

County of Tuolumne California

Comprehensive Annual Financial Report

Fiscal Year Ended
June 30, 2008



Deborah Russell, CPA
Clerk and Auditor-Controller

County of Tuolumne California

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2008



Prepared by
The Office of the Tuolumne County Auditor-Controller
Deborah Russell, CPA
Clerk & Auditor-Controller

**COUNTY OF TUOLUMNE, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2008**

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OFFICE OF THE AUDITOR CONTROLLER

"PROUDLY SERVING THE FINANCIAL NEEDS OF TUOLUMNE COUNTY"

DEBORAH RUSSELL, CPA

CLERK & AUDITOR - CONTROLLER

ASSISTANT AUDITOR-CONTROLLER

JOYCE MILLER

GENERAL ACCTG. & BUDGETING

JIM DECLERCQ

PAYROLL

ROSEMARY PETERSON

PROPERTY TAX

REBECCA MARTINEZ

SPECIAL PROJECTS

CINDY NIEBLA

ACCOUNTS PAYABLE

DIANNE CARPENTER

February 6, 2009

To the Honorable Board of Supervisors and Citizens of the County of Tuolumne:

The Comprehensive Annual Financial Report (CAFR) of the County of Tuolumne (County) for the fiscal year ended June 30, 2008, is hereby presented in compliance with Section 25250 and 25253 of the Government Code of the State of California. General-purpose local governments must publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accounts.

This report consists of management's representations concerning the finances of the County. Therefore, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Macias Gini & O'Connell LLP, a firm of licensed public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the year ended June 30, 2008, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the year ended June 30, 2008, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standard governing the Single Audit requires the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls over compliance involving the administration of federal awards. These reports are available in the County’s separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County’s MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

County Government

The County of Tuolumne (population 56,583) was incorporated on February 18, 1850 as one of the original 27 counties in the State of California. The name Tuolumne is of Indian origin and has been given different meanings, such as ‘Many Stone Houses, the Land of Mountain Lions and Straight Up Steep’, the later the interpretation of William Fuller, a native Indian chief. The County covers approximately 2,293 square miles. There is only one incorporated city within the County, the City of Sonora, which is also the County seat.

Stretching from the foothills to the crest of the Sierra Nevada Mountains, Tuolumne County is both a recreation paradise and a wonderful place to live. The County contains historic gold mining towns, the pristine Emigrant Wilderness, world-renowned Yosemite National Park, and numerous lakes and rivers. Its proximity to San Francisco (2.5 hours) and Sacramento (2 hours) makes the County accessible.

The County has a general law form of government. Its five-member Board of Supervisors (the ‘Board’) is elected by district for four-year terms of office. The Supervisors’ terms are staggered – two Supervisors are elected in one general election, and three Supervisors in the next. Other elected officials include the Assessor-Recorder, Clerk & Auditor-Controller, District Attorney, Sheriff-Coroner and Treasurer-Tax Collector. The County Administrator and County Counsel are appointed by the Board. The County is located in the 19th Congressional District, the 14th Senatorial District and the 25th Assembly District.

As the governing body for the County, the Board is responsible for the planning and providing of services related to public needs, as required by state and federal law including: adopting the annual budget, adopting County ordinances, setting policies, confirming appointments of most non-elected officials, and assisting citizens in solving problems and addressing local concerns.

County Services

We provide “unincorporated area” services (e.g., land use planning) in the areas of the County that are not within the City of Sonora. We also provide certain “countywide” services to County residents regardless of where they live.

The following is a list of countywide services provided by the County:

- Environmental Health
- Agricultural Commissioner, Weights & Measures
- Two Airports
- Public and Mental Health Services
- Child Protection and Social Services
- Emergency Medical Services
- Long Term Care for the elderly
- Adult Day Care for the elderly
- Family Support Collections
- Veterans Services
- Maintenance of County Roads and Bridges
- Snow Removal Services
- Law Enforcement of the Unincorporated County
- U.C. Cooperative Extension Services
- Tax Assessment, Collection and Apportionment
- Elections and Voter Registration
- Jail Facilities
- Probation Supervision
- Clerk and Recorder
- Maintain the Historical Records (Archive)
- Public Defender/Alternative Defense
- Coroner and Forensic Services
- Grand Jury
- Criminal Prosecution (District Attorney)
- Libraries
- Parks
- Animal Care Services
- Building and Safety
- Ambulance Services
- Public Transportation Services

Factors Affecting Financial Condition

Budgetary Information

In accordance with stipulations of the California Government Code contained in Sections 29000 through 29144, and other statutory provisions, commonly known as the County Budget Act, the County prepares and legally adopts a budget for each fiscal year. The annual budget serves as the foundation for the County's financial planning and control. All agencies under the control of the Board of Supervisors are required to submit budget requests to the County Administrator for review. The County Administrator recommends a proposed budget to the Board for consideration and approval. The Board is required to hold public hearings on the proposed budget and to adopt a final budget. The 2007-2008 County final budget was adopted on August 21, 2007.

The budget is prepared by fund (e.g. General Fund), department (e.g., Sheriff), and account (e.g., Regular Salaries). Transfers of appropriations between accounts within a department provided the total appropriation of the budget is not changed, may be requested by the Department Head and authorized by both County Administrator and the Auditor-Controller. Transfers of appropriations between departments within a fund, however, require a majority vote of the Board. Transfers of appropriations between funds require a four-fifths vote of the Board of Supervisors. Unanticipated revenue received during the year is subject to the same four-fifths vote requirement prior to expenditure. Unexpended appropriations lapse at year-end. Encumbrances, which are appropriations that are committed through purchase orders or contracts that are open at year-end are reported as a reservation of fund balance and re-appropriated as part of the following year's budget. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget was adopted.

The County Board of Supervisors has, historically, practiced conservative budgeting principles. The Board has established eight (8) budget polices:

1. Balance annual operating budgets without the use of one-time revenues.
2. Non-earmarked General Fund Contingencies should be budgeted at 1% of the total operating budget for governmental funds.
3. Maintain a comprehensive quarterly budget monitoring and reporting program.
4. Strive towards fully funding future liabilities.
5. Strive to provide funding to adequately maintain existing plant and infrastructure.
6. Continue an active long-term Capital Improvement Program which includes a section describing financing methods.
7. Tax and Revenue Anticipation Notes should be issued only when deemed necessary.
8. Match specific State and Federal funding reductions with commensurate cuts in specific expenses.

Population

The County's population as of January 2008 was approximately 56,583, a decrease of approximately 0.08% over last year's estimate and increased 4.2% over the 2000 census. The County's population ranks 43rd out of 58 California Counties.

Local Economy

The County showed a moderate growth in fiscal year 2007-08. Indicators next year show a decline in the local economic base.

A primary factor contributing to the County's long-standing good financial position is the consistent growth in assessed valuation over the past ten years. For fiscal years 2007-2008 and 2006-2007 the assessed values have increased 5.93% and 8.23%, respectively. Construction of new homes and the volume of real estate sales of all kinds showed a sharp decline in our County as well as most areas in California during the last year. Although the total assessed value in the County has gone up, this was the first time in more than a decade that a percentage increase in assessed value in Tuolumne County was less than the previous year. Construction of new homes and the volume of real estate sales of all kinds showed a sharp decline in our County as well as most areas in California during the last fiscal year.

Other economic indicators that reflect favorable local conditions include taxable retail sales and transient occupancy taxes. The transient occupancy tax revenue for fiscal year 2007-2008 was 10.28% more than in the previous fiscal year. Countywide retail sales were 3.89% less in fiscal year 2007-2008 than in the previous year.

Although revenue streams to counties from the State of California have been more reliable over the few years, the State is once again facing a financial crisis. This places counties in a tenuous situation with future State funding agreements, grants and subventions.

Long-term Financial Planning

The County is in the process of developing a Law and Justice Center that would house all of the public safety entities of the County. These include the Sheriff, Jail, Courts, Probation, Juvenile Hall, District Attorney and Public Defender. The County has an option to purchase the land sufficient to meet all of the Law and Justice Center needs.

Cash Management and Investments

The County sponsors a pool of temporary idle cash that is managed by the County Treasurer for the purpose of earning investment income. Participants in the investment pool include the County Schools, Special Districts, and various taxing jurisdictions. Although some participation in the investment pool is voluntary, California statutes require certain government entities and special districts to maintain their cash with the Treasurer.

The pool can be invested in obligations of the U.S. Government Treasury and its Agencies, government agency notes, time certificates of deposit, corporate bonds, commercial paper, banker's acceptances, the State of California Local Agency Investment Fund (LAIF), the California Asset Management Program (CAMP), repurchase agreements, and money market funds. In accordance with State code, the maturities of investments range from one to five years. The average maturity at June 30, 2008, was approximately one year and the average earnings on investments were 4.20%. The total distribution in interest to pool participants for the year ended June 30, 2008, was \$3.78 million.

Risk Management

The County participates in the County Supervisors Association of California Excess Insurance Authority (CSAC-EIA), a public entity risk pool for liability claims over \$10,000 per occurrence and is self-insured for occurrences up to \$10,000. CSAC-EIA also provides workers' compensation coverage to the County. Annual premiums are actuarially determined for CSAC-EIA participants, as well as reserve requirements for potential self-insured liabilities.

Pension Plan

The County contributes to the California Public Employees Retirement System (CalPERS) for its miscellaneous and safety employees. The Miscellaneous plan is an agent multiple-employer public employee defined benefit pension plan. The Safety plan is a cost-sharing multiple-employer public employee defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and other requirements are established by contract with CalPERS in accordance with the provisions of the Public Employees Retirement Law and County ordinance.

Other Post Employment Benefits

In addition to providing pension benefits through CalPERS, the County provides medical, vision, and dental benefits for certain retired employees under contractual obligations negotiated between the County and members of the executive and confidential plan (Plan). All department heads, elected officials, and confidential staff who retire upon separation and have at least 10 years of service are eligible at varying levels for coverage under the Plan at age 50. Some members that retired due to disability may qualify at a younger age. Members with 10 years of service are covered at 50%. That coverage increases to 75% after 15 years of service and again increases to 100% coverage after 20 years of service. In fiscal year 2004-05, the formula changed where for each year of service after 10 years, coverage increased by 5% (i.e., 11 years of service equals 55%, 12 years of service equals 60%, etc.). Such coverage is at the same level as that provided prior to separation. Plan benefits as previously described continue until age 65, at which point eligible retirees are covered under a Medical Supplemental Plan, which pays secondary to Medicare. This is a lifetime benefit.

Awards and Acknowledgements

Diligent efforts by Auditor-Controller staff earned the State of California Controller's "Award for Achieving Excellence in Financial Reporting" for the County for the fiscal year ended June 30, 2007. This award is presented by the California State Controller for achieving the highest quality in classification of revenue and expenditure data, and complete and proper reporting of outstanding debt. This was the fifth year the County received the State Controller's Award.

It is with great pride that I express my appreciation to the entire staff of the Auditor-Controller's Office for their hard work and dedication to the compilation of this financial document. I would also like to thank the independent auditors, Macias Gini & O'Connell LLP for their patience and assistance. Finally, I wish to thank the Board of Supervisors and the County Administrator for their support in our efforts to achieve and maintain the highest standards in financial reporting.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Deborah Russell". The signature is fluid and cursive, with the first name "Deborah" and last name "Russell" clearly distinguishable.

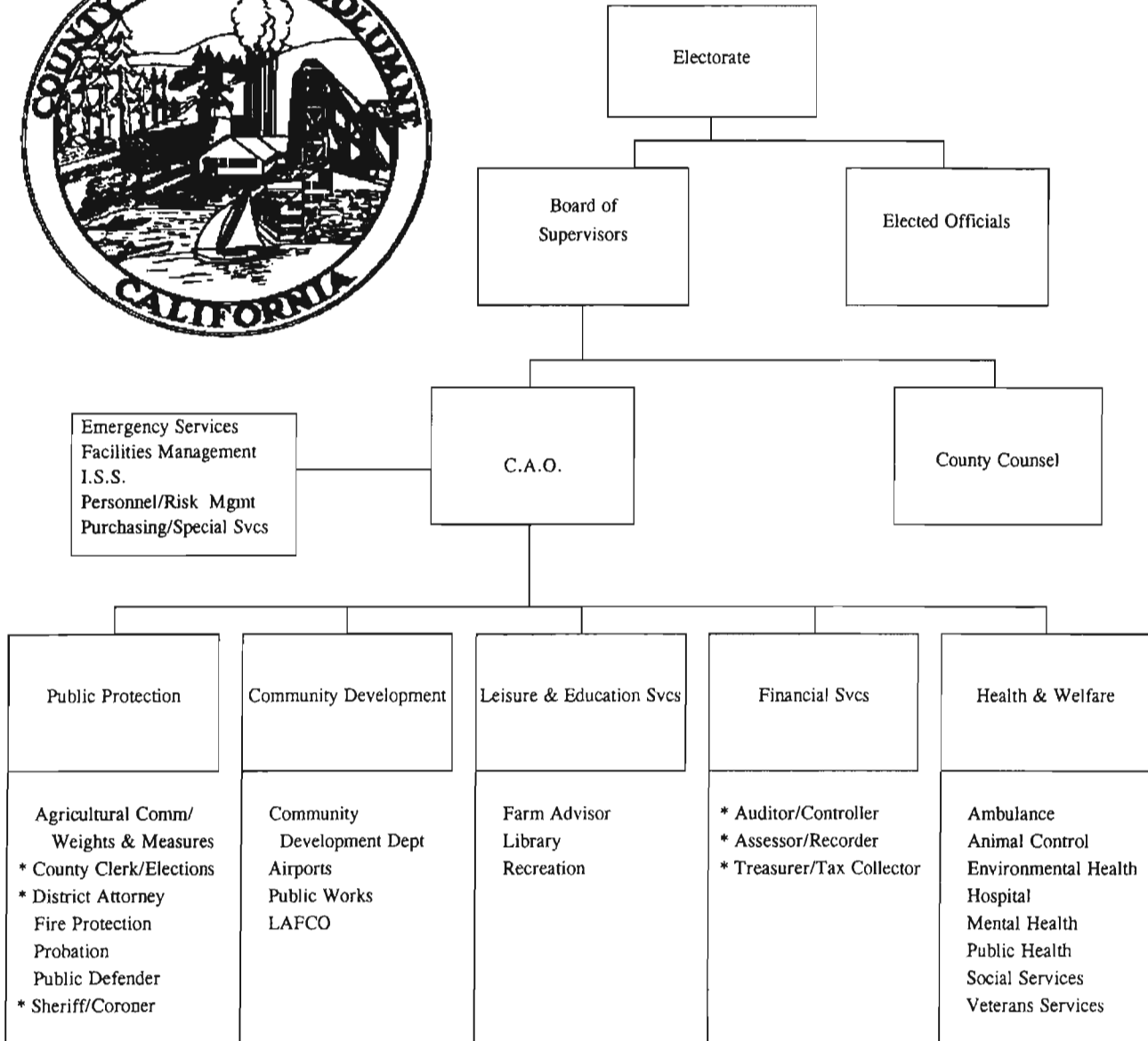
Deborah Russell, CPA
Clerk & Auditor-Controller

COUNTY OF TUOLUMNE, CALIFORNIA
Elected and Appointed Officials

AGRICULTURAL COMMISSIONER	GARY CASERI
AIR POLLUTION	
WEIGHTS & MEASURES	
AIRPORT DIRECTOR	JIM THOMAS
ANIMAL CONTROL	GARY CASERI
* ASSESSOR/RECORDER	KEN CAETANO
* BOARD OF SUPERVISORS	
SUPERVISOR, DISTRICT #1	ELIZABETH BASS
SUPERVISOR, DISTRICT #2	PAULO MAFFEI
SUPERVISOR, DISTRICT #3	TERI MURRISON
SUPERVISOR, DISTRICT #4	MARK THORNTON
SUPERVISOR, DISTRICT #5	RICHARD PLAND
CHILD SUPPORT SERVICES	ADELE HENDRICKSON
* CLERK & AUDITOR/CONTROLLER	DEBORAH RUSSELL
ELECTIONS	
COUNTY ADMINISTRATIVE OFFICER	CRAIG PEDRO
COUNTY COUNSEL	GREGORY OLIVER
COUNTY FIRE	JULIE HENRIQUES
COUNTY LIBRARIAN	CONSTANCE CORCORAN
* DISTRICT ATTORNEY	DONALD I SEGERSTROM, JR
VICTIM WITNESS	
SPOUSAL ABUSER PROSECUTION	
STATUTORY RAPE VERTICAL PROSECUTION	
FARM ADVISOR	SCOTT ONETO
FACILITIES MANAGEMENT MANAGER	STEPHEN HANNON
HOSPITAL ADMINISTRATOR	CRAIG PEDRO
HUMAN SERVICES DIRECTOR	ANN CONNOLLY
ENVIRONMENTAL HEALTH	
HEALTH	
TOBACCO CESSATION	
DEPT OF SOCIAL SERVICES	
PUBLIC ADMINISTRATOR	
PUBLIC GUARDIAN	
HOSPICE	
VISTING NURSES OF THE MOTHERLODE	
AMBULANCE	
BEHAVIORAL/MENTAL HEALTH	BEA READEL
PERSONNEL DIRECTOR/RISK OFFICER	ERIC LARSON
COMMUNITY DEVELOPMENT DEPT	BEV SHANE
PUBLIC DEFENDER	ROBERT PRICE
PROBATION OFFICER	SHIRLEY JUHL
PURCHASING AGENT	CRAIG PEDRO
RECREATION	MIKE RUSSELL
* SHERIFF/CORONER	JAMES MELE
COMMUNICATIONS	
BOAT PATROL	
COUNTY JAIL	
COP PROGRAM	
TUOLUMNE NARCOTICS TEAM	
* SUPERINTENDENT OF SCHOOLS	JOSEPH SILVA
PUBLIC DEFENDER	ROBERT PRICE
PUBLIC WORKS	PETER REI
ROADS	
ENGINEERING	
SURVEYOR	
SOLID WASTE	
PUBLIC TRANSPORTATION	
* TREASURER/TAX COLLECTOR	FRANK D. HODGES
OFFICE OF REVENUE RECOVERY	
VETERANS SERVICES	ERIC LARSON
* INDICATES ELECTED OFFICIAL	

COUNTY OF TUOLUMNE, CALIFORNIA

Organization Chart



* Elected Department Head



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MACIAS GINI & O'CONNELL LLP
Certified Public Accountants & Management Consultants

SACRAMENTO
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Sacramento, CA 95816
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WALNUT CREEK

OAKLAND

LOS ANGELES

NEWPORT BEACH

SAN MARCOS

SAN DIEGO

The Honorable Board of Supervisors
of the County of Tuolumne, California
Sonora, California

INDEPENDENT AUDITOR'S REPORT

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 Tuolumne, California (County), as of and for the fiscal year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. 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 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 Tuolumne, California, as of June 30, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the County adopted the provisions of Governmental Accounting Standards Board Statement No. 50, *Pension Disclosures (an amendment of GASB Statements No. 25 and 27)* during the year ended June 30, 2008.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2009, on our consideration of the County's internal control over financial reporting and on 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 control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial 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, schedule of funding progress, and schedules of revenues, expenditures, and changes in fund balance – budget and actual, 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 introductory section, combining and individual nonmajor fund statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Macias Gini & O'Connell LLP

Certified Public Accountants

Sacramento, California
February 4, 2009

Management's Discussion and Analysis

As management of the County of Tuolumne, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County of Tuolumne for the fiscal year ended June 30, 2008. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

The assets of the County of Tuolumne exceeded its liabilities at the close of the 2007-08 fiscal year by \$80,307 (*net assets*). Of this amount, \$58,582 was invested in capital assets, net of related debt and \$33,434 was restricted for specific purposes (*restricted net assets*), leaving a deficit unrestricted balance of \$11,709.

The county's total net assets, which may serve as a useful indicator of financial position, decreased by \$1,930. The deficit unrestricted balance increased by \$2,363. Restricted net assets increased by \$2,131. Invested in capital assets, net of related debt decreased by \$1,698.

As of June 30, 2008, the County of Tuolumne governmental funds reported combined ending fund balances of \$41,142, an increase of \$3,035 in comparison with the prior year. Approximately \$25,679 was available for spending at the government's discretion (*unreserved fund balance*).

As of June 30, 2008, unreserved fund balance for the General Fund was \$1,250, or 2.1% of total general fund expenditures and transfers out.

The County of Tuolumne's total debt increased by \$1,316 (4.4%) during the fiscal year 2007-08.

Overview of Financial Statements

The Comprehensive Annual Financial Report for the County of Tuolumne consists of four parts – *management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and an optional section that presents *combining statements* for non-major governmental funds, nonmajor enterprise funds, and internal service funds. This discussion and analysis is intended to serve as an introduction to the County of Tuolumne's basic financial statements. The County of Tuolumne's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. The two types of financial statements are designed to present two different views to the County.

Government-wide financial statements. The *government-wide financial statements* provide readers with a broad overview of the long-term and short-term information about the County of Tuolumne's *overall* financial status in a manner similar to private-sector business. The two government-wide statements report the County's *net assets* and how they have changed. Net assets are one way to measure the County's financial health or position.

The government-wide financial statements of the County are divided into two categories:

Governmental activities – most of the County's basic services are included here, such as fire, public works and general administration, which receive approximately 53% of their support from charges for services and operating grants and contributions. Property taxes, sales taxes, and other revenues cover the remaining costs.

Business-type activities – charge fees to users which are intended to cover all or a significant portion of their costs for certain services, such as solid waste disposal.

The *statement of net assets* presents information on all of the County of Tuolumne's assets and liabilities, with the difference between the two reports as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of the improvement in the financial position of the County of Tuolumne.

The *statement of activities* presents information showing how the government's 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 the related cash flows*. Thus, revenues and expenses are reported in the statement for some items that are the result of cash flows in future fiscal periods (e.g., uncollected taxes and earned-but-unused vacation leave).

The government-wide financial statements include not only the County of Tuolumne itself (known as the *primary government*), but also legally separate organizations for which the elected officials of the County of Tuolumne are financially accountable. Financial information for these *blended component units* is combined with the financial information presented for the primary government itself. Tuolumne County Public Power Agency, all County Service Areas and Lighting Districts are *blended presented component units*.

