



County of El Dorado
OFFICE OF AUDITOR-CONTROLLER

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JOE HARN, CPA
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September 13, 2010

Board of Supervisors
County of El Dorado
330 Fair Lane
Placerville, California 95667

Subject: June 30, 2010 Fiscal Year End Financial Position

Ladies and Gentlemen:

The purpose of this letter is to give you a short report on the County's financial position as of June 30, 2010.

During the year ending June 30, 2010, the County's General Fund cash balance and unreserved, undesignated fund balance increased. The General Fund's cash balance was \$22,756,549, a \$5,724,509 increase from June 2009. The General Fund's unreserved, undesignated fund balance at June 30, 2010, was \$19,349,766, an increase of \$8,176,554.

Your Board and the CAO should be commended for our improved financial position as we head into fiscal 2011. However, it is important to note that we have significant unfunded obligations to our employees and retirees for retirement benefits and our retirees health program. Generally accepted accounting principals and our General Fund general ledger do not adequately reflect these monumental obligations. Further, because of the current economic conditions, property tax collections are slow. As of June 30, 2010, the County has apportioned more than \$18,500,000 of secured property tax revenues that have not yet been collected. \$18,500,000 dwarfs the balance of our tax loss reserve fund of \$2,833,325.

If you have any questions, please call me at 621-5456.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Harn".

Joe Harn, CPA
Auditor-Controller

CC: Gayle Erbe-Hamlin, CAO

Submitted by Joe Harn
#2
at Board Hearing of 9.13.10

10-0973
9-13-10 #2