



County of El Dorado

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September 17, 2012

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

Subject: June 30, 2012 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, 2012.

During the year ending June 30, 2012, the County's General Fund cash balance and unreserved, undesignated fund balance increased. The General Fund's cash balance was \$41,474,988, a \$14,337,133 increase from June 2011. The General Fund's unreserved, undesignated fund balance at June 30, 2012, was \$26,530,905, an increase of \$3,958,798. Aside, from the unreserved, undesignated fund balance at June 30, 2012, the General Fund had a general reserve of \$8,981,140 and a designation for capital projects of \$8,115,814.

Your Board, the CAO, the County's Department Heads, and our employees should be commended for our improved financial position as we head into fiscal 2013. Although these results are positive, it is important to remember that during fiscal 2012 we did nothing to resolve or pay down the 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.

It is also important to remember that as of June 30, 2012, the County has apportioned about \$17,000,000 of secured property tax revenues that have not yet been collected. \$17,000,000 dwarfs the balance of our tax loss reserve fund of \$2,645,445.

Sincerely,


Joe Harn, CPA
Auditor-Controller

Submitted by J. Harn

at Board Hearing of 9-17-12
Budget.

CC: Terri Daly, CAO