The government-wide financial statements can be found in the basic financial statements section following the management's discussion and analysis.

Fund financial statements. A *fund* is used to maintain control over resources that have been segregated for specific activities or objectives. The County of Tuolumne, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The *fund financial statements* focus on individual parts of the County's government. All of the funds of the County of Tuolumne can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental 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 fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available for future spending. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, is it 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 County of Tuolumne'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.

For the governmental funds, information is presented separately for the General, Road, Health and Welfare, and Community Development Block Grants funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County of Tuolumne adopts an annual appropriated budget for its General Fund and its other governmental funds. Budgetary comparison schedules have been provided in this report for the General Fund and the other governmental funds.

The basic governmental fund financial statements can be found following the government-wide financial statements in the basic financial statements section of this report.

Proprietary funds. The County of Tuolumne maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County of Tuolumne uses enterprise funds to account for its General Medical Facility, solid waste, ambulance, airport, public transportation, Public Power Agency, and Visiting Nurses Association (VNA) of the Mother Lode activities. Internal service funds are used to accumulate and allocate costs internally. The County of Tuolumne uses internal service funds to account for its self-insurance programs, purchasing and special services, telecommunications, and various employee benefits. They have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The County's internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the nonmajor enterprise funds and the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. They provide information about financial relationships in which the County acts solely as a trustee or agent for the benefit of others, to whom the resources belong. All of the County's fiduciary activities are reported in a separate statement of fiduciary net assets. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County of Tuolumne's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found in the fund financial statements section of this report.

Notes to basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found following the fund financial statements in this report.

Required supplementary information. Required supplementary information includes budgetary comparison schedules for the County's General, Road, Health and Welfare, and Community Development Block Grants funds, as well as information about the County's participation in the California Public Employees' Retirement System defined benefit pension plan. The required supplementary information can be found immediately following the notes to basic financial statements.

Combining statements. The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, and internal service funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

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 of Tuolumne, assets exceeded liabilities by \$80,307 at June 30, 2008.

By far the largest portion of the County of Tuolumne's net assets, \$58,582 (72.9%) reflects its investment in capital assets (e.g., land, infrastructure, buildings, equipment, and vehicles), less any related, outstanding debt used to acquire those assets. The County of Tuolumne uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County of Tuolumne'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 can not be used to liquidate these liabilities.

Another significant portion of the County of Tuolumne's net assets, \$33,434 (41.6%) represents resources that are subject to external restriction on how they may be used (*restricted net assets*). That leaves a deficit balance for *unrestricted net assets* of \$11,709. At June 30, 2007, the deficit balance for *unrestricted net assets* was \$9,346. During 2007-08, the County unrestricted deficit increased by \$2,363 (25.3%).

As of June 30, 2008, the County of Tuolumne was able to report positive balances in the invested in capital assets, net of related debt and restricted categories of net assets for the County as a whole, as well as total governmental activities. However, the unrestricted net assets were in a deficit position.

Key elements of the County of Tuolumne's calculation of net assets for both governmental activities and business-type activities for fiscal year ended June 30, 2008 and 2007 are as follows:

County of Tuolumne's Net Assets (amounts expressed in thousands)						
As of June 30,	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Current and other assets	\$ 58,287	\$ 54,293	\$ 1,918	\$ 5,034	\$ 60,205	\$ 59,327
Capital assets	46,469	48,087	13,134	14,079	59,603	62,166
Total Assets	104,756	102,380	15,052	19,113	119,808	121,493
Long-term liabilities	21,569	21,067	9,570	8,756	31,139	29,823
Other liabilities	6,193	6,666	2,169	2,767	8,362	9,433
Total liabilities	27,762	27,733	11,739	11,523	39,501	39,256
Net Assets:						
Invested in capital assets, net of related debt	46,217	47,739	12,365	12,541	58,582	60,280
Restricted	33,052	30,530	382	773	33,434	31,303
Unrestricted	(2,275)	(3,622)	(9,434)	(5,724)	(11,709)	(9,346)
Total net assets	\$ 76,994	\$ 74,647	3,313	7,590	80,307	82,237

County of Tuolumne's Changes in Net Assets
(amounts expressed in thousands)

June 30,	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues:						
Program Revenues:						
Charges for services	\$ 20,017	\$ 19,945	\$ 20,861	\$ 38,817	\$ 40,878	\$ 58,762
Operating grants and contributions	30,440	29,956	2,095	1,493	32,535	31,449
Capital grants and contributions	1,329	532	134	143	1,463	675
General Revenues:						
Property taxes	26,679	24,777			26,679	24,777
Other taxes	17,453	17,764			17,453	17,764
Grants and contributions not restricted to specific programs	3,409	3,258			3,409	3,258
Other	3,140	2,547	625	168	3,765	2,715
Total revenues	102,467	98,779	23,715	40,621	126,182	139,400
Expenses:						
General government	17,927	15,605			17,927	15,605
Public protection	33,886	30,142			33,886	30,142
Public ways and facilities	9,041	8,395			9,041	8,395
Health and sanitation	12,936	12,155			12,936	12,155
Public assistance	17,733	18,660			17,733	18,660
Education	1,464	1,396			1,464	1,396
Culture and recreation	1,738	1,684			1,738	1,684
Unallocated interest expense	270	176			270	176
General Medical Facility			15,790	38,220	15,790	38,220
Solid waste			3,102	845	3,102	845
Ambulance			4,224	3,560	4,224	3,560
Airport			769	720	769	720
VNA of the Mother Lode			5,447	5,593	5,447	5,593
Public transportation			2,063	1,690	2,063	1,690
Public Power Agency			1,722	1,405	1,722	1,405
Total expenses	94,995	88,213	33,117	52,033	128,112	140,246
Change in net assets before transfers	7,472	10,566	(9,402)	(11,412)	(1,930)	(846)
Transfers	(5,125)	(13,842)	5,125	13,842	-	-
Change in net assets	2,347	(3,276)	(4,277)	2,430	(1,930)	(846)
Net assets – July 1	74,647	77,923	7,590	5,160	82,237	83,083
Net assets – June 30	\$ 76,994	\$ 74,647	\$ 3,313	\$ 7,590	\$80,307	\$ 82,237

During the fiscal year, the County of Tuolumne's overall net assets decreased by \$1,930.

Governmental activities. Governmental activities increased the County of Tuolumne's current year net assets by \$2,347 compared to a decrease of \$3,276 in the prior year. The increase in the change in net assets of \$5,623 was a result of the expenses and net transfers out decreasing by \$1,935, and an increase in revenues of \$3,688. The majority of the decrease in expenses and net transfers out was from transfers out (\$8,717). The majority of the decrease in transfers out was related to Tuolumne General Medical Facility (\$9,002). This decrease was a direct result of needing to cover less operating losses of Tuolumne General Medical Facility as a result of closing down the acute operations effective July 1, 2007.

The majority of the increase in revenues was from an increase in property taxes of \$1,901. The majority of the increase in property taxes was due to an increase in the tax roll.

Business-type activities. Business-type activities decreased the County of Tuolumne's net assets by \$4,277 compared to an increase of \$2,430 in the prior year. This decrease in the change in net assets of \$6,707 was a result of the revenues and net transfers in decreasing by \$25,623 and a decrease in expenses of \$18,916. The majority of the decrease in revenues and net transfers in was from a decrease in transfers in of \$8,717 and a decrease in charges for services \$17,956, due to the closing down of acute services at Tuolumne General Medical Facility on July 1, 2007. The majority of the decrease in expenses being at Tuolumne General Medical Facility (\$22,430) due to the change in services provided. There were offsetting increases in expenses for Solid Waste (\$2,257) due to additional costs to close the Jamestown landfill, Public Transportation (\$373), and Ambulance (\$664).

Financial Analysis of the County's funds

As noted earlier, the County of Tuolumne uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County of Tuolumne'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 of Tuolumne's financial requirements. In particular, unreserved fund balance may serve as a useful measure of government's net resources available for spending at the end of the fiscal year.

As of June 30, 2008, the County of Tuolumne's governmental funds reported combined ending fund balances of \$41,142. This is an increase of \$3,035 from prior year. Approximately 62% of this total amount, or \$25,679, constitutes unreserved fund balance, which is available for spending at the County of Tuolumne's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for encumbrances (\$4,693), advances to other funds (\$5,881), loans receivable (\$4,764), and other purposes (\$125).

The General Fund is the chief operating fund of the County of Tuolumne. At the end of the current fiscal year, unreserved fund balance of the general fund was \$1,250, while total fund balance reached \$8,090. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures and transfers out. Unreserved fund balance represents 2.1% of total general fund expenditures and transfers out, while total fund balance represents 13.9% of that same amount.

Proprietary funds. The County of Tuolumne's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Enterprise funds net assets were \$3,866, a \$4,356 decrease from the prior year. The majority of the decrease occurred in the Tuolumne General Medical Facility (\$3,031) due to a loss in operations and net of transfers in and Solid Waste (\$1,630) due to the additional costs to close the Jamestown landfill.

General Fund Budgetary Highlights

The Board of Supervisors of the County of Tuolumne made several supplemental budgetary expenditure appropriations totaling \$1,944 (3.6%) in the general fund appropriations throughout the fiscal year. Plant Acquisition increased by \$507 for additional capital projects. The Sheriff-Coroner's department increased \$604 and County Jail increased \$422 mostly due to a new MOU with the Deputy Sheriff's Union (DSA). Most County employees received salary and benefit increases of about 3%, which affected all remaining departments.

For the current year, \$2,251 was originally budgeted from beginning available fund balance. Actual revenues realized were \$892 less than budgetary estimates. Tax revenues were \$2,517 below budget due to a decrease in local property tax growth. State revenues were \$1,577 greater than budget. Expenditures for the current year fell \$6,769 below budgetary estimates. The majority of savings was in general government (\$3,370). The majority of the general government savings occurred in Plant Acquisitions (\$2,189) and Information Systems and Services (\$357), most of this was a result of projects not started until the next fiscal year. The other material savings occurred in public protection (\$3,065). The majority of this was 911 equipment (\$1,209) not purchased and salary savings due to unfilled positions in the Sheriff's offices (\$739) and Probation (\$151).

Capital Asset and Debt Administration

Capital Assets. The County of Tuolumne's investment in capital assets for its governmental and business-type activities at current year-end amounts to \$59,603 (net of accumulated depreciation). This investment in capital assets includes land, structures and improvements, equipment, roads, bridges, and construction in progress.

Major capital asset events during the fiscal year included the following:

- County purchased land for the Law and Justice Center (\$100)
- County repaired the main County Library in Sonora (\$296)
- County repaired the County Jail roof (\$111)
- County began to design the Law and Justice Center (\$387)

County of Tuolumne's Capital Assets (net of depreciation)

As of June 30,	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Land	\$ 2,389	\$ 2,209	\$ 2,317	\$ 2,317	\$ 4,706	\$ 4,526
Structures and improvements	17,760	18,295	9,450	9,894	27,210	28,189
Equipment	5,654	6,379	1,367	1,868	7,021	8,247
Roads	14,006	12,445	-	-	14,006	12,445
Bridges	4,224	4,401	-	-	4,224	4,401
Construction in progress	2,436	4,358	-	-	2,436	4,358
Total	<u>\$ 46,469</u>	<u>\$ 48,087</u>	<u>\$ 13,134</u>	<u>\$ 14,079</u>	<u>\$ 59,603</u>	<u>\$ 62,166</u>

Additional information on the County of Tuolumne's capital assets can be found in Note 3 of this report.

Long-term liabilities. As of June 30, 2008, the County of Tuolumne had total long-term liabilities of \$31,139. Of this amount, 27% (\$8,428) relates to claims liability, 25% (\$7,636) relates to the landfill closure and post closure, 20% (\$6,154) relates to bonds payable and 24% (\$7,522) relates to compensated absences. The balance is for capital leases related to the acquisition of new equipment for various departments (\$551) and a medical building for the General Medical Facility (\$328), and three small notes payable for an airport hanger (\$33), land for a cemetery (\$110) and to clean up the landfill (\$377).

County of Tuolumne's Outstanding Debt

As of June 30,	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Claims liability	\$ 8,428	\$ 8,207	\$ -	\$ -	\$ 8,428	\$ 8,207
Compensated absences	6,735	6,230	787	682	7,522	6,912
Landfill closure and postclosure	-	-	7,636	6,536	7,636	6,536
Bonds payable	6,154	6,282	-	-	6,154	6,282
Capital lease obligations	142	233	737	1,078	879	1,311
Notes payable	<u>110</u>	<u>115</u>	<u>410</u>	<u>460</u>	<u>520</u>	<u>575</u>
Totals	<u>\$ 21,569</u>	<u>\$ 21,067</u>	<u>\$ 9,570</u>	<u>\$ 8,756</u>	<u>\$ 31,139</u>	<u>\$ 29,823</u>

The overall increase of long-term liabilities of the County of Tuolumne over the prior year is \$1,316. The increase in compensated absences balance (\$610) is a result of salary increases effective June 22, 2008 for most County employees. The landfill closure and post closure increase (\$1,100) was a result of a refinement of the estimated closure costs during the current year. And the capital lease obligations decrease (\$432) was the result of scheduled lease payments.

Additional information on the County of Tuolumne's long-term debt can be found in Note 4 of this report.

Economic Factors and Next Year's Budgets

- County closed down acute psychiatric unit services as of December 31, 2008
- County will privatize Adult Day services as of January 31, 2009
- County has estimated a 4.0% increase in property tax revenue for 2008-09.
- County will build an Independent Living Center for \$1,060

As of June 30, 2008, unreserved fund balance in the general fund was \$1,250. The County of Tuolumne has appropriated this amount for spending in the 2008-09 fiscal year budget.

Requests for Information

This financial report is designed to provide a general overview of the County of Tuolumne's finances for all those with an interest in the County of Tuolumne's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Tuolumne County Auditor – Controller's Office, 2 South Green St., Sonora CA 95370.

COUNTY OF TUOLUMNE, CALIFORNIA
STATEMENT OF NET ASSETS
JUNE 30, 2008

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and investments	\$ 34,655,021	\$ 2,702,925	\$ 37,357,946
Receivables, net	1,173,337	3,084,208	4,257,545
Intergovernmental receivables	7,746,677	586,749	8,333,426
Prepaid items	399,151	32,043	431,194
Inventories	99,361	50,311	149,672
Restricted cash and investments	100,000	382,270	482,270
Loans receivable	4,763,655	-	4,763,655
Internal balances	4,920,889	(4,920,889)	-
Receivable from external parties	4,161,323	-	4,161,323
Deferred charges	268,287	-	268,287
Capital assets, net	46,468,606	13,134,038	59,602,644
Total assets	<u>104,756,307</u>	<u>15,051,655</u>	<u>119,807,962</u>
<u>LIABILITIES</u>			
Accounts payable	1,814,856	931,385	2,746,241
Salaries and benefits payable	932,830	197,166	1,129,996
Accrued interest	43,327	1,039	44,366
Unearned revenue	2,661,579	669,911	3,331,490
Other liabilities	740,555	369,337	1,109,892
Long-term liabilities:			
Due within one year	3,570,070	8,414,423	11,984,493
Due in more than one year	17,999,004	1,155,544	19,154,548
Total liabilities	<u>27,762,221</u>	<u>11,738,805</u>	<u>39,501,026</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	46,217,118	12,364,712	58,581,830
Restricted for:			
Capital projects	4,758,265	-	4,758,265
Roads	14,483,578	-	14,483,578
Health and welfare	856,774	-	856,774
Children and Families Commission	1,165,247	-	1,165,247
Community development	5,567,870	-	5,567,870
Other purposes	6,220,093	382,270	6,602,363
Unrestricted	<u>(2,274,859)</u>	<u>(9,434,132)</u>	<u>(11,708,991)</u>
Total net assets	<u>\$ 76,994,086</u>	<u>\$ 3,312,850</u>	<u>\$ 80,306,936</u>

The accompanying notes are an integral part of the basic financial statements.

**COUNTY OF TUOLUMNE, CALIFORNIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 17,927,110	\$ 11,608,849	\$ 764,812	\$ 742,343
Public protection	33,886,040	3,811,379	7,402,239	-
Public ways and facilities	9,041,406	2,242,940	1,977,591	586,945
Health and sanitation	12,935,931	1,305,271	5,767,847	-
Public assistance	17,732,946	753,958	14,085,070	-
Education	1,463,879	45,628	110,213	-
Recreation and cultural services	1,737,867	248,621	332,617	-
Interest on long-term debt	270,301	-	-	-
Total governmental activities	94,995,480	20,016,646	30,440,389	1,329,288
Business-type activities:				
General Medical Facility	15,789,738	9,002,787	40,420	-
Solid waste	3,102,109	1,351,046	115,367	-
Ambulance	4,224,401	3,966,271	-	-
Airport	769,275	413,362	31,237	-
VNA of the Mother Lode	5,446,784	4,178,132	539,056	15,805
Public transportation	2,062,631	577,233	1,369,369	118,214
Public Power Agency	1,722,058	1,372,390	-	-
Total business-type activities	33,116,996	20,861,221	2,095,449	134,019
Total primary government	\$ 128,112,476	\$ 40,877,867	\$ 32,535,838	\$ 1,463,307

The accompanying notes are an integral part of the basic financial statements.

**Net (Expense) Revenue and
Changes in Net Assets**

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	
\$ (4,811,106)		\$ (4,811,106)	Governmental activities:
(22,672,422)		(22,672,422)	General government
(4,233,930)		(4,233,930)	Public protection
(5,862,813)		(5,862,813)	Public ways and facilities
(2,893,918)		(2,893,918)	Health and sanitation
(1,308,038)		(1,308,038)	Public assistance
(1,156,629)		(1,156,629)	Education
(270,301)		(270,301)	Recreation and cultural services
			Interest on long-term debt
<u>(43,209,157)</u>		<u>(43,209,157)</u>	Total governmental activities
			Business-type activities:
	\$ (6,746,531)	(6,746,531)	General Medical Facility
	(1,635,696)	(1,635,696)	Solid waste
	(258,130)	(258,130)	Ambulance
	(324,676)	(324,676)	Airport
	(713,791)	(713,791)	VNA of the Mother Lode
	2,185	2,185	Public transportation
	<u>(349,668)</u>	<u>(349,668)</u>	Public Power Agency
	<u>(10,026,307)</u>	<u>(10,026,307)</u>	Total business-type activities
	<u>(10,026,307)</u>	<u>(53,235,464)</u>	Total primary government
			General revenues:
			Taxes:
26,678,566	-	26,678,566	Property
319,083	-	319,083	Property transfer
1,515,725	-	1,515,725	Transient occupancy
15,617,504	-	15,617,504	Sales taxes shared state revenue
3,409,183	-	3,409,183	Grants and other intergovernmental revenue
2,338,695	133,136	2,471,831	not restricted to specific programs
65,395	-	65,395	Unrestricted investment earnings
736,186	491,663	1,227,849	Gain on sale of capital assets
<u>(5,124,657)</u>	<u>5,124,657</u>	<u>-</u>	Other
			Transfers
<u>45,555,680</u>	<u>5,749,456</u>	<u>51,305,136</u>	Total general revenues and transfers
2,346,523	(4,276,851)	(1,930,328)	Change in net assets
<u>74,647,563</u>	<u>7,589,701</u>	<u>82,237,264</u>	Net assets, beginning of year
<u>\$ 76,994,086</u>	<u>\$ 3,312,850</u>	<u>\$ 80,306,936</u>	Net assets, end of year

The accompanying notes are an integral part of the basic financial statements.

**COUNTY OF TUOLUMNE, CALIFORNIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008**

	General	Road	Health and Welfare	Community Development Block Grants	Other Governmental Funds	Total Governmental Funds
Assets:						
Cash and investments	\$ 5,294,157	\$ 12,105,775	\$ 39,507	\$ 399,285	\$ 11,915,476	\$ 29,754,200
Accounts receivable, net	480,855	4,556	661,624	-	-	1,147,035
Taxes receivable	21,875	-	-	-	3,246	25,121
Intergovernmental receivables	2,760,301	892,913	2,872,197	510,379	706,995	7,742,785
Prepaid items	1,170	-	13,224	-	11,227	25,621
Inventories	-	99,361	-	-	-	99,361
Loans receivable	-	-	-	4,763,655	-	4,763,655
Advances to other funds	4,161,323	1,719,550	-	-	-	5,880,873
Total assets	\$ 12,719,681	\$ 14,822,155	\$ 3,586,552	\$ 5,673,319	\$ 12,636,944	\$ 49,438,651
Liabilities and fund balances						
Liabilities:						
Accounts payable	\$ 883,693	\$ 19,990	\$ 335,246	\$ 45,686	\$ 321,520	\$ 1,606,135
Salaries and benefits payable	663,082	70,423	186,108	-	9,130	928,743
Deferred revenue	685,167	248,164	1,539,648	59,763	128,837	2,661,579
Other liabilities	37,927	-	668,776	-	33,852	740,555
Advances from other funds	2,359,509	-	-	-	-	2,359,509
Total liabilities	4,629,378	338,577	2,729,778	105,449	493,339	8,296,521
Fund balances:						
Reserved for:						
Encumbrances	2,678,138	7,368	132,454	-	1,875,423	4,693,383
Prepaid items	1,170	-	13,224	-	11,227	25,621
Inventories	-	99,361	-	-	-	99,361
Loans receivable	-	-	-	4,763,655	-	4,763,655
Advances to other funds	4,161,323	1,719,550	-	-	-	5,880,873
Unreserved, reported in:						
General Fund	1,249,672	-	-	-	-	1,249,672
Special revenue funds	-	12,657,299	711,096	804,215	5,970,165	20,142,775
Capital projects funds	-	-	-	-	4,048,091	4,048,091
Permanent Fund	-	-	-	-	238,699	238,699
Total fund balances	8,090,303	14,483,578	856,774	5,567,870	12,143,605	41,142,130
Total liabilities and fund balance	\$ 12,719,681	\$ 14,822,155	\$ 3,586,552	\$ 5,673,319	\$ 12,636,944	\$ 49,438,651

The accompanying notes are an integral part of the basic financial statements.

