113	3,970,927	15,025
Expenditures:			
Current:			
General government	--	917,078	--
Public protection	14,474	2,038,385	--
Public ways and facilities	--	438,664	--
Health and sanitation	--	1,402,237	--
Recreation and culture	--	16,027	--
Capital outlay	--	--	--
Total Expenditures	14,474	4,812,391	--
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,639	(841,464)	15,025
Other Financing Sources (Uses):			
Transfers in	--	2,573,933	--
Transfers out	--	(1,248,809)	--
Total Other Financing Sources (Uses)	--	1,325,124	--
Net Changes in Fund Balances	4,639	483,660	15,025
Fund Balances, Beginning of Year	(12,866)	4,645,517	451,608
Fund Balances, End of Year	$ (8,227)	$ 5,129,177	$ 466,633

COUNTY OF ALPINE

Combining Statements of Revenues, Expenditures
and Changes in Fund Balances (continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	Capital Projects			
	Accumulated Capital Outlay	County Road Improvement	Vehicle Replacement	Total Capital Total
Revenues:				
Taxes	$ --	$ --	$ --	$ --
Licenses and permits	--	--	--	--
Fines, forfeitures, and penalties	--	--	--	--
Use of money and property	6,377	(1)	1,884	8,260
Aid from other governmental agencies	--	--	--	--
Charges for services	--	--	--	--
Other revenue	--	--	--	--
Total Revenues	6,377	(1)	1,884	8,260
Expenditures:				
Current:				
General government	--	--	--	--
Public protection	--	--	--	--
Public ways and facilities	--	20,436	--	20,436
Health and sanitation	--	--	--	--
Recreation and culture	--	--	--	--
Capital outlay	83,298	--	--	83,298
Total Expenditures	83,298	20,436	--	103,734
Excess (Deficiency) of Revenues Over (Under) Expenditures	(76,921)	(20,437)	1,884	(95,474)
Other Financing Sources (Uses):				
Transfers in	150,000	--	--	150,000
Transfers out	(501,382)	--	--	(501,382)
Total Other Financing Sources (Uses)	(351,382)	--	--	(351,382)
Net Changes in Fund Balances	(428,303)	(20,437)	1,884	(446,856)
Fund Balances, Beginning of Year	858,878	--	166,178	1,025,056
Fund Balances, End of Year	$ 430,575	$ (20,437)	$ 168,062	$ 578,200

continued

COUNTY OF ALPINE

Combining Statements of Revenues, Expenditures
and Changes in Fund Balances (continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	Total Nonmajor Governmental Funds
Revenues:	
Taxes	$ 349,279
Licenses and permits	115,837
Fines, forfeitures, and penalties	5,279
Use of money and property	91,183
Aid from other governmental agencies	3,013,253
Charges for services	350,531
Other revenue	68,850
Total Revenues	3,994,212
Expenditures:	
Current:	
General government	917,078
Public protection	2,038,385
Public ways and facilities	459,100
Health and sanitation	1,402,237
Recreation and culture	16,027
Capital outlay	83,298
Total Expenditures	4,916,125
Excess (Deficiency) of Revenues Over (Under) Expenditures	(921,913)
Other Financing Sources (Uses):	
Transfers in	2,723,933
Transfers out	(1,750,191)
Total Other Financing Sources (Uses)	973,742
Net Changes in Fund Balances	51,829
Fund Balances, Beginning of Year	6,122,181
Fund Balances, End of Year	$ 6,174,010

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 other in an agency capacity.

COUNTY OF ALPINE

Combining Statement of Fiduciary Net Assets
Investment Trust Funds
June 30, 2010

	School Districts	Special Districts under Local Board	Total
Assets			
Cash and investments	$ 6,763,971	$ 65,825	$ 6,829,796
Total Assets	6,763,971	65,825	6,829,796
Net Assets			
Net assets held in trust for investment pool participants	$ 6,763,971	$ 65,825	$ 6,829,796

COUNTY OF ALPINE

Combining Statement of Changes in Fiduciary Net Assets
Investment Trust Funds
For the Year Ended June 30, 2010

	School Districts	Special Districts Governed by Local Boards	Total
Additions:			
Contributions to investment pool	$ 5,523,663	$ 45,324	$ 5,568,987
Investment earnings	76,462	1,029	77,491
Total Additions	5,600,125	46,353	5,646,478
Deductions:			
Distributions from pooled investment	5,406,006	81,333	5,487,339
Change in net assets	194,119	(34,980)	159,139
Net assets - beginning	6,569,852	100,805	6,670,657
Net assets - ending	$ 6,763,971	$ 65,825	$ 6,829,796