**COUNTY OF TUOLUMNE, CALIFORNIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET ASSETS
JUNE 30, 2008**

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

Total fund balances - total governmental funds		\$ 41,142,130
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		46,290,693
Internal service funds are used by management to charge the costs of worker's compensation and general liability self-insurance, purchasing and special services, telephone, and various employee benefits to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		(4,258,088)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Bonds payable	\$ (6,070,000)	
Less: Deferred charge for issuance costs (to be amortized over life of debt)	268,287	
Add: Issuance premium (to be amortized as interest expense)	(84,121)	
Accrued interest payable	(43,327)	
Capital leases payable	(141,620)	
Notes payable	(109,868)	(6,180,649)
Net assets of governmental activities		<u><u>\$ 76,994,086</u></u>

The accompanying notes are an integral part of the basic financial statements.

COUNTY OF TUOLUMNE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	<u>General</u>	<u>Road</u>	<u>Health and Welfare</u>	<u>Community Development Block Grants</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Taxes	\$ 25,862,476	\$ -	\$ -	\$ -	\$ 2,650,898	\$ 28,513,374
Licenses and permits	1,997,000	191,107	-	-	148,050	2,336,157
Fines, forfeits, and penalties	1,580,911	-	79,933	-	266,613	1,927,457
Interest, rents, and concessions	888,322	32,229	99,194	493,355	443,033	1,956,133
Intergovernmental:						
State	14,077,894	4,928,095	11,995,521	30,667	1,788,223	32,820,400
Federal	2,933,580	1,435,787	9,019,895	1,097,280	2,421,203	16,907,745
Other	568,726	685	87,000	-	332,248	988,659
Charges for services	11,709,552	1,597,820	1,922,415	-	523,245	15,753,032
Miscellaneous	100,436	1,211	417,821	-	216,718	736,186
Total revenues	<u>59,718,897</u>	<u>8,186,934</u>	<u>23,621,779</u>	<u>1,621,302</u>	<u>8,790,231</u>	<u>101,939,143</u>
Expenditures:						
Current:						
General government	14,848,460	-	-	-	1,113,578	15,962,038
Public protection	26,960,680	-	-	-	5,313,407	32,274,087
Public ways and facilities	106,282	6,948,621	-	-	183,706	7,238,609
Health and sanitation	654,158	-	11,401,298	-	821,167	12,876,623
Public assistance	335,549	-	15,934,511	1,383,795	-	17,653,855
Education	1,406,055	-	-	-	-	1,406,055
Recreation and cultural services	1,684,216	-	-	-	-	1,684,216
Capital outlay	2,933,036	96,104	304,017	77,042	1,525,886	4,936,085
Debt service:						
Principal	216,187	-	-	-	5,132	221,319
Interest	267,778	-	-	-	6,325	274,103
Total expenditure	<u>49,412,401</u>	<u>7,044,725</u>	<u>27,639,826</u>	<u>1,460,837</u>	<u>8,969,201</u>	<u>94,526,990</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,306,496</u>	<u>1,142,209</u>	<u>(4,018,047)</u>	<u>160,465</u>	<u>(178,970)</u>	<u>7,412,153</u>
Other financing sources (uses):						
Transfers in	498,061	642,451	3,735,381	-	626,519	5,502,412
Transfers out	(8,929,344)	-	-	-	(1,064,152)	(9,993,496)
Contributions	60,196	-	2,644	-	16,720	79,560
Proceeds from sale of capital assets	19,716	14,940	-	-	-	34,656
Total other financing sources (uses)	<u>(8,351,371)</u>	<u>657,391</u>	<u>3,738,025</u>	<u>-</u>	<u>(420,913)</u>	<u>(4,376,868)</u>
Net change in fund balances	1,955,125	1,799,600	(280,022)	160,465	(599,883)	3,035,285
Fund balances, beginning of year	6,135,178	12,683,978	1,136,796	5,407,405	12,743,488	38,106,845
Fund balances, end of year	<u>\$ 8,090,303</u>	<u>\$ 14,483,578</u>	<u>\$ 856,774</u>	<u>\$ 5,567,870</u>	<u>\$ 12,143,605</u>	<u>\$ 41,142,130</u>

The accompanying notes are an integral part of the basic financial statements.

COUNTY OF TUOLUMNE, CALIFORNIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

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

Net change in fund balances - total governmental funds		\$ 3,035,285
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period:		
Capital outlay	\$ 5,092,084	
Depreciation	<u>(5,865,679)</u>	(773,595)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations) is to decrease net assets.		
The statement of activities reports losses arising from the disposal of existing capital assets. However, in the governmental funds, any proceeds from the sale of disposed capital assets increases financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the disposed assets.	\$ (84,913)	
Transfers of capital assets to business-type activities decrease net assets of the governmental activities in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	<u>(633,573)</u>	(718,486)
Internal service funds are used by management to charge the costs of worker's compensation and general liability self-insurance, purchasing and special services, telephone, and various employee benefits to individual funds. The net expense of certain internal service funds is reported with governmental activities.		587,667
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.		
Amortization of issuance costs	\$ (9,469)	
Amortization of bond premium	2,969	
Change in accrued interest	<u>833</u>	(5,667)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, this transaction has no effect on net assets.		
Principal repayments		<u>221,319</u>
Change in net assets of governmental activities		<u><u>\$ 2,346,523</u></u>

The accompanying notes are an integral part of the basic financial statements.

COUNTY OF TUOLUMNE, CALIFORNIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2008

	Business-type Activities - Enterprise Funds							Governmental Activities - Internal Service Funds
	General Medical Facility	Solid Waste	Ambulance	Airport	VNA of the Mother Lode	Other Enterprise Funds	Total	
Assets:								
Current assets:								
Cash and investments	\$ 546,331	\$ 44,919	\$ 2	\$ 34,678	\$ 456	\$ 2,076,539	\$ 2,702,925	\$ 4,900,821
Accounts receivable, net	1,892,338	150,746	396,520	-	644,604	-	3,084,208	1,181
Intergovernmental receivables	-	-	-	-	-	586,749	586,749	3,892
Prepaid items	30,843	-	-	-	1,200	-	32,043	373,530
Inventories	50,311	-	-	-	-	-	50,311	-
Total current assets	2,519,823	195,665	396,522	34,678	646,260	2,663,288	6,456,236	5,279,424
Noncurrent assets:								
Restricted cash and investments	-	-	-	-	-	382,270	382,270	100,000
Advances to other funds	-	-	-	-	-	-	-	5,305,854
Capital assets:								
Nondepreciable	234,000	408,236	501,251	1,173,530	-	-	2,317,017	-
Depreciable, net	1,431,699	214,680	5,070,464	3,340,763	128,545	630,870	10,817,021	177,913
Total noncurrent assets	1,665,699	622,916	5,571,715	4,514,293	128,545	1,013,140	13,516,308	5,583,767
Total assets	4,185,522	818,581	5,968,237	4,548,971	774,805	3,676,428	19,972,544	10,863,191
Liabilities								
Current liabilities:								
Accounts payable	226,876	309,499	46,288	12,626	18,407	317,689	931,385	208,721
Salaries and benefits payable	118,150	4,899	-	6,095	58,879	9,143	197,166	4,087
Interest payable	-	-	-	1,039	-	-	1,039	-
Unearned revenue	-	13,462	-	-	175,592	480,857	669,911	-
Other liabilities	284,437	75,000	2,550	7,350	-	-	369,337	-
Accrued compensated absences	374,285	-	-	-	-	-	374,285	1,200,000
Accrued claims	-	-	-	-	-	-	-	2,152,930
Capital lease obligations, current	291,039	-	-	-	62,504	-	353,543	-
Landfill closure, current	-	7,636,258	-	-	-	-	7,636,258	-
Notes payable, current	-	47,200	-	3,137	-	-	50,337	-
Total current liabilities	1,294,787	8,086,318	48,838	30,247	315,382	807,689	10,583,261	3,565,738
Noncurrent liabilities:								
Advances from other funds	-	1,719,550	158,700	167,873	2,275,200	46,642	4,367,965	297,930
Accrued compensated absences	-	13,196	-	85,655	275,809	37,838	412,498	5,535,395
Accrued claims	-	-	-	-	-	-	-	6,275,140
Capital lease obligations	351,285	-	-	-	31,908	-	383,193	-
Notes payable	-	330,400	-	29,453	-	-	359,853	-
Total noncurrent liabilities	351,285	2,063,146	158,700	282,981	2,582,917	84,480	5,523,509	12,108,465
Total liabilities	1,646,072	10,149,464	207,538	313,228	2,898,299	892,169	16,106,770	15,674,203
Net assets (deficit)								
Invested in capital assets, net of related debt	1,023,375	622,916	5,571,715	4,481,703	34,133	630,870	12,364,712	177,913
Restricted	-	-	-	-	-	382,270	382,270	-
Unrestricted	1,516,075	(9,953,799)	188,984	(245,960)	(2,157,627)	1,771,119	(8,881,208)	(4,988,925)
Total net assets (deficit)	\$ 2,539,450	\$ (9,330,883)	\$ 5,760,699	\$ 4,235,743	\$ (2,123,494)	\$ 2,784,259	3,865,774	\$ (4,811,012)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.							(552,924)	
Net assets of business-type activities							\$ 3,312,850	

The accompanying notes are an integral part of the basic financial statements.

COUNTY OF TUOLUMNE, CALIFORNIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Business-type Activities - Enterprise Funds						Governmental
	General Medical Facility	Solid Waste	Ambulance	Airport	VNA of the Mother Lode	Other Enterprise Funds	Activities - Internal Service Funds
Operating revenues:							
Charges for services	\$ 7,869,518	\$ 1,351,012	\$ 3,954,149	\$ 390,805	\$ 4,099,693	\$ 1,949,623	\$ 13,698,330
Miscellaneous	1,133,269	34	12,122	22,557	78,439	-	198,138
Total operating revenues	9,002,787	1,351,046	3,966,271	413,362	4,178,132	1,949,623	13,896,468
Operating expenses:							
Salaries and benefits	6,869,102	227,814	-	327,075	3,996,643	418,021	1,668,167
Purchased services	3,531,781	138,047	2,584,742	-	111,834	1,290,056	-
Professional fees	967,856	554,264	463,087	52,527	205,376	132,972	980,887
Landfill closure	-	1,862,926	-	-	-	-	-
Claims	-	-	-	-	-	-	1,772,233
Health insurance benefits	-	-	-	-	-	-	6,037,082
Unemployment benefits	-	-	-	-	-	-	346,408
General and administrative	3,255,717	278,650	568,310	98,692	924,852	481,315	2,680,113
Utilities	271,246	-	49,448	27,604	7,975	1,362,146	-
Depreciation	365,155	40,606	559,686	254,108	100,584	100,500	126,831
Total operating expenses	15,260,857	3,102,307	4,225,273	760,006	5,347,264	3,785,010	13,611,721
Operating income (loss)	(6,258,070)	(1,751,261)	(259,002)	(346,644)	(1,169,132)	(1,835,387)	284,747
Nonoperating revenues (expenses):							
Interest income	3,102	6,082	(14,143)	1,847	-	136,248	382,562
Other contributions	40,420	-	-	-	152,788	-	193,208
Intergovernmental							
State	-	115,367	-	31,237	370,080	914,939	-
Federal	-	-	-	-	16,188	454,430	-
Other income	105,768	-	1,800	-	359,321	24,774	-
Interest expense	(249,385)	-	-	(12,158)	(107,153)	-	-
Loss on sale of capital assets	(347,225)	-	-	-	-	-	-
Total nonoperating revenues (expenses)	(447,320)	121,449	(12,343)	20,926	791,224	1,530,391	382,562
Income (loss) before capital contributions and transfers	(6,705,390)	(1,629,812)	(271,345)	(325,718)	(377,908)	(304,996)	667,309
Capital contributions	-	-	-	658,811	15,805	118,214	-
Transfers in	3,697,567	-	192,824	49,108	551,585	-	404,466
Transfers out	(22,928)	-	-	-	-	(2,310)	(404,466)
Change in net assets	(3,030,751)	(1,629,812)	(78,521)	382,201	189,482	(189,092)	667,309
Net assets (deficit), beginning of year	5,570,201	(7,701,071)	5,839,220	3,853,542	(2,312,976)	2,973,351	(5,478,321)
Net assets (deficit), end of year	\$ 2,539,450	\$ (9,330,883)	\$ 5,760,699	\$ 4,235,743	\$ (2,123,494)	\$ 2,784,259	\$ (4,811,012)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						79,642	
Change in net assets of business-type activities						\$ (4,276,851)	

The accompanying notes are an integral part of the basic financial statements.

COUNTY OF TUOLUMNE, CALIFORNIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	General Medical Facility	Solid Waste	Ambulance	Airport	VNA of the Mother Lode	Other Enterprise Funds	Total
Cash flows from operating activities:							
Receipts from customers and users	\$ 11,990,589	\$ 1,466,664	\$ 4,017,502	\$ 413,362	\$ 4,495,918	\$ 1,969,506	\$ 24,353,541
Receipts from interfund services provided	-	-	-	-	-	-	13,891,395
Payments to suppliers	(8,142,426)	(1,496,130)	(3,664,749)	(179,419)	(1,269,146)	(3,201,655)	(17,953,525)
Payments to employees	(7,370,057)	(212,163)	-	(301,345)	(3,967,300)	(407,219)	(12,258,084)
Claims paid	-	-	-	-	-	-	(1,550,738)
Net cash provided by (used for) operating activities	(3,521,894)	(241,629)	352,753	(67,402)	(740,528)	(1,639,368)	(5,858,068)
Cash flows from noncapital financing activities:							
Other contributions	40,420	-	-	-	152,788	-	193,208
Advances to other funds	-	-	(358,950)	-	-	-	(358,950)
Receipt on advances to other funds	-	-	-	-	-	-	1,124,622
Advances from other funds	-	168,700	-	-	-	46,642	215,342
Payment on advances from other funds	-	-	-	(14,647)	-	-	(14,647)
Transfers in from other funds	3,697,567	-	192,824	49,108	551,585	-	4,491,084
Transfers out to other funds	-	-	-	-	-	-	(404,466)
Intergovernmental	-	115,367	-	31,237	386,268	1,033,503	1,566,375
Net cash provided by (used for) noncapital financing activities:	3,737,987	284,067	(166,126)	65,698	1,090,641	1,080,145	6,092,412
Cash flows from capital and related financing activities:							
Acquisition and construction of capital assets	(18,413)	(3,035)	(172,484)	-	(32,620)	(488,854)	(715,406)
Proceeds from sales of capital assets	660,437	-	-	-	-	-	660,437
Payment on advances from other funds	-	-	-	-	(149,279)	-	(149,279)
Principal payments on capital leases	(280,785)	-	-	-	(60,792)	-	(341,577)
Principal payments on notes payable	-	(47,200)	-	(2,957)	-	-	(50,157)
Interest paid	(249,385)	-	-	(12,252)	(107,153)	-	(368,790)
Net cash provided by (used for) capital and related financing activities:	111,854	(50,235)	(172,484)	(15,209)	(349,844)	(488,854)	(964,772)
Cash flows from investing activities:							
Interest	3,102	6,082	(14,143)	1,847	-	136,248	133,136
Net increase (decrease) in cash and cash equivalents	331,049	(1,715)	-	(15,066)	269	(911,829)	(597,292)
Cash and cash equivalents, beginning of year	215,282	46,634	2	49,744	187	3,370,638	3,682,487
Cash and cash equivalents, end of year	\$ 546,331	\$ 44,919	\$ 2	\$ 34,678	\$ 456	\$ 2,458,809	\$ 3,085,195
Reconciliation to the Statement of Net Assets:							
Cash and investments	\$ 546,331	\$ 44,919	\$ 2	\$ 34,678	\$ 456	\$ 2,076,539	\$ 2,702,925
Restricted cash and investments	-	-	-	-	-	382,270	382,270
Total cash and cash equivalents	\$ 546,331	\$ 44,919	\$ 2	\$ 34,678	\$ 456	\$ 2,458,809	\$ 3,085,195

(Continued)

The accompanying notes are an integral part of the basic financial statements.

COUNTY OF TUOLUMNE, CALIFORNIA
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Business-type Activities - Enterprise Funds							Governmental Activities - Internal Service Funds
	General Medical Facility	Solid Waste	Ambulance	Airport	VNA of the Mother Lode	Other Enterprise Funds	Total	
Noncash investing, capital, and financing activities:								
Contribution of capital assets	\$ -	\$ -	\$ -	\$ -	\$ 15,805	\$ 118,214	\$ 134,019	\$ -
Transfers in (out) of capital assets	(22,928)	-	-	658,811	-	(2,310)	633,573	-
Book value of disposed capital assets	1,007,662	-	-	-	-	-	1,007,662	-
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:								
Operating income (loss)	\$ (6,258,070)	\$ (1,751,261)	\$ (259,002)	\$ (346,644)	\$ (1,169,132)	\$ (1,835,387)	\$ (11,619,496)	\$ 284,747
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:								
Depreciation expense	365,155	40,606	559,686	254,108	100,584	100,500	1,420,639	126,831
Other income	105,768	-	1,800	-	359,321	24,774	491,663	-
Changes in assets and liabilities:								
Accounts receivable, net	2,882,034	112,782	49,431	-	(29,849)	508	3,014,906	(1,181)
Intergovernmental receivable	-	5,679	-	-	-	(5,399)	280	(3,892)
Prepaid items	50,451	-	-	-	-	-	50,451	5,409
Inventories	44,474	-	-	-	-	-	44,474	-
Accounts payable	(495,188)	237,216	838	8,166	(19,109)	64,834	(203,243)	21,355
Salaries and benefits payable	(527,287)	4,103	-	1,555	(5,293)	2,498	(524,424)	(581,819)
Unearned revenue	-	(2,843)	-	-	(11,686)	-	(14,529)	-
Other liabilities	284,437	-	-	(8,762)	-	-	275,675	-
Compensated absences	26,332	11,548	-	24,175	34,636	8,304	104,995	505,071
Landfill closure	-	1,100,541	-	-	-	-	1,100,541	-
Net cash provided by (used for) operating activities	\$ (3,521,894)	\$ (241,629)	\$ 352,753	\$ (67,402)	\$ (740,528)	\$ (1,639,368)	\$ (5,858,068)	\$ 578,016

The accompanying notes are an integral part of the basic financial statements.

COUNTY OF TUOLUMNE, CALIFORNIA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2008

	<u>Investment Trust Fund</u>	<u>Agency Funds</u>
Assets:		
Cash and investments	\$ 46,729,087	\$ 3,472,022
Accounts receivable, net	1,170	-
Taxes receivable	718	7,069,602
Interest receivable	801,278	-
Intergovernmental receivables	-	544,808
Other assets	312,220	-
	<u>47,844,473</u>	<u>\$ 11,086,432</u>
Liabilities:		
Accounts payable	45,861	\$ -
Salaries and benefits payable	13,486	178
Advances from other funds	-	4,161,323
Agency obligations	-	6,924,931
	<u>59,347</u>	<u>\$ 11,086,432</u>
Net assets:		
Held in trust for external pool participants	<u>\$ 47,785,126</u>	

The accompanying notes are an integral part of the basic financial statements.

**COUNTY OF TUOLUMNE, CALIFORNIA
STATEMENT OF CHANGES IN FIDUCIARY
NET ASSETS - INVESTMENT TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2008**

Additions:	
Contribution to pooled investments	\$ 85,235,879
Net investment income:	
Interest income	<u>1,949,664</u>
Total additions	87,185,543
Deductions:	
Distribution from pooled investments	<u>95,159,350</u>
Net decrease	(7,973,807)
Net assets held in trust, beginning of year	<u>55,758,933</u>
Net assets held in trust, end of year	<u><u>\$ 47,785,126</u></u>

The accompanying notes are an integral part of the basic financial statements.

**COUNTY OF TUOLUMNE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The County of Tuolumne (the County) is a political subdivision of the State of California (the State), being formed on February 18, 1850, as a General Law County. The County was one of California's original 27 counties. The County is governed by an elected, five-member Board of Supervisors (the Board). The County has defined its reporting entity in accordance with accounting principles generally accepted in the United States of America (GAAP), which provides guidance for determining which governmental activities, organizations, and functions should be included in the reporting entity. The accompanying financial statements present information on the activities of the reporting entity, including all fund types of the County (the primary government) and its component units.

On April 10, 2007, the Board of Supervisors held Beilenson hearings and voted to eliminate services at Tuolumne General Medical Facility (Facility) effective July 1, 2007, phasing out skilled nursing and acute psychiatric services. On May 13, 2008, the Board of Supervisors confirmed the elimination of acute psychiatric services effective December 31, 2008. The County has entered into a memorandum of understanding with Avalon Health Care, Inc. (Avalon) in which the County agreed to cease providing skilled nursing services, effectively ceasing all remaining operations of the Facility, once Avalon finishes construction of a new facility. It is anticipated that the new facility will be completed during the year ending June 30, 2011.

Blended Component Units

GAAP requires that the component units be separated into blended or discretely presented units for reporting purposes. Although legally separate entities, the following component units are governed by the County's Board of Supervisors; and therefore are presented as blended component units and are reported as part of the primary government. The primary government is financially accountable for these component units. Each blended component unit has a June 30 fiscal year end.

Tuolumne County Public Power Agency (Agency) – The Agency was formed July 1, 1982, to administer the utilization of available preference electrical power from the Federal Government's New Melones Dam Project. The Agency has 30 members receiving power under agreements with the Western Area Power Administration (WAPA) and Pacific Gas and Electric Co. (PG&E). As a result of these agreements, the Agency is able to supply electrical power to its members at a rate below the current market rate. The agreements with WAPA expire on December 31, 2024. The Agency is presented as an enterprise fund in these financial statements.

Special Districts – The following blended component units are presented as special revenue funds in these financial statements.

- County Service Areas – Provide miscellaneous services throughout all unincorporated areas of the County.
- Lighting Districts – Provide street and highway safety lighting for all unincorporated areas of the County.

The County has no discretely presented component units.

The complete financial statements for each of the individual component units may be obtained at the County's Auditor-Controller's Office.

COUNTY OF TUOLUMNE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Principles

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the County are described below.

Government-Wide and Fund Financial Statements

The statement of net assets and statement of activities report information on all of the nonfiduciary activities about the primary government (the County) and its component units. 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 and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program or function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 365 days of the end of the current fiscal period, except for property taxes, which the County considers available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

COUNTY OF TUOLUMNE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property taxes, franchise taxes, sales and use taxes, transient occupancy taxes, gas taxes, licenses, grants and investment earnings associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

- The General Fund is the County's primary operating fund and accounts for all financial resources, except those required to be accounted for in another fund.
- The Road Special Revenue Fund accounts for activities related to the maintenance of county roads, numerous storm drainage ditches and culverts, bridges, and a fleet of heavy construction equipment.
- The Health and Welfare Special Revenue Fund accounts for the services provided to County residents in the areas of health, mental health, substance abuse, social services, employment assistance and public assistance.
- The Community Development Block Grants Special Revenue Fund accounts for the revenues and expenditures of federally funded community development block grants.

The County reports the following major enterprise funds:

- The General Medical Facility Enterprise Fund accounts for the operations of the Tuolumne General Medical Facility.
- The Solid Waste Enterprise Fund accounts for the landfill closure and post-closure costs for the Central and Big Oak Flat landfills.
- The Ambulance Enterprise Fund accounts for the operations of the County's emergency response services provided to its residents in conjunction with Tuolumne General Medical Facility.
- The Airport Enterprise Fund accounts for the operations related to the operation of the Columbia and Pine Mountain Lake airports.
- VNA of the Mother Lode Enterprise Fund accounts for the operations of the Visiting Nurses Association of the Mother Lode, which provides nursing services for local hospitals and care facilities.

Additionally, the County reports the following fund types:

- Internal Service Funds account for the financing of goods and services provided by one department to other departments of the County, on a cost-reimbursement basis. Activities include the County's self-insurance programs, telecommunications, purchasing and special services, and various employee benefits.
- The Investment Trust Fund accounts for the pooling of resources in an investment portfolio for external county agencies and legally separate participants.
- Agency Funds account for assets held by the County as a trustee or as an agent for individuals, private organizations, related organizations and/or other governmental entities.

COUNTY OF TUOLUMNE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's proprietary funds are charges to customers for sales and services rendered. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted net assets are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Financial Statement Elements

Cash and Investments

A pooled cash and investment system is used for substantially all funds except specified funds, which by law must be segregated. The share of each fund in the pooled cash and investment account is separately accounted for and interest earned is apportioned quarterly based on the relationship of its daily balance to the total of pooled cash and investments.

The County has stated required investments at fair value in the basic financial statements. The fair value of investments is based on published market prices and quotations from major investment brokers. The investments are marked to market and the net asset value is calculated for the County Treasurers Investment Pool (Pool) annually.

In accordance with GASB Statement No. 9, for purposes of the statement of cash flows, the County considers all pooled cash and investments held by the Treasurer as cash equivalents. The Treasurer's investment pool values participants' shares on an amortized cost basis. At June 30, 2008, there is no material difference between pool participant's shares valued on an amortized cost basis compared to fair value.

COUNTY OF TUOLUMNE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Tax Levy, Collection and Maximum Rates

Article XIII of the California Constitution (Proposition 13) limits ad valorem taxes on real property to one percent of value plus taxes necessary to pay indebtedness approved by voters prior to July 1, 1978. The Article also established the 1975/76 assessed valuation as the base and limits annual increases to the cost of living, not to exceed two percent, for each year thereafter. Property may also be reassessed to full market value after a sale, transfer of ownership, or completion of new construction. The State is prohibited under the Article from imposing new ad valorem, sales, or transactions taxes on real property. Local governments may impose special taxes (except on real property) with the approval of two-thirds of the qualified electors.

The County is responsible for assessing, collecting and distributing property taxes in accordance with state law. Liens on real property are established January 1 for the ensuing fiscal year. The property tax is levied as of July 1 on all taxable property located in the County. Secured property taxes are due in two equal installments on November 1 and February 1 and are delinquent after December 10 and April 10, respectively. Additionally, supplemental property taxes are levied on a pro rata basis when changes in assessed valuation occur due to sales transactions or the completion of construction.

In fiscal year 1993-94, the County adopted the Alternate Method of Property Tax Allocation (commonly referred to as the Teeter Plan). Under the Teeter Plan, the County Auditor-Controller, an elected official, is authorized to pay 100 percent of the property taxes billed (secured, supplemental, and debt service) to the taxing agencies within the County. The County recognizes property tax revenues in the period for which the taxes are levied.

Receivables

The majority of the loans receivable balance of \$4,763,655 is not expected to be collected within one year, and is therefore a reserved fund balance.

Accounts receivable of the General Medical Facility enterprise fund of \$1,892,338 is reported net of contractual and bad debt allowances of \$2,081,696. Accounts receivable of the Ambulance enterprise fund of \$396,520 is reported net of bad debt allowances of \$648,281.

Interfund Receivables and Payables

Activity between funds that are representative of lending and/or borrowing arrangements outstanding at the end of the fiscal year 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) in the balance sheet of governmental funds and the statement of net assets for proprietary funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances. Advances to other funds, as reported in the governmental funds balance sheet, are offset by a fund balance reserve account in the applicable governmental funds to indicate those amounts that are not available for appropriation and are not expendable available financial resources.

Inventories and Prepaid Items

Inventory is valued at average cost and consists of expendable supplies held for consumption that are expended as consumed. Inventories reported in governmental funds are equally offset by a fund balance reserve, which indicates that they do not constitute expendable available financial resources.

COUNTY OF TUOLUMNE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid items represent funds expended for goods and/or services prior to the end of the fiscal year but benefit periods extending beyond June 30, 2008. In governmental funds, a portion of fund balance has been reserved to indicate that prepaid items do not represent expendable available financial resources.

Capital Assets

Capital assets, which include property (i.e. land) plant (i.e. buildings and structures) and equipment (vehicles, computers and office equipment) and infrastructure (i.e., roads, streets, bridges and easements) are reported in the applicable governmental and business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. The County defines capital assets as assets with an initial cost of more than \$1,000 and an estimated useful life in excess of one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are valued at their estimated fair market value on the date of the donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Buildings and structures, equipment, and infrastructure assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and structures	5 – 25
Equipment	3 – 15
Infrastructure	25 – 30

GASB Statement No. 34 requires that the County report infrastructure including roads, bridges, sidewalks and traffic signals, in the government-wide financial statements. The County has retroactively reported infrastructure capital assets back to June 30, 1972. The County is not reporting any infrastructure assets using the modified approach.

Federal, State and Local Grants

Proprietary fund type grants received for operating assistance are recorded as nonoperating revenues in the year in which all eligibility requirements have been met. Governmental fund grants received are recorded as revenues in the year they become both measurable and available and when all eligibility requirements have been met. Monies received that do not meet these criteria are recorded as deferred revenue.

Compensated Absences

Employees accumulate vacation time in accordance with the employee's respective "Memorandum of Understanding". The amount of vacation and sick time vested and accrued depends on years of service and date of hire. Sick leave vested may be accumulated until termination or retirement. Upon termination or retirement, after 5 years of continuous service, an employee may receive full cash payment of the accumulated sick leave vested up to a maximum of 240 hours and receive a 50% payment for hours in excess of 240 hours. The liabilities for compensated absences are recorded in the Employee Leave Liability Internal Service Fund and the enterprise funds.

COUNTY OF TUOLUMNE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Revenue

Deferred revenue represents financial resources received before eligibility requirements have been met. Primarily, these resources are advances from the State of California and the federal government for costs of various programs administered by the County's Health & Social Services Department.

Long-term Liabilities

In the government-wide financial statements, and proprietary fund types in the fund financial statements, the long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net assets.

Encumbrances

Encumbrance accounting is used in governmental funds. In conformity with accounting principles generally accepted in the United States of America, encumbrances (i.e., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Net Assets/Fund Balances

The government-wide and proprietary 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.* 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.* 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 GAAP and by actions of the Board and/or management. As of June 30, 2008, reservations of fund balance are described below:

- *Encumbrances* – to reflect the outstanding contractual obligations for which goods and services have not been received as of June 30, 2008.
- *Prepaid items* – to reflect that balances of prepaid items accounts for which resources have already been expended, but are not considered available spendable resources.
- *Inventories* – to reflect that balances on inventory accounts for which resources have already been expended, but not consumed.
- *Loans receivable* – to reflect a segregation of a portion of fund balance to indicate that assets equal to long-term loans receivable are not available for appropriation.
- *Advances to other funds* – to reflect amounts due from other funds that are long-term in nature and that are not available for appropriation.

COUNTY OF TUOLUMNE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Self-Insurance

The County self-insures for property damage, liability, workers' compensation, and unemployment claims. Self-insurance programs are accounted for in internal service funds. Excess workers' compensation insurance is provided by the CSAC Excess Insurance Authority, a public agency.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

New Accounting Pronouncement

During the year ended June 30, 2008, the County implemented GASB Statement No. 50, *Pension Disclosures*, which amends GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*. This statement requires governments to disclose in the notes to the financial statements the current funding status of the plan. This requirement more closely aligns current pension disclosure requirements with GASB Statement No. 45 requirements, which will be effective for the County for the year ending June 30, 2009.

NOTE 2: CASH AND INVESTMENTS

The County follows the practice of pooling cash and investments of all funds except for funds required to be held by outside fiscal agents under the provisions of bond indentures. Cash and investments are comprised of the following shown on the financial statements:

Government-wide:	
Cash and investments	\$ 37,357,946
Restricted cash and investments	482,270
Fiduciary funds:	
Investment Trust Fund	46,729,087
Agency Funds	<u>3,472,022</u>
Total cash and investments	<u>\$ 88,041,325</u>

The County's total cash and investments are detailed as follows:

Deposits	\$ (1,248,031)
Investments	89,273,988
Cash on hand	<u>15,368</u>
Total cash and investments	<u>\$ 88,041,325</u>

COUNTY OF TUOLUMNE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 2: CASH AND INVESTMENTS (Continued)

Authorized Investments

Under provisions of the County's Investment Policy, and in accordance with Section 53601 of the California Government Code, the County is authorized to invest in obligations of the U.S. Treasury, U.S. government agencies and instrumentalities, the California Local Agency Investment Fund (LAIF), California Asset Management Program (CAMP), prime commercial paper as rated by Standard and Poor's corporation or Moody's Commercial Paper Record, medium-term corporate notes, banker's acceptances, repurchase and reverse repurchase agreements, negotiable certificates of deposit, obligations of the State of California, and obligations of local agencies within California.

The County is a voluntary participant in the State of California Local Agency Investment Fund (LAIF). LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2008 had a balance of \$70.0 billion. Of that amount, 14.72% was invested in structured notes and asset-backed securities. PMIA is not SEC-registered, but is required to invest according to California State Code. The average maturity of PMIA investments was 212 days as of June 30, 2008. The Local Investment Advisory Board (LAIB) has oversight responsibility for LAIF. The LAIB consists of five members as designated by state statute. The value of the pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the County's portion in the pool.

Investments held by fiscal agents are governed by provisions of the bond or debt agreements, rather than the County's investment policy

Concentration of Credit Risk

Investments in any one issuer (other than U.S. Treasury Securities, money market mutual funds or external investment pools) that represent 5% or more of the total investments of the County are as follows:

Federal Home Loan Bank	\$7,058,256
Federal National Mortgage Association	9,012,250

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the County's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, except that the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

COUNTY OF TUOLUMNE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 2: CASH AND INVESTMENTS (Continued)

Interest Rate and Credit Risk

Interest rate risk is the risk that changes in market 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 is to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County mitigates interest rate risk by structuring the portfolio based on historical and current cash flow analysis eliminating the need to sell securities prior to maturity, and avoiding the purchase of long-term securities for the sole purpose of short-term speculation.

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. The County mitigates its exposure to credit risk by purchasing investment grade securities with the minimum ratings required by the California Government Code and by diversifying the investment portfolio so that the failure of any one issuer would not unduly harm the County's capital base and cash flow.

As of June 30, 2008, the County's investments and credit ratings are as follows:

		Maturity					
	Credit Rating (S & P)	Under 30 Days	31 – 180 Days	181 – 365 Days	1 – 3 Years	More Than 3 Years	Fair Value
Investment Pool:							
Cash on hand							\$ 9,203
Cash deposits							(1,442,633)
Total cash							(1,433,430)
Investments managed by							
County Treasurer:							
LAIF	Not Rated	\$ --	\$ --	\$27,500,000	\$ --	\$ --	27,500,000
CAMP	Not Rated	--	15,500,000	--	--	--	15,500,000
U.S. Agency Securities:							
Federal Farm Credit							
Bank	AAA	996,610	--	--	1,000,000	--	1,996,610
Federal Home Loan Bank	AAA	--	--	1,973,796	2,084,960	2,999,500	7,058,256
Federal Home Loan							
Mortgage Corporation	AAA	--	1,971,520	--	998,000	1,005,000	3,974,520
Federal National							
Mortgage Association	AAA	--	--	--	2,997,150	6,015,100	9,012,250
Corporate Notes	AAA	--	--	--	5,033,780	3,159,570	8,193,350
Corporate Notes	AA	--	--	--	1,998,830	--	1,998,830
Corporate Notes	AA-	--	1,041,900	1,935,400	2,039,950	--	5,017,250
Corporate Notes	A+	--	1,970,770	987,240	3,013,600	--	5,971,610
Corporate Notes	A1	956,850	982,920	--	--	--	1,939,770
Total investments managed by County Treasurer		<u>\$ 1,953,460</u>	<u>\$21,467,110</u>	<u>\$32,396,436</u>	<u>\$19,166,270</u>	<u>\$13,179,170</u>	<u>88,162,446</u>
Total Investment Pool							86,729,016
Cash and Investments Held Outside of the Pool							
Cash on hand							6,165
Cash deposits							194,602
Investments:							
Money Market Mutual Funds	AAA	<u>\$ 1,111,542</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>194,602</u>
Total cash and investments							\$88,041,325

COUNTY OF TUOLUMNE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 2: CASH AND INVESTMENTS (Continued)

The County maintains written investment policies which address a wide variety of investment practices, including primary investment objectives, investment authority, allowable investment vehicles, investment maturity terms, eligible financial institutions, capital preservation, and cash flow management. Under the County's policies, investments in the County's portfolio are intended to be held until maturity.

The Pool values participant's shares on an amortized cost basis. The Pool distributes income to participants quarterly based on their relative participation during the month which is calculated based on (1) realized investment gains and losses computed on an amortized cost basis, (2) interest income based on stated rates (both paid and accrued), (3) amortization of discounts and premiums on a straight-line basis, and (4) investment and administrative expenses. This method differs from the fair value method used to value investments in these financial statements because the amortized cost method is not designed to distribute to participants all unrealized gains and losses in the fair value of the Pool's investments. Investment income related to investments reported in certain funds is assigned to other funds based upon legal or contractual provisions.

Certain agencies outside the County reporting entity participate in the Pool. The participation of these agencies is both voluntary and involuntary and is reported as part of the Investment Trust Fund. The involuntary participation in the Pool totals \$43,753,291 as of June 30, 2008.

A summary of the investments held by the Treasurer's Pool is as follows:

Investments	Fair Value	Principal	Interest Rate	Maturity Range
LAIF	\$ 27,500,000	\$ 27,500,000	3.11%	1/28/09*
CAMP	15,500,000	15,500,000	2.46%	8/4/08*
U.S. Agency Securities	22,041,636	22,000,000	2.80-5.625%	7/17/08-4/8/13
Corporate Notes	23,120,810	23,000,000	2.875-6.50%	7/2/08-10/16/12
Total Investments	<u>\$ 88,162,446</u>	<u>\$ 88,000,000</u>		

* LAIF and CAMP are investment pools, and as such, their maturities are measured as a weighted average; LAIF being 212 days and CAMP being 35 days.

The following are condensed statements of net assets, and changes in net assets, for the County's external investment pool as of June 30, 2008:

Statement of Net Assets:

Net assets held for pool participants	<u>\$ 86,729,016</u>
Equity of internal pool participants	\$ 38,943,890
Equity of external pool participants	<u>47,785,126</u>
Total equity	<u>\$ 86,729,016</u>

Statement of Changes in Net Assets:

Net assets at July 1, 2007	\$ 91,018,946
Net change in investment by pool participants	<u>(4,289,930)</u>
Net assets at June 30, 2008	<u>\$ 86,729,016</u>

COUNTY OF TUOLUMNE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 3: CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2008 for the governmental activities and business-type activities are as follows:

	Balance July 1, 2007	Increases	Decreases	Balance June 30, 2008
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 2,208,988	\$ 180,000	\$ --	\$ 2,388,988
Construction in progress	4,358,251	2,243,023	(4,165,044)	2,436,230
Total capital assets, not being depreciated	<u>6,567,239</u>	<u>2,423,023</u>	<u>(4,165,044)</u>	<u>4,825,218</u>
Capital assets, being depreciated:				
Structures and improvements	37,812,327	786,188	--	38,598,515
Equipment	33,950,030	2,694,299	(978,420)	35,665,909
Roads	344,125,388	2,676,145	--	346,801,533
Bridges	5,525,135	43,900	--	5,569,035
Total capital assets, being depreciated	<u>421,412,880</u>	<u>6,200,532</u>	<u>(978,420)</u>	<u>426,634,992</u>
Less accumulated depreciation for:				
Structures and improvements	(19,517,308)	(1,321,725)	--	(20,839,033)
Equipment	(27,570,968)	(3,334,835)	893,507	(30,012,296)
Roads	(331,680,393)	(1,114,945)	--	(332,795,338)
Bridges	(1,123,932)	(221,005)	--	(1,344,937)
Total accumulated depreciation	<u>(379,892,601)</u>	<u>(5,992,510)</u>	<u>893,507</u>	<u>(384,991,604)</u>
Total capital assets, being depreciated, net	<u>41,520,279</u>	<u>208,022</u>	<u>(84,913)</u>	<u>41,643,388</u>
Governmental activities, net	<u>\$48,087,518</u>	<u>\$ 2,631,045</u>	<u>\$ (4,249,957)</u>	<u>\$ 46,468,606</u>
	Balance			Balance
	July 1, 2007	Increases	Decreases	June 30, 2008
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 2,317,016	\$ --	\$ --	\$ 2,317,016
Capital assets, being depreciated:				
Structures and improvements	20,947,130	658,811	(457,531)	21,148,410
Equipment	13,282,377	849,425	(7,561,108)	6,570,694
Total capital assets, being depreciated	<u>34,229,507</u>	<u>1,508,236</u>	<u>(8,018,639)</u>	<u>27,719,104</u>
Less accumulated depreciation for:				
Structures and improvements	(11,053,150)	(872,001)	226,949	(11,698,202)
Equipment	(11,414,032)	(548,638)	6,758,790	(5,203,880)
Total accumulated depreciation	<u>(22,467,182)</u>	<u>(1,420,639)</u>	<u>6,985,739</u>	<u>(16,902,082)</u>
Total capital assets, being depreciated, net	<u>11,762,325</u>	<u>87,597</u>	<u>(1,032,900)</u>	<u>10,817,022</u>
Business-type activities, net	<u>\$14,079,341</u>	<u>\$ 87,597</u>	<u>\$ (1,032,900)</u>	<u>\$ 13,134,038</u>

COUNTY OF TUOLUMNE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 3: CAPITAL ASSETS (Continued)

Depreciation expense was charged to the governmental and business-type activities as follows:

Governmental activities:

General government	\$ 1,871,892
Public protection	1,836,967
Public ways and facilities	1,839,528
Health and sanitation	89,443
Public assistance	105,224
Education	59,690
Recreation and cultural services	62,935
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	126,831
Total depreciation expense – governmental activities	<u>\$ 5,992,510</u>

Business-type activities:

General Medical Facility	\$ 365,155
Solid Waste	40,606
Ambulance	559,686
Airport	254,108
VNA of the Mother Lode	100,584
Other enterprise funds	100,500
Total depreciation expense – business-type activities	<u>\$ 1,420,639</u>

NOTE 4: LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for governmental and business-type activities is as follows:

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008	Due Within One Year
Governmental activities:					
Accrued claims	\$ 8,206,575	\$ 1,772,233	\$ (1,550,738)	\$ 8,428,070	\$ 2,152,930
Compensated absences	6,230,324	1,663,255	(1,158,184)	6,735,395	1,200,000
Bonds payable	6,195,000	--	(125,000)	6,070,000	115,000
Plus premium	87,090	--	(2,969)	84,121	2,969
Note payable	115,000	--	(5,132)	109,868	5,414
Capital lease obligations	232,807	--	(91,187)	141,620	93,757
Total governmental activities	<u>\$ 21,066,796</u>	<u>\$ 3,435,488</u>	<u>\$ (2,933,210)</u>	<u>\$ 21,569,074</u>	<u>\$ 3,570,070</u>
Business-type activities:					
Compensated absences	\$ 681,788	\$ 225,516	\$ (120,521)	\$ 786,783	\$ 374,285
Landfill closure and postclosure	6,535,717	1,862,926	(762,385)	7,636,258	7,636,258
Capital lease obligations	1,078,313	--	(341,577)	736,736	353,543
Notes payable	460,347	--	(50,157)	410,190	50,337
Total business-type activities	<u>\$ 8,756,165</u>	<u>\$ 2,088,442</u>	<u>\$ (1,274,640)</u>	<u>\$ 9,569,967</u>	<u>\$ 8,414,423</u>

COUNTY OF TUOLUMNE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 4: LONG-TERM LIABILITIES (Continued)

Capital Lease Obligations:

The 2005 5-year lease was for the acquisition of new equipment for various departments with monthly payments of \$21,274 including interest at 2.78% through December 2009. The balance at June 30, 2008 of the 2005 lease agreement is as follows:

Governmental activities	\$ 141,620
Business-type activities	409,120
Total	<u>\$ 550,740</u>

A medical office building lease with a monthly payment of \$8,261, including interest at 5.67% through 2012 with a balance at June 30, 2008 of \$327,616 is presented in the General Medical Facility Enterprise Fund.

The capital assets acquired through capital leases are as follows:

	Governmental Activities	Business-type Activities
Equipment	\$ 630,557	\$ 1,389,789
Less accumulated depreciation	(202,129)	(601,399)
Net capital assets under capital leases	<u>\$ 428,428</u>	<u>\$ 788,390</u>

The future minimum capital lease obligations as of June 30, 2008, are as follows:

Year Ending June 30,	Governmental activities	Business-type activities
2009	\$ 96,505	\$ 377,926
2010	48,253	238,350
2011	--	99,136
2012	--	66,203
	<u>144,758</u>	<u>781,615</u>
Less: Interest	(3,138)	(44,879)
Total	<u>\$ 141,620</u>	<u>\$ 736,736</u>

Notes Payable:

During fiscal year 2007, the County entered into an agreement with WestAmerica Bank for \$115,000 for the purchase of cemetery land. This loan is for 15 years with an annual interest rate 5.5%. The balance at June 30, 2008 is \$109,868.

During fiscal year 2006, the County received a loan of \$472,000 from the State of California for the clean up of tires that were unearthed during a clean up project. This loan is for 10 years with no interest. The balance of \$377,600 as of June 30, 2008 is presented in the Solid Waste Fund.

COUNTY OF TUOLUMNE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 4: LONG-TERM LIABILITIES (Continued)

During fiscal year 2000, the County entered into an agreement with the State of California, where the State loaned the County \$51,800 for the purchase of a corporate hanger at the Columbia Airport. This loan is for 17 years with an annual interest rate 4.8%. The balance of \$32,590 as of June 30, 2008 is presented in the Airport Enterprise Fund.

The annual debt service requirements to maturity for the notes payable are as follows:

Year Ended June 30,	Governmental activities		Business-type activities	
	Principal	Interest	Principal	Interest
2009	\$ 5,414	\$ 6,043	\$ 50,337	\$ 1,558
2010	5,712	5,745	50,516	1,408
2011	6,026	5,431	50,695	1,249
2012	6,358	5,099	50,874	1,082
2013	6,707	4,750	51,054	907
2014-2018	39,493	17,792	156,714	1,698
2019-2022	40,158	5,669	--	--
Total	<u>\$ 109,868</u>	<u>\$ 50,529</u>	<u>\$ 410,190</u>	<u>\$ 7,902</u>

Judgement Obligation Bonds:

On November 16, 2006, the County issued \$6,195,000 Judgment Obligation Bonds pursuant to the terms of a stipulated judgment in the case entitled The People of the State of California ex rel. Attorney General Bill Lockyer and the California Regional Water Quality Control Board, Central Valley Region v. Sonora Mining Corp., et al.

The County pays semi-annual payments that began on May 1, 2007 and will end on November 1, 2036. The interest rate varies from 3.8% to 4.5%. Annual principal and interest payments range from \$362,987 to \$373,061.

Year Ended June 30,	Governmental activities	
	Principal	Interest
2009	115,000	257,661
2010	120,000	252,961
2011	125,000	248,061
2012	130,000	242,961
2013	135,000	237,999
2014-2018	740,000	1,112,763
2019-2023	895,000	954,138
2024-2028	1,100,000	738,000
2029-2033	1,375,000	460,462
2034-2037	1,335,000	123,188
	<u>\$ 6,070,000</u>	<u>\$ 4,628,194</u>

COUNTY OF TUOLUMNE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 5: INTERFUND TRANSACTIONS

Advances to/from other funds

Advances to/from other funds represent long-term cash advances to support various agencies cash flow needs. The following schedule briefly summarizes the amounts of advances to/from other funds at June 30, 2008:

Receivable Fund	Payable Fund	Amount
General	Agency	\$ 4,161,323
Road	Solid Waste	1,719,550
Internal Service	General	2,359,509
	Ambulance	158,700
	Airport	167,873
	VNA of the Mother Lode	2,275,200
	Other Enterprise	46,642
	Internal Service	297,930
		5,305,854
		<u>\$ 11,186,727</u>

The Property Tax Collection Agency Fund borrowed from the General Fund to offset cash deficits. The outstanding balance at June 30, 2008 totaled \$4,161,323.

The County Board of Supervisors authorized an advance from the Road Fund to Solid Waste to offset up-front costs related to landfill closure costs. The outstanding balance at June 30, 2008 totaled \$1,719,550.

The General Medical Facility Board of Trustees and the County Board of Supervisors authorized advances to offset the Facility's cash deficits. The Facility borrowed from the Workers' Compensation Internal Service Fund. However, with the Facility eliminating services effective July 1, 2007, it does not appear to have the resources to repay the Workers' Compensation Internal Service Fund. Therefore, the advance was transferred to the General Fund during 2007 for repayment. The outstanding balance at June 30, 2008 totaled \$2,359,509.

The County Board of Supervisors authorized advances to offset the VNA of the Mother Lode's cash deficits. The VNA of the Mother Lode borrowed from the Workers' Compensation Internal Service Fund. The outstanding balance at June 30, 2008 totaled \$2,275,200.

COUNTY OF TUOLUMNE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 5: INTERFUND TRANSACTIONS (Continued)

Transfers in/out

Transfers are indicative of funding for capital projects, re-allocations of special revenues and subsidies of various County operations. The following schedule briefly summarizes the County's transfer activity for the fiscal year ended June 30, 2008:

Transfer From	Transfer To	Amount
General	Road	\$ 642,451
	Health and Welfare	3,735,381
	Other Governmental	626,519
	General Medical Facility	3,324,300
	Airport	49,108
	VNA of the Mother Lode	551,585
		8,929,344
Other Governmental	General	498,061
	General Medical Facility	373,267
	Ambulance	192,824
		1,064,152
Internal Service	Internal Service	404,466
		\$ 10,397,962

In addition to the transfers noted in the above table, capital assets were transferred from the General Medical Facility and other enterprise funds to the general government for \$22,928 and \$2,310, respectively. However, governmental funds do not report these transfers in due to the different measurement focus. As such, transfers do not balance at the fund level. Also, capital assets of \$658,811 were transferred from governmental activities to the Airport. This transfer of capital assets was reported as capital contributions in the Airport Fund.

General Fund

The General Fund made contributions of \$8,929,344 to other funds to offset operating costs of the programs. Of the amount transferred out, the Facility received \$3,324,300 representing the County's contribution to offset operating losses. In addition, the Health and Welfare Fund received \$3,735,381 representing transfer of VLF revenue received from the State.

NOTE 6: RETIREMENT PLAN

Plan Description

The County of Tuolumne contributes to the California Public Employees Retirement System (CalPERS) for its miscellaneous and safety employees. The Miscellaneous plan is an agent multiple-employer public employee defined benefit pension plan. The Safety plan is a cost-sharing multiple-employer public employee defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and other requirements are established by contract with CalPERS in accordance with the provisions of the Public Employees Retirement Law and County ordinance. Copies of CalPERS' annual financial report may be obtained from their executive office: 400 P Street, Sacramento, CA 95814.

COUNTY OF TUOLUMNE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 6: RETIREMENT PLAN (Continued)

Funding Policy

Participants are required to contribute 7% (9% for safety employees) of their annual covered salary. The County makes the contributions required of County employees on their behalf and for their account. The County is required to contribute at actuarially determined rates; those rates for the year ended June 30, 2008 were 11.121% for Miscellaneous employees and 26.398% for Safety employees of the respective annual covered payroll. The contribution requirements of plan members and the County are established and may be amended by CalPERS.

Annual Pension Cost

For the year ended June 30, 2008, the County's annual pension cost of \$4,936,651 was equal to the County's required and actual contributions. The required contribution was determined as part of the June 30, 2005 actuarial valuations using the entry age actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increases depending on age, service, and type of employment of 3.25% to 14.45%, (c) inflation of 3.00%, (d) payroll growth of 3.25%, (e) individual salary growth varying by duration of employment coupled with an assumed annual inflation growth of 3.00% and an annual production growth of 0.25%. The actuarial value of CalPERS assets was determined using the techniques that smooth the effects of short-term volatility in the market value of investments over a 15-year period (smoothed market value). The Miscellaneous plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2008 is 23 years for the Miscellaneous plan.

Three-Year Trend Information

Miscellaneous Plan Members

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/06	\$ 4,283,473	100%	--
6/30/07	4,392,586	100%	--
6/30/08	3,832,694	100%	--

Safety Plan Members

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/06	\$ 928,356	100%	--
6/30/07	1,032,473	100%	--
6/30/08	1,103,957	100%	--

COUNTY OF TUOLUMNE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 6: RETIREMENT PLAN (Continued)

Funded Status and Funding Progress

As of June 30, 2007, the most recent actuarial valuation date, the Miscellaneous plan was 90.2% funded. For the Miscellaneous plan, the actuarial accrued liability for benefits was \$165.1 million and the actuarial value of assets was \$148.9 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$16.2 million. The covered payroll (annual payroll of active employees covered by the plan) was \$37.4 million for miscellaneous employees, and the ratio of UAAL to the covered payroll was 43.4%. The actuarial assumptions used for the June 30, 2007 valuation were the same as those disclosed on the previous page for the June 30, 2005 valuation.

The schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 7: OTHER POST EMPLOYMENT BENEFITS

In addition to providing pension benefits through CalPERS, the County provides medical, vision, and dental benefits for certain retired employees under contractual obligations negotiated between the County and members of the executive and confidential plan (Plan). All department heads, elected officials, and confidential staff who retire upon separation and have at least 10 years of service are eligible at varying levels for coverage under the Plan at age 50. Some members that retired due to disability may qualify at a younger age. Members with 10 years of service are covered at 50%. That coverage increases to 75% after 15 years of service and again increases to 100% coverage after 20 years of service. In fiscal year 2004-05, the formula changed where for each year of service after 10 years, coverage increased by 5% (i.e., 11 years of service equals 55%, 12 years of service equals 60%, etc.). Such coverage is at the same level as that provided prior to separation. Plan benefits as previously described continue until age 65, at which point eligible retirees are covered under a Medical Supplemental Plan, which pays secondary to Medicare. This is a lifetime benefit.

The County's contributions are financed on a pay-as-you-go basis. During the year, expenses of \$320,613 were recognized for post-employment health care in the Post Retirement Insurance Internal Service Fund that covered approximately 55 members.

NOTE 8: RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to and illnesses of employees; and natural disasters. The County maintains the Workers' Compensation and Liability Insurance internal service funds to account for and finance its risks of loss. Under this program, the County is self-insured for the following risks up to the maximum claim as follows: workers' compensation \$300,000; liability \$100,000; property loss \$100,000; with a \$10,000 deductible. The County purchases commercial insurance for claims in excess of the preceding coverage amounts.

COUNTY OF TUOLUMNE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 8: RISK MANAGEMENT (Continued)

All operating funds participate in the program and make payments to the internal service funds based on historical cost of the amounts needed to pay prior and current year claims, and to allow accrual of estimated incurred but not reported claims. Insurance premiums to commercial insurers are also processed through the internal service funds. There have been no settlements in excess of insurance coverage in the past three years. The total determined claims liability at June 30, 2008 is \$8,428,070. These claim estimates are based on the requirements of Governmental Accounting Standards Board Statement No. 10, and include estimated claims incurred but not yet reported as of June 30, 2008. Changes in the internal service funds claims liabilities during the years ended June 30, 2007 and 2008 were as follows:

Fiscal Year	Balance at July 1	Current Year Claims and Changes in Estimates	Current Year Claim Payments	Balance At June 30
2006-07	\$ 8,089,341	\$ 2,267,433	\$ (2,150,199)	\$ 8,206,575
2007-08	8,206,575	1,772,233	(1,550,738)	8,428,070

NOTE 9: CLOSURE AND POSTCLOSURE CARE COST

State and federal regulations require the County to place a final cover on its Central (Jamestown) and Big Oak Flat (Groveland) landfill sites when they stop accepting waste and to perform certain maintenance and functions at the sites for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfills stop accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$7,636,258 reported as landfill closure and postclosure care liability at June 30, 2008, represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the Jamestown landfill and of the estimated capacity of the Groveland landfill. The County stopped accepting fill for the Groveland landfill during 2002. The Jamestown landfill was closed in 1995. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. As both of the County's landfills have been closed, the County currently takes its waste to a nearby transfer station to be transferred out of state.

The County is required by state and federal regulations to make deposits to their closure and postclosure maintenance trust fund to finance closure and postclosure care costs. The County has designated cash and investments for the payment of closure and postclosure care costs in the amount of \$31,412 as of June 30, 2008.

COUNTY OF TUOLUMNE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 10: DEFICIT FUND EQUITY

As of June 30, 2008 the following individual funds had deficit fund equity balances:

Fund	Deficit
Solid Waste	\$ 9,330,883
VNA of the Mother Lode	2,123,494
Workers' Compensation	560,344
Employee Leave Liability	6,409,373

The Solid Waste deficit net assets is expected to be eliminated as the landfill closure/postclosure liability becomes more funded via user charges.

The VNA of the Mother Lode deficit net assets is expected to be eliminated by transfers from the General Fund during the next three fiscal years and increased revenue due to new computer system and contracts.

The internal service funds (Workers' Compensation and Employee Leave Liability) deficit net assets are expected to be eliminated via charges to other County funds.

NOTE 11: GENERAL MEDICAL FACILITY ENTERPRISE FUND

Charges for Services and Patient Accounts Receivable – The Facility has agreements with third-party payers that provide for payments to the Facility at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, cost reimbursement, discounted charges, and per diem payments. Net patient service revenue and patient accounts receivable are reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined.

A summary of the payment arrangements with major third-party payers follows:

Medicare – Charges for inpatient acute medical and surgical and extended care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Most outpatient services are also paid at a prospectively determined rate. These rates are in essence the final rate and are not subject to further cost reimbursement methodologies. Inpatient acute psychiatric and outpatient laboratory services are paid based on a cost reimbursement methodology. The Facility is reimbursed for cost reimbursable items at an interim rate with final settlement determined after submission of annual cost reports by the Facility and audits thereof by the Medicare fiscal intermediary. The Facility's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with the Facility. As of June 30, 2008, the Facility's Medicare cost reports had been audited by the Medicare fiscal intermediary through June 30, 2006. Because the 2007 cost report was finalized in July 2008, the settlement receivable of \$122,035 has been reported at June 30, 2008.

COUNTY OF TUOLUMNE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 11: GENERAL MEDICAL FACILITY ENTERPRISE FUND (Continued)

Medi-Cal – Charges for inpatient medical and surgical services are paid on a predetermined fixed per diem basis. The per diem was agreed upon during negotiations with the State of California (State) for the Facility to be the exclusive provider for medical and surgical services in Sonora. Charges for inpatient acute psychiatric services are paid according to managed care agreement rates with Counties that use these services, including the County of Tuolumne. Charges for long-term care services are paid based upon a fixed per diem while outpatient services are paid based upon a schedule of maximum allowances. Rural Health Clinic Services are paid at a prospectively determined rate based upon the average cost per visits from the FYE 1999 and 2000 audited cost reports. The rate is updated annually on October 1st by the Medicare Economic Indicator (MEI) and there is a process to modify the rate based upon the addition of a new service or services. A Prospective Payment System reconciliation is performed to provide additional reimbursement for dual eligible patients (those covered by both Medicare and Medi-Cal). At June 30, 2008, all fiscal years have been tentatively settled by the State Department of Health Services and the expected balance due the state is \$37,160. As of June 30, 2008, the Facility's Medi-Cal cost reports had been audited by the State through June 30, 2006.

Medi-Cal Waiver – California's Medi-Cal Hospital/Uninsured Care Demonstration Project (Demonstration) is a new system for paying selected hospitals, including the Facility, for hospital care provided to Medi-Cal and uninsured patients. The Demonstration was negotiated between the State of California's Department of Health Services (SDHS) and the federal Centers for Medicare and Medicaid Services (CMS) and covers the period from July 1, 2005 to June 30, 2010. The implementing State legislation (SB 1100) was enacted by the Legislature in September 2005. The five-year Demonstration affects payments for 23 public hospitals, including all University of California owned hospitals, identified as Designated Public Hospitals, and private and non-designated public safety net hospitals that serve large numbers of Medi-Cal patients.

Under the Demonstration, payments for the public hospitals are comprised of : 1) Fee-for service (FFS) cost based reimbursement for inpatient hospital services (exclusive of physician component); 2) Disproportionate Share Hospital (DSH) payments (formerly SB855); and 3) distribution from a newly created pool of federal funding for uninsured care, known as the Safety Net Care Pool (SNCP) (formerly SB1255). The nonfederal share of these three types of payments will be provided by the public hospitals rather than the State, primarily through certified public expenditures (CPE) whereby the hospital would expend its local funding for services to draw down the federal financial participation (FFP), currently provided at a 50% match. For the inpatient hospital FFS cost-based reimbursement, each hospital will provide its own CPE and receive all of the resulting federal match.

For the DSH and SNCP distributions, the CPEs of all the public hospitals will be used in the aggregate to draw down the federal match. The Demonstration prioritizes payments so that, to the extent possible, total payments to hospitals are at a minimum "baseline" level. For public hospitals, the baseline level is determined and satisfied on a hospital-specific basis. The baseline for the 2007-2008 fiscal year is established at the hospital's total net Medi-Cal inpatient payments for 2006-2007.

County Medical Services Program – Charges for inpatient acute medical and surgical services, and acute psychiatric services are paid based on a cost reimbursement methodology less 15%. Outpatient services are paid based upon a schedule of maximum allowances less 10%.

COUNTY OF TUOLUMNE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 11: GENERAL MEDICAL FACILITY ENTERPRISE FUND (Continued)

The Facility has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations (HMO), and preferred provider organizations (PPO). The basis for payment to the Facility under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

NOTE 12: CONTINGENCIES

Grants and subventions

The County received federal grants either directly from federal governmental agencies or as a subgrantee of the State of California. Several grants were passed through to subgrantees of the County. Where grants were passed through to subgrantees, the subgrantees were required to comply with the same terms and conditions, and an audit was required to ensure that the expenses claimed were allowable and that subgrantees complied with related terms and conditions. Continued funding of these grants is dependent upon the budgeting process of the federal, state, and County governments.

Litigation

The County from time to time is a party to various claims, legal actions, and complaints arising in the ordinary course of business. In the opinion of the County's administration the various claims, legal actions and complaints not covered by insurance resulting from such litigation would not materially affect the financial position of the County.

Patient service revenue

The General Medical Facility Enterprise Fund grants credit without collateral to its patients, most of who are local residents and are insured under third-party payer agreements. Net patient service revenue is reported at estimated net realizable amounts from patients, third-party payers and others for services rendered and includes estimated retroactive revenue adjustments due to future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews or investigations.

Receivables from patients and third-party payers at June 30, 2008 are summarized as follows:

Medicare	24%
Medicaid	51
Private Patients	25
Total	<u>100%</u>

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

COUNTY OF TUOLUMNE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 13: FUTURE IMPLEMENTATION OF NEW ACCOUNTING PRONOUNCEMENTS

The County is in the process of evaluating the future impact of the following statements on its future financial statements.

In June of 2004, the Governmental Accounting Standards Board (GASB) issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective for the County for the year ending June 30, 2009. This statement establishes standards for the measurement, recognition, and display of other postemployment benefit expenses/expenditures, related assets and liabilities, note disclosures and, if applicable, required supplementary information in the financial reports of state and local governmental employers.

In November of 2006, the GASB issued Statement No. 49, *Accounting for Financial Reporting for Pollution Remediation*, which addresses how state and local governments should account for and report their costs and obligations related to pollution remediation. This statement also establishes disclosure requirements for information about the nature and source of the pollution remediation obligation, the amount of estimated liabilities for such remediation, the methods and assumptions used to estimate the liability, the potential estimate change due to external factors, and an estimate of the expected cost recovery amounts from insurance or other parties. This statement is effective for the County's year ending June 30, 2009, and will require retroactive application to be reflected in a restatement of beginning net assets.

In June of 2007, the GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, which addresses a previous lack of sufficient authoritative guidance in accounting and financial reporting of intangible assets among state and local governments. The objective of this statement is to establish requirements for recognition, initial measurement, and amortization to reduce inconsistencies and thereby improve comparability. This statement is effective for the County's year ending June 30, 2010.

NOTE 14: SUBSEQUENT EVENTS

Landfill Loans

On August 25, 2008, the County entered into a \$500,000 interest free loan agreement with California Integrated Waste Management. These funds will be used to help pay for the closure of the Jamestown Landfill. The loan will be repaid over ten years with annual payments of \$50,000 beginning August 25, 2009.

The County has entered into an agreement with the California State Association of Counties (CSAC) Excess Insurance Authority (EIA) to borrow up to \$6,330,000. These funds are to be used to help pay for the postclosure costs of the Jamestown Landfill. The interest rates are set by the EIA board based upon their inter-fund borrowing policy. The rate for 2008/09 is 4.35%. The loan must be repaid within 5 years. There are no fixed payments. As of January 2009, no draw downs have occurred. The County plans to draw down the full amount during the first quarter of calendar year 2009.

COUNTY OF TUOLUMNE, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2008

NOTE 14: SUBSEQUENT EVENTS (Continued)

Lehman Brothers Investment

The County Treasurer as of June 30, 2008 had \$1,976,460 invested in Lehman Brothers Corporate bonds. Lehman Brothers Investment Company filed for Chapter 11 on September 15, 2008. This investment is only 2.2% of the total investments. The County plans to write down this investment during the 2008-09 fiscal year. The County has filed a claim in the bankruptcy court for the full face value \$2,000,000. It has also entered into a lawsuit with other public entities against Lehman Brothers officers.

Privatization of Adult Day Care Program (VNA of the Mother Lode)

On December 16, 2008 the Board of Supervisors held a Beilenson hearing to close down Adult Day Health Care unit (ADHC) and privatize the unit. On January 13, 2009, the County entered into a one year management agreement with Seniority Lifecare at Home effective February 1, 2009.

Required Supplementary Information

TUOLUMNE
COUNTY



**COUNTY OF TUOLUMNE, CALIFORNIA
SCHEDULE OF FUNDING PROGRESS - MISCELLANEOUS PLAN
FOR THE YEAR ENDED JUNE 30, 2008
UNAUDITED**

REQUIRED SUPPLEMENTARY INFORMATION

Actuarial Valuation Date	Entry Age Normal Actuarial Accrued Liability (a)	Actuarial Value of Assets (b)	Unfunded/ (Overfunded) Liability (a)-(b)	Funded Ratio (b)/(a)	Annual Covered Payroll (c)	Unfunded Actuarial Accrued Liability as a % of Covered Payroll [(a)-(b)]/(c)
6/30/05	\$ 138,577,545	\$123,237,469	\$ 15,340,076	88.9%	\$ 37,825,573	40.6%
6/30/06	151,208,833	135,299,913	15,908,920	89.5	39,380,668	40.4
6/30/07	165,140,194	148,899,716	16,240,478	90.2	37,399,642	43.4

COUNTY OF TUOLUMNE, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 28,424,052	\$ 28,309,722	\$ 25,792,630	\$ (2,517,092)
Licenses and permits	1,810,725	1,902,601	1,997,000	94,399
Fines, forfeits, and penalties	1,595,090	1,600,090	1,580,911	(19,179)
Use of money and property	449,975	771,706	888,322	116,616
Intergovernmental:				
State	11,222,817	12,500,590	14,077,894	1,577,304
Federal	3,677,402	2,710,800	2,933,580	222,780
Other	565,268	565,268	568,726	3,458
Charges for services	11,924,356	12,156,968	11,817,699	(339,269)
Miscellaneous	134,180	131,180	100,436	(30,744)
Total revenues	59,803,865	60,648,925	59,757,198	(891,727)
Expenditures:				
General government:				
Board of supervisors	760,828	758,780	745,390	13,390
Appropriation for contingencies	890,620	287,998	-	287,998
County administrative office	958,445	1,007,390	926,809	80,581
County auditor-controller	1,055,671	1,101,500	1,114,382	(12,882)
Treasurer-tax collector	468,979	472,374	422,653	49,721
Assessor-recorder	1,315,933	1,312,661	1,278,705	33,956
Recorder-micrographics	176,885	232,369	169,182	63,187
Archives	123,389	102,985	100,926	2,059
Assessor - AB 719	46,570	46,570	15,824	30,746
Office of revenue recovery	601,237	600,147	594,139	6,008
County counsel	1,016,167	1,014,668	989,656	25,012
Human resources	799,861	813,809	812,765	1,044
County clerk - elections	746,628	744,311	707,562	36,749
Facilities management	2,875,230	3,084,847	2,989,437	95,410
Plant acquisition	2,877,197	3,384,497	1,195,458	2,189,039
Economic development and promotion	356,250	457,877	427,388	30,489
County film commission	86,603	86,603	85,057	1,546
Information systems and services	3,226,370	3,372,052	3,015,231	356,821
Public works - surveyor	461,380	465,983	449,116	16,867
Amador-Tuolumne community action agency	24,000	24,000	24,000	-
Jamestown mine	565,530	665,530	603,242	62,288
Total general government	19,433,773	20,036,951	16,666,922	3,370,029
Public protection:				
CAO emergency services	384,814	385,023	295,548	89,475
Transfer to outside fire districts	8,439	8,439	8,439	-
Grand jury	23,706	29,630	29,626	4
District attorney	1,775,296	1,767,377	1,767,366	11
Spousal abuser prosecution program	63,375	63,375	58,192	5,183
DA - statutory rape vertical prosecution	125,342	127,346	127,342	4
Violence against women grant	90,000	92,683	89,849	2,834
Public defender	778,861	788,582	788,572	10
County - court related AB 233	848,730	848,730	837,638	11,092
Sheriff-coroner	10,218,352	10,822,020	9,412,164	1,409,856
Sheriff - courtroom security	903,388	883,952	552,268	331,684
Sheriff - communications	1,195,067	1,229,817	1,165,447	64,370
Tuolumne narcotics team	1,264,366	1,332,589	1,095,269	237,320

The accompanying note is an integral part of the required supplementary information.

COUNTY OF TUOLUMNE, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Public protection (continued):				
County jail	4,466,106	4,888,598	4,446,497	442,101
Probation	3,368,798	3,427,467	3,216,834	210,633
Agriculture - weights and measures	599,033	629,494	620,268	9,226
Community development department	3,065,432	3,082,146	2,903,170	178,976
Animal control	836,667	834,759	801,701	33,058
Code Compliance	240,449	240,449	200,896	39,553
Total public protection	30,256,221	31,482,476	28,417,086	3,065,390
Public ways and facilities:				
Special district administration	127,884	127,884	107,637	20,247
Health and sanitation				
Sheriff - emergency medical communications	27,975	29,859	29,858	1
Air Pollution	741,705	741,296	647,200	94,096
Total health and sanitation	769,680	771,155	677,058	94,097
Public Assistance				
Victim witness prosecution program	215,875	215,194	187,797	27,397
Veterans services	150,283	157,457	157,449	8
Total public assistance	366,158	372,651	345,246	27,405
Education:				
Library	1,205,717	1,237,567	1,227,534	10,033
Farm advisor	192,471	191,516	188,556	2,960
Total education	1,398,188	1,429,083	1,416,090	12,993
Recreation and cultural services:				
Sheriff - boat patrol	486,564	526,748	403,421	123,327
County recreation	893,461	890,735	874,974	15,761
Standard Park	195,620	195,620	181,676	13,944
Youth centers	251,026	287,779	266,659	21,120
County Museum	58,793	60,110	55,632	4,478
Total recreation and cultural services	1,885,464	1,960,992	1,782,362	178,630
Total expenditures	54,237,368	56,181,192	49,412,401	6,768,791
Excess of revenues over expenditures	5,566,497	4,467,733	10,344,797	5,877,064
Other financing sources (uses):				
Transfers in	151,000	494,417	498,061	3,644
Transfers out	(10,191,976)	(9,861,876)	(8,929,344)	932,532
Contributions	44,371	64,855	60,196	(4,659)
Debt issued	1,894,124	1,894,124	-	(1,894,124)
Proceeds from sale of capital assets	15,000	15,000	19,716	4,716
Total other financing sources (uses)	(8,087,481)	(7,393,480)	(8,351,371)	(957,891)
Net change in fund balance (budgetary basis)	\$ (2,520,984)	\$ (2,925,747)	1,993,426	\$ 4,919,173
Basis adjustment:				
Agency funds allocation			(38,301)	
Net change in fund balance (GAAP basis)			1,955,125	
Fund balance, beginning of year			6,135,178	
Fund balance, end of year			\$ 8,090,303	

The accompanying note is an integral part of the required supplementary information.

COUNTY OF TUOLUMNE, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ROAD SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Licenses and permits	\$ 158,900	\$ 167,300	\$ 191,107	\$ 23,807
Use of money and property	7,500	7,500	32,229	24,729
Intergovernmental:				
State	4,577,198	5,275,459	4,928,095	(347,364)
Federal	1,125,639	1,125,639	1,435,787	310,148
Other	5,150	5,650	685	(4,965)
Charges for services	1,150,383	1,064,087	688,295	(375,792)
Miscellaneous	1,500	1,500	1,211	(289)
Total revenues	7,026,270	7,647,135	7,277,409	(369,726)
Expenditures:				
Public ways and facilities:				
Public works administration	851,477	1,233,948	1,227,057	6,891
Engineering services and development	532,047	531,396	523,833	7,563
Engineering services - projects	820,096	674,145	497,218	176,927
Traffic and engineering	157,862	157,325	154,165	3,160
Road maintenance	6,262,525	6,759,145	4,642,452	2,116,693
Total expenditures	8,624,007	9,355,959	7,044,725	2,311,234
Excess (deficiency) of revenues over (under) expenditures	(1,597,737)	(1,708,824)	232,684	1,941,508
Other financing sources:				
Transfers in	642,451	642,451	642,451	-
Proceeds from sale of capital assets	-	-	14,940	14,940
Total other financing sources	642,451	642,451	657,391	14,940
Net change in fund balance (budgetary basis)	\$ (955,286)	\$ (1,066,373)	890,075	\$ 1,956,448
Basis adjustment:				
Agency funds allocation			909,525	
Net change in fund balance (GAAP basis)			1,799,600	
Fund balance, beginning of year			12,683,978	
Fund balance, end of year			\$ 14,483,578	

The accompanying note is an integral part of the required supplementary information.

COUNTY OF TUOLUMNE, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - HEALTH AND WELFARE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Fines, forfeits, and penalties	\$ 92,500	\$ 61,435	\$ 79,933	\$ 18,498
Use of money and property	99,194	99,194	99,194	-
Intergovernmental:				
State	14,711,518	13,764,780	11,995,521	(1,769,259)
Federal	8,959,830	9,875,717	9,019,895	(855,822)
Other	25,000	87,000	87,000	-
Charges for services	1,933,543	1,830,835	1,922,415	91,580
Miscellaneous	406,183	524,094	417,821	(106,273)
Total revenues	<u>26,227,768</u>	<u>26,243,055</u>	<u>23,621,779</u>	<u>(2,621,276)</u>
Expenditures:				
Health and sanitation:				
Health	3,689,797	3,466,584	3,227,125	239,459
Tobacco control program	182,128	183,136	145,891	37,245
Mobile health van	-	144,959	114,010	30,949
Environmental health	1,384,426	1,352,287	1,288,338	63,949
Environmental health - solid waste grant	16,400	16,687	16,687	-
Behavioral health - administration	732,586	818,445	822,609	(4,164)
California children services	297,200	297,200	294,146	3,054
Mental health services act	1,469,053	1,536,598	1,220,199	316,399
Mental health services	4,647,701	4,427,913	3,296,762	1,131,151
Mental health - drug and alcohol	779,604	993,995	1,085,574	(91,579)
Mental health - perinatal	163,087	163,087	163,087	-
Total health and sanitation	<u>13,361,982</u>	<u>13,400,891</u>	<u>11,674,428</u>	<u>1,726,463</u>
Public assistance:				
Social services administration	11,281,486	11,208,867	9,710,997	1,497,870
Welfare and security	6,338,462	6,338,462	6,254,401	84,061
Total public assistance	<u>17,619,948</u>	<u>17,547,329</u>	<u>15,965,398</u>	<u>1,581,931</u>
Total expenditures	<u>30,981,930</u>	<u>30,948,220</u>	<u>27,639,826</u>	<u>3,308,394</u>
Deficiency of revenues under expenditures	<u>(4,754,162)</u>	<u>(4,705,165)</u>	<u>(4,018,047)</u>	<u>687,118</u>
Other financing sources:				
Transfers in	3,790,620	3,609,964	3,735,381	125,417
Contributions	3,000	3,000	2,644	(356)
Total other financing sources	<u>3,793,620</u>	<u>3,612,964</u>	<u>3,738,025</u>	<u>125,061</u>
Net change in fund balance	<u>(960,542)</u>	<u>(1,092,201)</u>	<u>(280,022)</u>	<u>\$ 812,179</u>
Fund balance, beginning of year			<u>1,136,796</u>	
Fund balance, end of year			<u>\$ 856,774</u>	

The accompanying note is an integral part of the required supplementary information.

COUNTY OF TUOLUMNE, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT
BLOCK GRANT SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Use of money and property	\$ -	\$ 349,505	\$ 493,355	\$ 143,850
Intergovernmental:				
State	1,004,167	1,030,667	30,667	(1,000,000)
Federal	793,500	1,655,765	1,097,280	(558,485)
Total revenues	1,797,667	3,035,937	1,621,302	(1,414,635)
Expenditures:				
Public assistance:				
CDBG-Owner/Occupied Rehab Program	100,000	100,000	97,571	2,429
HUD-2006 First time Buyers	300,000	451,609	151,609	300,000
CDBG-Home for Families	-	18,190	18,189	1
CDBG-PTAA-1474	1,750	45,070	45,069	1
05-EHAPCD-227	1,000,000	1,000,000	33,344	966,656
06-STBG-1980	223,000	685,800	598,277	87,523
CDBG-06-STBG-2591	500,000	500,000	102,377	397,623
CDBG 04-1980-01	-	590	587	3
CDBG-HUD Housing Loans	-	405	402	3
Housing Rehab Repay Loan #6	35,000	393,650	393,612	38
EDBG 97-543	-	19,800	19,800	-
Total public assistance	2,159,750	3,215,114	1,460,837	1,754,277
Total expenditures	2,159,750	3,215,114	1,460,837	1,754,277
Net change in fund balance	\$ (362,083)	\$ (179,177)	160,465	\$ 339,642
Fund balance, beginning of year			5,407,405	
Fund balance, end of year			\$ 5,567,870	

The accompanying note is an integral part of the required supplementary information.

COUNTY OF TUOLUMNE, CALIFORNIA
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2008

Budgets and Budgetary Accounting

The County operates under the general laws of the State of California and annually adopts a budget for its General Fund, special revenue funds, capital projects funds, and Permanent Fund. From the effective date of the budget, which is adopted and controlled at the department level, the amounts stated therein, as proposed expenditures become appropriations to the various County departments. The Board of Supervisors may amend the budget by resolution during the year. Department heads may, upon approval from the County administrator, make transfers from one object or purpose to another within the same budget unit. Encumbrances outstanding at year-end are reported as reservations of fund balances for subsequent year expenditures, based on the authorized encumbered appropriation carried over. All appropriations lapse at year-end. Annual budgets are adopted on a basis of accounting which differs from generally accepted accounting principles (GAAP) in the United States of America. As a result, if there's a difference between the budgetary basis and GAAP basis, the budgetary comparison schedules present a reconciliation between the bases. The difference is as follows:

1. Agency funds allocation – The County does not budget for its agency funds. However, in accordance with GASB Statement No. 34, the County has allocated many of its agency funds' activities to its governmental funds.

As expenditures are controlled at the department level, the budget and actual comparisons presented in these financial statements are not segregated by type (i.e., current, capital outlay, and debt service) as the statements of revenues, expenditures and changes in fund balances are presented.

**COUNTY OF TUOLUMNE, CALIFORNIA
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
JUNE 30, 2008**

	Other Special Revenue Funds	Capital Projects Funds	Permanent Fund	Total Other Governmental Funds
Assets:				
Cash and investments	\$ 7,450,165	\$ 4,226,612	\$ 238,699	\$ 11,915,476
Taxes receivable	3,246	-	-	3,246
Intergovernmental receivables	169,677	537,318	-	706,995
Prepaid items	11,227	-	-	11,227
	<u>7,634,315</u>	<u>4,763,930</u>	<u>238,699</u>	<u>12,636,944</u>
Total assets	\$ 7,634,315	\$ 4,763,930	\$ 238,699	\$ 12,636,944
Liabilities and fund balance				
Liabilities:				
Accounts payable	\$ 315,855	\$ 5,665	\$ -	\$ 321,520
Salaries and benefits payable	9,130	-	-	9,130
Deferred revenue	128,837	-	-	128,837
Other liabilities	33,852	-	-	33,852
	<u>487,674</u>	<u>5,665</u>	<u>-</u>	<u>493,339</u>
Total liabilities	487,674	5,665	-	493,339
Fund balance:				
Reserved for:				
Encumbrances	1,165,249	710,174	-	1,875,423
Prepaid items	11,227	-	-	11,227
Unreserved:				
Designated for future projects	-	-	226,902	226,902
Undesignated	5,970,165	4,048,091	11,797	10,030,053
	<u>7,146,641</u>	<u>4,758,265</u>	<u>238,699</u>	<u>12,143,605</u>
Total fund balances	7,146,641	4,758,265	238,699	12,143,605
Total liabilities and fund balances	\$ 7,634,315	\$ 4,763,930	\$ 238,699	\$ 12,636,944

**COUNTY OF TUOLUMNE, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	Other Special Revenue Funds	Capital Projects Funds	Permanent Fund	Total Other Governmental Funds
Revenues:				
Taxes	\$ 2,650,898	\$ -	\$ -	\$ 2,650,898
Licenses and permits	148,050	-	-	148,050
Fines, forfeits, and penalties	266,613	-	-	266,613
Interest, rents and concessions	348,246	87,048	7,739	443,033
Intergovernmental:				
State	1,583,223	205,000	-	1,788,223
Federal	1,588,532	832,671	-	2,421,203
Other	122,248	210,000	-	332,248
Charges for services	395,847	126,815	583	523,245
Miscellaneous	211,694	1,548	3,476	216,718
Total revenues	<u>7,315,351</u>	<u>1,463,082</u>	<u>11,798</u>	<u>8,790,231</u>
Expenditures:				
Current:				
General government	1,113,578	-	-	1,113,578
Public protection	5,313,407	-	-	5,313,407
Public ways and facilities	183,706	-	-	183,706
Health and sanitation	821,167	-	-	821,167
Capital outlay	422,427	1,103,459	-	1,525,886
Debt service:				
Principal	5,132	-	-	5,132
Interest	6,325	-	-	6,325
Total expenditures	<u>7,865,742</u>	<u>1,103,459</u>	<u>-</u>	<u>8,969,201</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(550,391)</u>	<u>359,623</u>	<u>11,798</u>	<u>(178,970)</u>
Other financing sources (uses):				
Transfers in	615,232	11,287	-	626,519
Transfers out	(871,328)	(192,824)	-	(1,064,152)
Contributions	16,720	-	-	16,720
Total other financing sources (uses)	<u>(239,376)</u>	<u>(181,537)</u>	<u>-</u>	<u>(420,913)</u>
Net change in fund balances	<u>(789,767)</u>	<u>178,086</u>	<u>11,798</u>	<u>(599,883)</u>
Fund balances, beginning of year	<u>7,936,408</u>	<u>4,580,179</u>	<u>226,901</u>	<u>12,743,488</u>
Fund balances, end of year	<u>\$ 7,146,641</u>	<u>\$ 4,758,265</u>	<u>\$ 238,699</u>	<u>\$ 12,143,605</u>



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OTHER GOVERNMENTAL FUNDS

OTHER SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted to expenditures for specified purposes. Included in the Special Revenue classification are the following funds:

Fish and Game – This fund is used to account for revenues and expenditures related to the protection, conservation, propagation and preservation of fish and wildlife in the county.

County Fire – This fund is used to account for revenues and expenditures related to fire protection services in the unincorporated areas of the county.

Criminal Justice Facility – This fund is used to account for the revenues and expenditures resulting from criminal justice activities such as fines and facility fees.

Courthouse Construction – This fund is used to account for the revenues and expenditures resulting from courthouse activities such as fines and court fees.

Monument Preservation – This fund is used to account for the revenues and expenditures resulting from historical monument maintenance and preservation activity.

Child Support Services – This fund is used to account for the revenues and expenditures relating to the county's child support enforcement program.

Cemetery Districts – This fund is used to account for the revenues and expenditures resulting from county cemetery maintenance and preservation.

Children and Families Commission – This fund is used to account for activities of the Tuolumne County Children and Families Commission.

Securitization Reimbursement – This fund accounts for the collection and distribution of tobacco securitization funds.

County Service Areas – Provide miscellaneous services throughout all unincorporated areas of the county.

Lighting Districts – Provide Street and highway safety lighting for all unincorporated areas of the county.

**COUNTY OF TUOLUMNE, CALIFORNIA
COMBINING BALANCE SHEET
OTHER SPECIAL REVENUE FUNDS
JUNE 30, 2008**

	<u>Fish and Game</u>	<u>County Fire</u>	<u>Criminal Justice Facility</u>	<u>Courthouse Construction</u>	<u>Monument Preservation</u>	<u>Child Support Services</u>
Assets:						
Cash and investments	\$ 159,670	\$ 1,594,293	\$ 1,206,795	\$ 37,421	\$ 35,935	\$ 2,057
Taxes receivable	-	2,903	-	-	-	-
Intergovernmental receivables	-	52,535	-	-	-	33,000
Prepaid items	-	-	-	-	-	-
Total assets	<u>\$ 159,670</u>	<u>\$ 1,649,731</u>	<u>\$ 1,206,795</u>	<u>\$ 37,421</u>	<u>\$ 35,935</u>	<u>\$ 35,057</u>
Liabilities and fund balances						
Liabilities:						
Accounts payable	\$ -	\$ 245,786	\$ -	\$ -	\$ -	\$ 1,205
Salaries and benefits payable	-	8,219	-	-	-	-
Deferred revenue	12,337	32,373	-	-	20,350	-
Other liabilities	-	-	-	-	-	33,852
Total liabilities	<u>12,337</u>	<u>286,378</u>	<u>-</u>	<u>-</u>	<u>20,350</u>	<u>35,057</u>
Fund balances (deficit):						
Reserved for:						
Encumbrances	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Unreserved:						
Undesignated	<u>147,333</u>	<u>1,363,353</u>	<u>1,206,795</u>	<u>37,421</u>	<u>15,585</u>	<u>-</u>
Total fund balances	<u>147,333</u>	<u>1,363,353</u>	<u>1,206,795</u>	<u>37,421</u>	<u>15,585</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 159,670</u>	<u>\$ 1,649,731</u>	<u>\$ 1,206,795</u>	<u>\$ 37,421</u>	<u>\$ 35,935</u>	<u>\$ 35,057</u>

Cemetery Districts	Children and Families Commission	Securitization Reimbursement	County Service Areas	Lighting Districts	Total Other Special Revenue Funds	
\$ 453,060	\$ 1,199,389	\$ -	\$ 1,761,859	\$ 999,686	\$ 7,450,165	Assets:
98	-	-	102	143	3,246	Cash and investments
-	84,142	-	-	-	169,677	Taxes receivable
-	11,227	-	-	-	11,227	Intergovernmental receivables
						Prepaid items
<u>\$ 453,158</u>	<u>\$ 1,294,758</u>	<u>\$ -</u>	<u>\$ 1,761,961</u>	<u>\$ 999,829</u>	<u>\$ 7,634,315</u>	Total assets
						Liabilities and fund balances
						Liabilities:
\$ 3,130	\$ 65,734	\$ -	\$ -	\$ -	\$ 315,855	Accounts payable
911	-	-	-	-	9,130	Salaries and benefits payable
-	63,777	-	-	-	128,837	Deferred revenue
-	-	-	-	-	33,852	Other liabilities
<u>4,041</u>	<u>129,511</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>487,674</u>	Total liabilities
						Fund balances (deficit):
						Reserved for:
-	1,165,249	-	-	-	1,165,249	Encumbrances
-	11,227	-	-	-	11,227	Prepaid items
<u>449,117</u>	<u>(11,229)</u>	<u>-</u>	<u>1,761,961</u>	<u>999,829</u>	<u>5,970,165</u>	Unreserved:
						Undesignated
<u>449,117</u>	<u>1,165,247</u>	<u>-</u>	<u>1,761,961</u>	<u>999,829</u>	<u>7,146,641</u>	Total fund balances
<u>\$ 453,158</u>	<u>\$ 1,294,758</u>	<u>\$ -</u>	<u>\$ 1,761,961</u>	<u>\$ 999,829</u>	<u>\$ 7,634,315</u>	Total liabilities and fund balances

COUNTY OF TUOLUMNE, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
OTHER SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Fish and Game	County Fire	Criminal Justice Facility	Courthouse Construction	Monument Preservation	Child Support Services
Revenues:						
Taxes	\$ -	\$ 2,375,597	\$ -	\$ -	\$ -	\$ -
Licenses and permits		148,050	-	-	-	-
Fines, forfeits, and penalties	6,184	-	256,126	4,303	-	-
Interest, rents and concessions	8,392	64,112	48,837	1,393	3,141	6,119
Intergovernmental:						
State	-	369,009	-	-	-	592,721
Federal	-	28,007	-	-	-	1,560,525
Other	-	122,248	-	-	-	-
Charges for services	-	92,853	-	-	9,560	-
Miscellaneous	-	137,407	-	-	-	57,661
Total revenues	14,576	3,337,283	304,963	5,696	12,701	2,217,026
Expenditures:						
Current:						
General government	-	-	-	-	36	-
Public protection	1,627	3,125,169	-	-	-	2,110,702
Public ways and facilities	-	-	-	-	-	-
Health and sanitation	-	-	-	-	-	-
Capital outlay	-	415,610	-	-	-	3,182
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	1,627	3,540,779	-	-	36	2,113,884
Excess (deficiency) of revenues over (under) expenditures	12,949	(203,496)	304,963	5,696	12,665	103,142
Other financing sources (uses):						
Transfers in	-	615,232	-	-	-	-
Transfers out	(85,000)	-	(226,275)	-	(83,644)	(103,142)
Contributions	-	16,710	-	-	-	-
Total other financing sources (uses)	(85,000)	631,942	(226,275)	-	(83,644)	(103,142)
Net change in fund balances	(72,051)	428,446	78,688	5,696	(70,979)	-
Fund balances, beginning of year	219,384	934,907	1,128,107	31,725	86,564	-
Fund balances, end of year	\$ 147,333	\$ 1,363,353	\$ 1,206,795	\$ 37,421	\$ 15,585	\$ -

Cemetery Districts	Children and Families Commission	Securitization Reimbursement	County Service Areas	Lighting Districts	Total Other Special Revenue Funds	
\$ 78,570	\$ -	\$ -	\$ 79,147	\$ 117,584	\$ 2,650,898	Revenues:
-	-	-	-	-	148,050	Taxes
18,521	49,327	45,227	64,975	38,202	266,613	Licenses and permits
-	-	-	-	-	348,246	Fines, forfeits, and penalties
127	621,366	-	-	-	1,583,223	Interest, rents and concessions
-	-	-	-	-	1,588,532	Intergovernmental:
-	-	-	-	-	122,248	State
34,625	-	-	258,809	-	395,847	Federal
2,425	14,201	-	-	-	211,694	Other
134,268	684,894	45,227	402,931	155,786	7,315,351	Charges for services
						Miscellaneous
						Total revenues
						Expenditures:
-	-	1,113,542	-	-	1,113,578	Current:
75,909	-	-	-	-	5,313,407	General government
-	-	-	145,041	38,665	183,706	Public protection
3,635	821,167	-	-	-	821,167	Public ways and facilities
-	-	-	-	-	422,427	Health and sanitation
5,132	-	-	-	-	5,132	Capital outlay
6,325	-	-	-	-	6,325	Debt service:
						Principal
						Interest
91,001	821,167	1,113,542	145,041	38,665	7,865,742	Total expenditures
43,267	(136,273)	(1,068,315)	257,890	117,121	(550,391)	Excess (deficiency) of revenues over (under) expenditures
-	-	-	-	-	615,232	Other financing sources (uses):
-	-	(373,267)	-	-	(871,328)	Transfers in
10	-	-	-	-	16,720	Transfers out
						Contributions
10	-	(373,267)	-	-	(239,376)	Total other financing sources (uses)
43,277	(136,273)	(1,441,582)	257,890	117,121	(789,767)	Net change in fund balances
405,840	1,301,520	1,441,582	1,504,071	882,708	7,936,408	Fund balances, beginning of year
\$ 449,117	\$ 1,165,247	\$ -	\$ 1,761,961	\$ 999,829	\$ 7,146,641	Fund balances, end of year



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COUNTY OF TUOLUMNE, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - FISH AND GAME SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Fines, forfeits, and penalties	\$ 6,000	\$ 6,000	\$ 6,184	\$ 184
Use of money and property	7,500	7,500	8,392	892
Total revenues	13,500	13,500	14,576	1,076
Expenditures:				
Public protection				
Fish and Wildlife	28,000	26,500	1,627	24,873
Excess (deficiency) of revenues				
over (under) expenditures	(14,500)	(13,000)	12,949	25,949
Other financing uses:				
Transfers out	(85,000)	(85,000)	(85,000)	-
Net change in fund balance	<u>\$ (99,500)</u>	<u>\$ (98,000)</u>	(72,051)	<u>\$ 25,949</u>
Fund balance, beginning of year			219,384	
Fund balance, end of year			<u>\$ 147,333</u>	

COUNTY OF TUOLUMNE, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - COUNTY FIRE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes	\$ 2,361,718	\$ 2,319,561	\$ 2,375,597	\$ 56,036
Licenses and permits	185,000	185,000	148,050	(36,950)
Use of money and property	25,211	25,211	64,112	38,901
Intergovernmental:				
State	238,723	353,312	369,009	15,697
Federal	28,007	28,008	28,007	(1)
Other	108,008	90,000	122,248	32,248
Charges for services	60,000	60,000	92,853	32,853
Miscellaneous	26,000	28,110	137,407	109,297
Total revenues	3,032,667	3,089,202	3,337,283	248,081
Expenditures:				
Public protection:				
County Fire Department	4,187,089	4,633,905	3,540,779	1,093,126
Deficiency of revenues under expenditures	(1,154,422)	(1,544,703)	(203,496)	1,341,207
Other financing sources:				
Transfers in	615,232	615,232	615,232	-
Contributions	12,025	12,025	16,710	4,685
Total other financing sources	627,257	627,257	631,942	4,685
Net change in fund balance	\$ (527,165)	\$ (917,446)	428,446	\$ 1,345,892
Fund balance, beginning of year			934,907	
Fund balance, end of year			\$ 1,363,353	

COUNTY OF TUOLUMNE, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CRIMINAL JUSTICE FACILITY SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Fines, forfeits, and penalties	\$ 260,000	\$ 260,000	\$ 256,126	\$ (3,874)
Use of money and property	40,000	40,000	48,837	8,837
Total revenues	300,000	300,000	304,963	4,963
Expenditures:				
General government				
Criminal Justice Facility	862,889	636,614	-	636,614
Excess (deficiency) of revenues				
over (under) expenditures	(562,889)	(336,614)	304,963	641,577
Other financing uses:				
Transfers out	-	(226,275)	(226,275)	-
Net change in fund balance	<u>\$ (562,889)</u>	<u>\$ (562,889)</u>	78,688	<u>\$ 641,577</u>
Fund balance, beginning of year			1,128,107	
Fund balance, end of year			<u>\$ 1,206,795</u>	

COUNTY OF TUOLUMNE, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - COURTHOUSE CONSTRUCTION SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Fines, forfeits, and penalties	\$ 4,105	\$ 4,105	\$ 4,303	\$ 198
Use of money and property	1,000	1,000	1,393	393
Total revenues	5,105	5,105	5,696	591
Expenditures:				
General government				
Courthouse construction	12,151	12,151	-	12,151
Net change in fund balance	<u>\$ (7,046)</u>	<u>\$ (7,046)</u>	5,696	<u>\$ 12,742</u>
Fund balance, beginning of year			31,725	
Fund balance, end of year			<u>\$ 37,421</u>	

COUNTY OF TUOLUMNE, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - MONUMENT PRESERVATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Use of money and property	\$ 4,000	\$ 4,000	\$ 3,141	\$ (859)
Charges for services	12,000	12,000	9,560	(2,440)
Total revenues	16,000	16,000	12,701	(3,299)
Expenditures:				
General Government				
Monumentation	17,583	13,902	36	13,866
Excess (deficiency) of revenues				
over (under) expenditures	(1,583)	2,098	12,665	10,567
Other financing uses:				
Transfers out	(80,000)	(83,681)	(83,644)	37
Net change in fund balance	<u>\$ (81,583)</u>	<u>\$ (81,583)</u>	(70,979)	<u>\$ 10,604</u>
Fund balance, beginning of year			86,564	
Fund balance, end of year			<u>\$ 15,585</u>	

COUNTY OF TUOLUMNE, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHILD SUPPORT SERVICES SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Use of money and property	\$ -	\$ -	\$ 6,119	\$ 6,119
Intergovernmental:				
State	715,308	714,473	592,721	(121,752)
Federal	1,434,713	1,535,502	1,560,525	25,023
Miscellaneous	84,768	84,768	57,661	(27,107)
Total revenues	2,234,789	2,334,743	2,217,026	(117,717)
Expenditures:				
Public protection:				
Child support services	2,274,789	2,271,601	2,113,884	157,717
Excess (deficiency) of revenues				
over (under) expenditures	(40,000)	63,142	103,142	40,000
Other financing sources (uses):				
Transfers in	40,000	40,000	-	(40,000)
Transfers out	-	(103,142)	(103,142)	-
Total other financing sources (uses)	40,000	(63,142)	(103,142)	(40,000)
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance, beginning of year			-	
Fund balance, end of year			\$ -	

COUNTY OF TUOLUMNE, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CEMETERY DISTRICTS SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes	\$ 63,499	\$ 74,026	\$ 78,570	\$ 4,544
Use of money and property	8,601	16,279	18,521	2,242
Intergovernmental:				
State	1,316	1,285	127	(1,158)
Charges for services	2,500	41,496	34,625	(6,871)
Miscellaneous	43,746	825	2,425	1,600
Total revenues	119,662	133,911	134,268	357
Expenditures:				
Public protection:				
Carter cemetery	70,330	195,014	52,693	142,321
Columbia cemetery	83,538	97,693	21,247	76,446
Jamestown cemetery	61,631	67,740	7,459	60,281
Oak Grove cemetery	11,559	9,766	8,687	1,079
Oak Grove donations	19,910	19,991	-	19,991
Shaws Flat Springfield cemetery	83,185	92,351	915	91,436
Total expenditures	330,153	482,555	91,001	391,554
Excess (deficiency) of revenues over (under) expenditures	(210,491)	(348,644)	43,267	391,911
Other financing sources:				
Contributions	10	19	10	(9)
Net change in fund balance	\$ (210,481)	\$ (348,625)	43,277	\$ 391,902
Fund balance, beginning of year			405,840	
Fund balance, end of year			\$ 449,117	

COUNTY OF TUOLUMNE, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHILDREN AND FAMILIES
COMMISSION SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Use of money and property	\$ 26,803	\$ 26,803	\$ 49,327	\$ 22,524
Intergovernmental:				
State	785,094	664,507	621,366	(43,141)
Miscellaneous	-	14,200	14,201	1
Total revenues	<u>811,897</u>	<u>705,510</u>	<u>684,894</u>	<u>(20,616)</u>
Expenditures:				
Health and sanitation:				
Prop. 10 restricted admin.	94,403	103,573	103,513	60
Prop. 10 - general	448,814	489,187	413,592	75,595
School readiness	225,000	225,000	225,000	-
Child care retention	87,823	87,823	75,339	12,484
Regional technical assistance	150,000	30,000	3,723	26,277
Total expenditures	<u>1,006,040</u>	<u>935,583</u>	<u>821,167</u>	<u>114,416</u>
Net change in fund balance	<u>\$ (194,143)</u>	<u>\$ (230,073)</u>	<u>(136,273)</u>	<u>\$ 93,800</u>
Fund balance, beginning of year			<u>1,301,520</u>	
Fund balance, end of year			<u>\$ 1,165,247</u>	

COUNTY OF TUOLUMNE, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - SECURITIZATION REIMBURSEMENT
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Use of money and property	\$ 269,455	\$ 269,455	\$ 45,227	\$ (224,228)
Expenditures:				
General government:				
Securitization reimbursement	<u>1,000</u>	<u>1,113,600</u>	<u>1,113,542</u>	<u>58</u>
Deficiency of revenues				
under expenditures	268,455	(844,145)	(1,068,315)	(224,170)
Other financing uses:				
Transfers out	<u>(373,267)</u>	<u>(373,267)</u>	<u>(373,267)</u>	<u>-</u>
Net change in fund balance	<u>\$ (104,812)</u>	<u>\$ (1,217,412)</u>	<u>(1,441,582)</u>	<u>\$ (224,170)</u>
Fund balance, beginning of year			<u>1,441,582</u>	
Fund balance, end of year			<u>\$ -</u>	

COUNTY OF TUOLUMNE, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - COUNTY SERVICE AREAS
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes	\$ 74,198	\$ 74,198	\$ 79,147	\$ 4,949
Use of money and property	49,860	50,610	64,975	14,365
Intergovernmental:				
State	1,156	1,156	-	(1,156)
Charges for services	219,495	283,664	258,809	(24,855)
Total revenues	344,709	409,628	402,931	(6,697)
Expenditures:				
Public ways and facilities:				
CSA #2 Lake Don Pedro #2,3	54,483	54,483	102	54,381
CSA #3 Lake Don Pedro #1	59,480	59,480	17,452	42,028
CSA #4 Jupiter Subdivision	3,488	3,488	9	3,479
CSA #5 Emerald Ranch	7,631	7,631	1,082	6,549
CSA #8 Lake Don Pedro #4,5	3,390	3,390	6	3,384
CSA #10 Monte Grande Heights	99,499	99,499	4,760	94,739
CSA #11 Phoenix Lake Country Club	2,804	2,804	3	2,801
CSA #13 Yosemite Highland	52,600	52,600	456	52,144
CSA #20 Cedar Ridge Road	217,459	217,459	31,970	185,489
CSA #21 Groveland Ambulance	-	3,527	3,527	-
CSA #26 Manzanita Drive	21,200	21,200	2,469	18,731
CSA #28 Rough & Ready Ridge	72,362	72,362	3,190	69,172
CSA #29 Comstock Ranch	207,495	207,495	8,420	199,075
CSA #30 Bull Pine Acres	567	567	-	567
CSA #31 Curtis Creek Ranch	8,962	8,962	-	8,962
CSA #32 Ridgewood Units 2,3	205,073	205,073	12,034	193,039
CSA #34 Phoenix Lk Fairway Estate	352	352	-	352
CSA #35 Preston Lane	9,138	9,138	-	9,138
CSA #36 Columbia Vista Estates	71,245	71,245	848	70,397
CSA #37 Mi-Wuk Pines Estates	68,468	68,468	5,390	63,078
CSA #40 Sunnyhill Subdivision	7,042	7,692	-	7,692
CSA #41 Oak Hill Road	1,198	1,198	-	1,198
CSA #42 Meadow Oak Park	4,792	5,108	-	5,108
CSA #43 Black Oak Estates	67,462	82,854	7,219	75,635
CSA #44 Yosemite Vista Estates	983	983	-	983
CSA #45 Buena Oaks Estates	3,486	3,486	-	3,486
CSA #46 MT. Ridge Estates	10,071	8,936	-	8,936
CSA #47 Cherry Valley Golf & Co	-	-	1,853	(1,853)
CSA #48 Sonora Vista Estate	134,281	140,547	16,089	124,458
CSA #49 Poppy Hill Subdivision	49,889	32,481	4,927	27,554
CSA #50 Yosemite Estates	2,896	2,896	-	2,896
CSA #51 Twain Harte Heights	21,679	30,172	4,196	25,976
CSA #52 Gina Lane	26,763	24,914	5,513	19,401
CSA #53 Whispering Woods	144,918	158,602	3,606	154,996
CSA #55 Vilas Lanes	2,195	2,195	80	2,115
CSA #56 Milla Villa Estates	58,564	58,247	2,819	55,428
CSA #57 Countryside Estates	11,509	15,624	790	14,834

COUNTY OF TUOLUMNE, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - COUNTY SERVICE AREAS
SPECIAL REVENUE FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
CSA #58 Chaparral Heights	59,570	75,030	2,361	72,669
CSA #59 Mountain Vista	-	-	703	(703)
CSA #60 Gibbs Ranch #7	22,197	30,538	1,025	29,513
CSA #61 Granite Ridge	3,710	2,846	-	2,846
CSA #62 Sierra Meadows	-	-	1,554	(1,554)
CSA #65 Deer Park	-	15,570	588	14,982
Total expenditures	1,798,901	1,869,142	145,041	1,724,101
Net change in fund balance	\$ (1,454,192)	\$ (1,459,514)	257,890	\$ 1,717,404
Fund balance, beginning of year			1,504,071	
Fund balance, end of year			\$ 1,761,961	

COUNTY OF TUOLUMNE, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - LIGHTING DISTRICTS SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes	\$ 101,919	\$ 101,919	\$ 117,584	\$ 15,665
Use of money and property	29,667	29,667	38,202	8,535
Intergovernmental:				
State	1,629	1,629	-	(1,629)
Total revenues	133,215	133,215	155,786	22,571
Expenditures:				
Public ways and facilities:				
Columbia Lighting District	315,286	315,286	7,099	308,187
Groveland Lighting District	227,226	227,226	3,009	224,217
Jamestown Lighting District	104,367	104,367	9,336	95,031
Rolling Hills Lighting District	40,249	40,249	1,729	38,520
South Sonora Lighting District	108,493	108,493	1,773	106,720
Tuolumne Lighting District	181,792	181,792	11,661	170,131
Valle Vista Lighting District	11,143	11,143	1,409	9,734
Volponi Acres Lighting District	34,516	34,516	2,649	31,867
Total expenditures	1,023,072	1,023,072	38,665	984,407
Net change in fund balance	\$ (889,857)	\$ (889,857)	117,121	\$ 1,006,978
Fund balance, beginning of year			882,708	
Fund balance, end of year			\$ 999,829	

OTHER GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS



Capital projects funds are used to account for financial resources to be used for the acquisition of major capital facilities (other than those financed by proprietary funds).

Airport Construction – This fund is used to account for construction and improvement of Pine Mountain Lake and Columbia Airports.

Road Construction – This fund is used to account for revenues and expenditures related to construction and maintenance of County streets and roads.

County Capital – This fund will be used for the acquisition of major capital purchases for governmental County departments.

**COUNTY OF TUOLUMNE, CALIFORNIA
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
JUNE 30, 2008**

	<u>Airport Construction</u>	<u>Road Construction</u>	<u>County Capital</u>	<u>Total</u>
Assets:				
Cash and investments	\$ 34,223	\$ 4,192,389	\$ -	\$ 4,226,612
Intergovernmental receivables	<u>-</u>	<u>537,318</u>	<u>-</u>	<u>537,318</u>
Total assets	<u>\$ 34,223</u>	<u>\$ 4,729,707</u>	<u>\$ -</u>	<u>\$ 4,763,930</u>
Liabilities and fund balances				
Liabilities:				
Accounts payable	<u>\$ 72</u>	<u>\$ 5,593</u>	<u>\$ -</u>	<u>\$ 5,665</u>
Fund balances:				
Reserved for encumbrances	-	710,174	-	710,174
Unreserved, undesignated	<u>34,151</u>	<u>4,013,940</u>	<u>-</u>	<u>4,048,091</u>
Total fund balances	<u>34,151</u>	<u>4,724,114</u>	<u>-</u>	<u>4,758,265</u>
Total liabilities and fund balances	<u>\$ 34,223</u>	<u>\$ 4,729,707</u>	<u>\$ -</u>	<u>\$ 4,763,930</u>

**COUNTY OF TUOLUMNE, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Airport Construction</u>	<u>Road Construction</u>	<u>County Capital</u>	<u>Total</u>
Revenues:				
Interest, rents and concessions	\$ -	\$ 87,048	\$ -	\$ 87,048
Intergovernmental:				
State	-	205,000	-	205,000
Federal	660,726	171,945	-	832,671
Other	-	210,000	-	210,000
Charges for services	-	126,815	-	126,815
Miscellaneous	1,548	-	-	1,548
	<u>662,274</u>	<u>800,808</u>	<u>-</u>	<u>1,463,082</u>
Total revenues	662,274	800,808	-	1,463,082
Expenditures:				
Capital outlay	666,073	435,386	2,000	1,103,459
	<u>666,073</u>	<u>435,386</u>	<u>2,000</u>	<u>1,103,459</u>
Excess (deficiency) of revenues over (under) expenditures	(3,799)	365,422	(2,000)	359,623
	<u>(3,799)</u>	<u>365,422</u>	<u>(2,000)</u>	<u>359,623</u>
Other financing sources (uses):				
Transfers in	11,287	-	-	11,287
Transfers out	-	-	(192,824)	(192,824)
	<u>11,287</u>	<u>-</u>	<u>(192,824)</u>	<u>(181,537)</u>
Total other financing sources (uses)	11,287	-	(192,824)	(181,537)
Net change in fund balances	7,488	365,422	(194,824)	178,086
Fund balances, beginning of year	26,663	4,358,692	194,824	4,580,179
	<u>26,663</u>	<u>4,358,692</u>	<u>194,824</u>	<u>4,580,179</u>
Fund balances, end of year	<u>\$ 34,151</u>	<u>\$ 4,724,114</u>	<u>\$ -</u>	<u>\$ 4,758,265</u>

COUNTY OF TUOLUMNE, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - AIRPORT CONSTRUCTION CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
State	\$ 21,838	\$ 21,838	\$ -	\$ (21,838)
Federal	774,250	774,250	660,726	(113,524)
Miscellaneous	-	-	1,548	1,548
Total revenues	796,088	796,088	662,274	(133,814)
Expenditures:				
Public ways and facilities:				
Plant acquisition - airport construction	834,038	834,038	666,073	167,965
Deficiency of revenues under expenditures	(37,950)	(37,950)	(3,799)	34,151
Other financing sources:				
Transfers in	11,287	11,287	11,287	-
Net change in fund balance	\$ (26,663)	\$ (26,663)	7,488	\$ 34,151
Fund balance, beginning of year			26,663	
Fund balance, end of year			\$ 34,151	

COUNTY OF TUOLUMNE, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ROAD CONSTRUCTION CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Use of money and property	\$ 20,000	\$ 20,000	\$ 87,048	\$ 67,048
Intergovernmental:				
State	1,186,000	1,186,000	205,000	(981,000)
Federal	4,183,000	4,183,000	171,945	(4,011,055)
Other	260,000	260,000	210,000	(50,000)
Charges for services	864,500	864,500	126,815	(737,685)
Total revenues	6,513,500	6,513,500	800,808	(5,712,692)
Expenditures:				
Public ways and facilities:				
Public works projects	8,662,621	8,854,631	435,386	8,419,245
Net change in fund balance	<u>\$ (2,149,121)</u>	<u>\$ (2,341,131)</u>	365,422	<u>\$ 2,706,553</u>
Fund balance, beginning of year			<u>4,358,692</u>	
Fund balance, end of year			<u>\$ 4,724,114</u>	

COUNTY OF TUOLUMNE, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - COUNTY CAPITAL CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Expenditures:				
Public ways and facilities:				
County Capital	\$ -	\$ 2,001	\$ 2,000	\$ 1
Deficiency of revenues				
under expenditures	-	(2,001)	(2,000)	1
Other financing uses:				
Transfers out	(192,824)	(192,824)	(192,824)	-
Net change in fund balance	<u>\$ (192,824)</u>	<u>\$ (194,825)</u>	<u>(194,824)</u>	<u>\$ 1</u>
Fund balance, beginning of year			194,824	
Fund balance, end of year			<u>\$ -</u>	

OTHER GOVERNMENTAL FUNDS

PERMANENT FUND

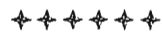
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The Permanent Fund is used to account for financial resources of the Cemetery Endowment that are legally restricted to the extent that only earnings, and not principal, may be used.

COUNTY OF TUOLUMNE, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - PERMANENT FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Use of money and property	\$ 3,757	\$ 8,707	\$ 7,739	\$ (968)
Charges for services	1,250	2,293	583	(1,710)
Miscellaneous	6,052	4,000	3,476	(524)
Total revenues	11,059	15,000	11,798	(3,202)
Expenditures:				
Public protection:				
Carter cemetery endowment	25,720	24,081	-	24,081
Columbia cemetery endowment	120,890	135,500	-	135,500
Jamestown cemetery endowment	12,270	11,808	-	11,808
Oak Grove cemetery endowment	27,625	28,169	-	28,169
Total expenditures	186,505	199,558	-	199,558
Net change in fund balance	\$ (175,446)	\$ (184,558)	11,798	\$ 196,356
Fund balance, beginning of year			226,901	
Fund balance, end of year			\$ 238,699	

OTHER ENTERPRISE FUNDS



Public Transportation – This fund is used to account for revenues and expenses of County operated public transportation activities.

Public Power Agency – This fund is used to account for revenues and expenses of the 30-member Tuolumne County Public Power Agency, which supplies electrical power to its members at a rate below the current market rate.

**COUNTY OF TUOLUMNE, CALIFORNIA
COMBINING STATEMENT OF NET ASSETS
OTHER ENTERPRISE FUNDS
JUNE 30, 2008**

	<u>Public Transportation</u>	<u>Public Power Agency</u>	<u>Total Other Enterprise Funds</u>
Assets:			
Current assets:			
Cash and investments	\$ -	\$ 2,076,539	\$ 2,076,539
Intergovernmental receivables	540,605	46,144	586,749
Total current assets	540,605	2,122,683	2,663,288
Noncurrent assets:			
Restricted cash and investments	-	382,270	382,270
Capital assets:			
Depreciable, net	629,778	1,092	630,870
Total assets	1,170,383	2,506,045	3,676,428
Liabilities:			
Current liabilities			
Accounts payable	75,535	242,154	317,689
Salaries and benefits payable	9,143	-	9,143
Unearned revenue	480,857	-	480,857
Total current liabilities	565,535	242,154	807,689
Noncurrent liabilities:			
Advances from other funds	46,642	-	46,642
Accrued compensated absences	37,838	-	37,838
Total noncurrent liabilities	84,480	-	84,480
Total liabilities	650,015	242,154	892,169
Net Assets			
Invested in capital assets, net of related debt	629,778	1,092	630,870
Restricted	-	382,270	382,270
Unrestricted	(109,410)	1,880,529	1,771,119
Total net assets	\$ 520,368	\$ 2,263,891	\$ 2,784,259

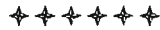
**COUNTY OF TUOLUMNE, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
OTHER ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Public Transportation</u>	<u>Public Power Agency</u>	<u>Total Other Enterprise Funds</u>
Operating revenues:			
Charges for services	\$ 577,233	\$ 1,372,390	\$ 1,949,623
Operating expenses:			
Salaries and benefits	418,021	-	418,021
Purchased services	1,290,056	-	1,290,056
Professional fees	2,875	130,097	132,972
General and administrative	259,280	222,035	481,315
Utilities	-	1,362,146	1,362,146
Depreciation	92,720	7,780	100,500
Total operating expenses	2,062,952	1,722,058	3,785,010
Operating loss	(1,485,719)	(349,668)	(1,835,387)
Nonoperating revenues:			
Interest income	27,783	108,465	136,248
Intergovernmental:			
State	914,939	-	914,939
Federal	454,430	-	454,430
Other income	24,774	-	24,774
Total nonoperating revenues	1,421,926	108,465	1,530,391
Loss before capital contributions and transfers	(63,793)	(241,203)	(304,996)
Capital contributions	118,214	-	118,214
Transfers out	-	(2,310)	(2,310)
Change in net assets	54,421	(243,513)	(189,092)
Net assets, beginning of year	465,947	2,507,404	2,973,351
Net assets, end of year	<u>\$ 520,368</u>	<u>\$ 2,263,891</u>	<u>\$ 2,784,259</u>

**COUNTY OF TUOLUMNE, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
OTHER ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	Public Transportation	Public Power Agency	Total Other Enterprise Funds
Cash flows from operating activities:			
Receipts from customers and users	\$ 602,515	\$ 1,366,991	\$ 1,969,506
Payments to suppliers	(1,517,274)	(1,684,381)	(3,201,655)
Payments to employees	(407,219)	-	(407,219)
Net cash used for operating activities	<u>(1,321,978)</u>	<u>(317,390)</u>	<u>(1,639,368)</u>
Cash flows from noncapital financing activities:			
Advances from other funds	46,642	-	46,642
Intergovernmental	1,033,503	-	1,033,503
Net cash provided by noncapital financing activities:	<u>1,080,145</u>	<u>-</u>	<u>1,080,145</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	<u>(488,854)</u>	<u>-</u>	<u>(488,854)</u>
Cash flows from investing activities:			
Interest received	<u>27,783</u>	<u>108,465</u>	<u>136,248</u>
Net decrease in cash and cash equivalents	<u>(702,904)</u>	<u>(208,925)</u>	<u>(911,829)</u>
Cash and cash equivalents, beginning of year	<u>702,904</u>	<u>2,667,734</u>	<u>3,370,638</u>
Cash and cash equivalents, end of year.	<u><u>\$ -</u></u>	<u><u>\$ 2,458,809</u></u>	<u><u>\$ 2,458,809</u></u>
Reconciliation to the Statement of Net Assets:			
Cash and investments	\$ -	\$ 2,076,539	\$ 2,076,539
Restricted cash and investments	-	382,270	382,270
Total cash and cash equivalents	<u><u>\$ -</u></u>	<u><u>\$ 2,458,809</u></u>	<u><u>\$ 2,458,809</u></u>
Noncash investing, capital and financing activities:			
Contribution of capital assets	\$ 118,214	\$ -	\$ 118,214
Transfers out of capital assets	-	(2,310)	(2,310)
Reconciliation of operating loss to net cash used for operating activities:			
Operating loss	\$ (1,485,719)	\$ (349,668)	\$ (1,835,387)
Adjustments to reconcile operating loss to net cash used for operating activities:			
Depreciation expense	92,720	7,780	100,500
Other income	24,774	-	24,774
Changes in assets and liabilities:			
Accounts receivable, net	508	-	508
Intergovernmental receivables	-	(5,399)	(5,399)
Accounts payable	34,937	29,897	64,834
Salaries and benefits payable	2,498	-	2,498
Compensated absences	8,304	-	8,304
Net cash used for operating activities	<u><u>\$ (1,321,978)</u></u>	<u><u>\$ (317,390)</u></u>	<u><u>\$ (1,639,368)</u></u>

INTERNAL SERVICE FUNDS



Internal service funds are used to account for the financing of goods or services by one department or agency to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis. A more detailed description of the funds established and used by the County follows:

Workers' Compensation – This fund is used to account for the County's workers' compensation revenues, expenses and estimated long-term liability.

Liability Insurance – This fund is used to account for the County's general liability revenues, expenses and estimated long-term liability.

Purchasing and Special Services – This fund is used to account for the County's general purchasing as special services activity.

Telephone – This fund is used to account for the activity of telecommunications services provided for County activities.

Unemployment Insurance – This fund is used to account for the activity related to the County's unemployment insurance benefits.

Employee Group Insurance – This fund is used to account for the activity related to the County's employee group insurance benefits.

Employee Leave Liability – This fund is used to account for the activity related to the County's employee leave liability benefits.

Post Retirement Insurance – This fund is used to account for the activity related to the County's post retirement insurance benefits.

COUNTY OF TUOLUMNE, CALIFORNIA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2008

	<u>Workers'</u> <u>Compensation</u>	<u>Liability</u> <u>Insurance</u>	<u>Purchasing</u> <u>and Special</u> <u>Services</u>	<u>Telephone</u>	<u>Unemployment</u> <u>Insurance</u>
Assets:					
Current assets:					
Cash and investments	\$ 1,892,745	\$ 789,642	\$ 235,587	\$ 429,612	\$ 150,783
Accounts receivable, net	-	-	1,181	-	-
Intergovernmental receivables	-	-	1,544	2,348	-
Prepaid items	-	-	-	-	-
Total current assets	<u>1,892,745</u>	<u>789,642</u>	<u>238,312</u>	<u>431,960</u>	<u>150,783</u>
Noncurrent assets:					
Restricted cash and investments	100,000	-	-	-	-
Advances to other funds	5,305,854	-	-	-	-
Capital assets:					
Depreciable, net	-	-	12,613	165,300	-
Total noncurrent assets	<u>5,405,854</u>	<u>-</u>	<u>12,613</u>	<u>165,300</u>	<u>-</u>
Total assets	<u>7,298,599</u>	<u>789,642</u>	<u>250,925</u>	<u>597,260</u>	<u>150,783</u>
Liabilities:					
Current liabilities:					
Accounts payable	55,136	10,344	17,225	37,051	45,490
Salaries and benefits payable	1,807	-	2,280	-	-
Accrued compensated absences	-	-	-	-	-
Accrued claims	1,785,000	367,930	-	-	-
Total current liabilities	<u>1,841,943</u>	<u>378,274</u>	<u>19,505</u>	<u>37,051</u>	<u>45,490</u>
Noncurrent liabilities:					
Advances from other funds	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-
Accrued claims	6,017,000	258,140	-	-	-
Total noncurrent liabilities	<u>6,017,000</u>	<u>258,140</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>7,858,943</u>	<u>636,414</u>	<u>19,505</u>	<u>37,051</u>	<u>45,490</u>
Net Assets (Deficit):					
Invested in capital assets, net of related debt	-	-	12,613	165,300	-
Unrestricted	(560,344)	153,228	218,807	394,909	105,293
Total net assets (deficit)	<u>\$ (560,344)</u>	<u>\$ 153,228</u>	<u>\$ 231,420</u>	<u>\$ 560,209</u>	<u>\$ 105,293</u>

Employee Group Insurance	Employee Leave Liability	Post Retirement Insurance	Total Internal Service Funds	
				Assets:
				Current assets:
\$ -	\$ 326,022	\$ 1,076,430	\$ 4,900,821	Cash and investments
-	-	-	1,181	Accounts receivable, net
-	-	-	3,892	Intergovernmental receivables
373,530	-	-	373,530	Prepaid items
373,530	326,022	1,076,430	5,279,424	Total current assets
				Noncurrent assets:
-	-	-	100,000	Restricted cash and investments
-	-	-	5,305,854	Advances to other funds
-	-	-	177,913	Capital assets:
-	-	-	5,583,767	Depreciable, net
-	-	-		Total noncurrent assets
373,530	326,022	1,076,430	10,863,191	Total assets
				Liabilities:
				Current liabilities:
43,475	-	-	208,721	Accounts payable
-	-	-	4,087	Salaries and benefits payable
-	1,200,000	-	1,200,000	Accrued compensated absences
-	-	-	2,152,930	Accrued claims
43,475	1,200,000	-	3,565,738	Total current liabilities
				Noncurrent liabilities:
297,930	-	-	297,930	Advances from other funds
-	5,535,395	-	5,535,395	Accrued compensated absences
-	-	-	6,275,140	Accrued claims
297,930	5,535,395	-	12,108,465	Total noncurrent liabilities
341,405	6,735,395	-	15,674,203	Total liabilities
				Net Assets (Deficit):
-	-	-	177,913	Invested in capital assets, net of related debt
32,125	(6,409,373)	1,076,430	(4,988,925)	Unrestricted
\$ 32,125	\$ (6,409,373)	\$ 1,076,430	\$ (4,811,012)	Total net assets (deficit)

**COUNTY OF TUOLUMNE, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	Workers' Compensation	Liability Insurance	Purchasing and Special Services	Telephone	Unemployment Insurance
Operating revenues:					
Charges for services	\$ 2,785,002	\$ 1,414,448	\$ 599,040	\$ 640,899	\$ 77,277
Miscellaneous	92,990	104,557	591	-	-
Total operating revenues	<u>2,877,992</u>	<u>1,519,005</u>	<u>599,631</u>	<u>640,899</u>	<u>77,277</u>
Operating expenses:					
Salaries and benefits	112,039	-	107,144	-	-
Professional fees	196,420	61,173	20,920	86,449	24
Claims	1,540,929	231,304	-	-	-
Health insurance benefits	-	-	-	-	-
Unemployment benefits	-	-	-	-	346,408
General and administrative	446,273	1,001,113	702,982	489,656	-
Depreciation	-	-	6,983	119,848	-
Total operating expenses	<u>2,295,661</u>	<u>1,293,590</u>	<u>838,029</u>	<u>695,953</u>	<u>346,432</u>
Operating income (loss)	582,331	225,415	(238,398)	(55,054)	(269,155)
Nonoperating revenues:					
Interest income	<u>246,992</u>	<u>26,039</u>	<u>13,731</u>	<u>19,468</u>	<u>12,496</u>
Income (loss) before transfers	829,323	251,454	(224,667)	(35,586)	(256,659)
Transfers in	204,466	-	-	-	-
Transfers out	<u>-</u>	<u>(204,466)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	1,033,789	46,988	(224,667)	(35,586)	(256,659)
Net assets (deficit), beginning of year	<u>(1,594,133)</u>	<u>106,240</u>	<u>456,087</u>	<u>595,795</u>	<u>361,952</u>
Net assets (deficit), end of year	<u>\$ (560,344)</u>	<u>\$ 153,228</u>	<u>\$ 231,420</u>	<u>\$ 560,209</u>	<u>\$ 105,293</u>

Employee Group Insurance	Employee Leave Liability	Post Retirement Insurance	Total Internal Service Funds	
\$ 6,037,666	\$ 1,534,800	\$ 609,198	\$ 13,698,330	Operating revenues:
-	-	-	198,138	Charges for services
6,037,666	1,534,800	609,198	13,896,468	Miscellaneous
				Total operating revenues
-	1,448,984	-	1,668,167	Operating expenses:
585	334,792	280,524	980,887	Salaries and benefits
-	-	-	1,772,233	Professional fees
6,037,082	-	-	6,037,082	Claims
-	-	-	346,408	Health insurance benefits
-	-	40,089	2,680,113	Unemployment benefits
-	-	-	126,831	General and administrative
6,037,667	1,783,776	320,613	13,611,721	Depreciation and amortization
				Total operating expenses
(1)	(248,976)	288,585	284,747	Operating income (loss)
8,511	23,878	31,447	382,562	Nonoperating revenues:
8,510	(225,098)	320,032	667,309	Interest income
-	-	200,000	404,466	Income (loss) before transfers
-	(200,000)	-	(404,466)	Transfers in
8,510	(425,098)	520,032	667,309	Transfers out
23,615	(5,984,275)	556,398	(5,478,321)	Change in net assets
\$ 32,125	\$ (6,409,373)	\$ 1,076,430	\$ (4,811,012)	Net assets (deficit), beginning of year
				Net assets (deficit), end of year

**COUNTY OF TUOLUMNE, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

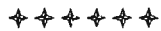
	Workers' Compensation	Liability Insurance	Purchasing and Special Services	Telephone	Unemployment Insurance
Cash Flows from operating activities:					
Receipts from interfund services provided	\$ 2,877,992	\$ 1,519,005	\$ 596,906	\$ 638,551	\$ 77,277
Payments to suppliers	(625,303)	(1,077,123)	(740,890)	(577,028)	(346,174)
Payments to employees	(115,290)	(90)	(106,264)	-	-
Claims paid	(1,319,434)	(231,304)	-	-	-
Net cash provided by (used for) operating activities	<u>817,965</u>	<u>210,488</u>	<u>(250,248)</u>	<u>61,523</u>	<u>(268,897)</u>
Cash flows from noncapital financing activities:					
Transfers out to other funds	-	(204,466)	-	-	-
Transfers in from other funds	204,466	-	-	-	-
Receipt on advances to other funds	623,272	501,350	-	-	-
Payment on advances from other funds	-	-	-	(27,441)	-
Net cash provided by (used for) noncapital financing activities:	<u>827,738</u>	<u>296,884</u>	<u>-</u>	<u>(27,441)</u>	<u>-</u>
Cash flows from investing activities:					
Interest received	<u>246,992</u>	<u>26,039</u>	<u>13,731</u>	<u>19,468</u>	<u>12,496</u>
Net increase (decrease) in cash and cash equivalents	<u>1,892,695</u>	<u>533,411</u>	<u>(236,517)</u>	<u>53,550</u>	<u>(256,401)</u>
Cash and cash equivalents, beginning of year	<u>100,050</u>	<u>256,231</u>	<u>472,104</u>	<u>376,062</u>	<u>407,184</u>
Cash and cash equivalents, end of year	<u>\$ 1,992,745</u>	<u>\$ 789,642</u>	<u>\$ 235,587</u>	<u>\$ 429,612</u>	<u>\$ 150,783</u>
Reconciliation to the Statement of Net Assets:					
Cash and investments	\$ 1,892,745	\$ 789,642	\$ 235,587	\$ 429,612	\$ 150,783
Restricted cash and investments	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash and cash equivalents	<u>\$ 1,992,745</u>	<u>\$ 789,642</u>	<u>\$ 235,587</u>	<u>\$ 429,612</u>	<u>\$ 150,783</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ 582,331	\$ 225,415	\$ (238,398)	\$ (55,054)	\$ (269,155)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation expense	-	-	6,983	119,848	-
Changes in assets and liabilities:					
Accounts receivable, net	-	-	(1,181)	-	-
Intergovernmental receivable	-	-	(1,544)	(2,348)	-
Prepaid items	-	-	-	-	-
Accounts payable	17,390	(14,837)	(16,988)	(923)	258
Salaries and benefits payable	(3,251)	(90)	880	-	-
Compensated absences	-	-	-	-	-
Accrued claims	221,495	-	-	-	-
Net cash provided by (used for) operating activities	<u>\$ 817,965</u>	<u>\$ 210,488</u>	<u>\$ (250,248)</u>	<u>\$ 61,523</u>	<u>\$ (268,897)</u>

Employee Group Insurance	Employee Leave Liability	Post Retirement Insurance	Total Internal Service Funds	
\$ 6,037,666	\$ 1,534,800	\$ 609,198	\$ 13,891,395	Cash Flows from operating activities:
(5,998,503)	(334,792)	(317,913)	(10,017,726)	Receipts from interfund services provided
-	(1,523,271)	-	(1,744,915)	Payments to suppliers
-	-	-	(1,550,738)	Payments to employees
39,163	(323,263)	291,285	578,016	Claims paid
				Net cash provided by (used for) operating activities
-	(200,000)	-	(404,466)	Cash flows from noncapital financing activities:
-	-	200,000	404,466	Transfers out to other funds
-	-	-	1,124,622	Transfers in to other funds
(48,070)	-	-	(75,511)	Receipt on advances to other funds
				Payment on advances from other funds
(48,070)	(200,000)	200,000	1,049,111	Net cash provided by (used for) noncapital financing activities:
8,511	23,878	31,447	382,562	Cash flows from investing activities:
(396)	(499,385)	522,732	2,009,689	Interest received
396	825,407	553,698	2,991,132	Net increase (decrease) in cash and cash equivalents
\$ -	\$ 326,022	\$ 1,076,430	\$ 5,000,821	Cash and cash equivalents, beginning of year
				Cash and cash equivalents, end of year
\$ -	\$ 326,022	\$ 1,076,430	\$ 4,900,821	Reconciliation to the Statement of Net Assets:
-	-	-	100,000	Cash and investments
\$ -	\$ 326,022	\$ 1,076,430	\$ 5,000,821	Restricted cash and investments
				Total cash and cash equivalents
\$ (1)	\$ (248,976)	\$ 288,585	284,747	Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:
-	-	-	126,831	Operating income (loss)
-	-	-	(1,181)	Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:
-	-	-	(3,892)	Depreciation expense
2,709	-	2,700	5,409	Changes in assets and liabilities:
36,455	-	-	21,355	Accounts receivable, net
-	(579,358)	-	(581,819)	Intergovernmental receivable
-	505,071	-	505,071	Prepaid items
-	-	-	221,495	Accounts payable
39,163	(323,263)	291,285	578,016	Salaries and benefits payable
				Compensated absences
				Accrued claims
				Net cash provided by (used for) operating activities



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AGENCY FUNDS



Agency funds are custodial in nature and do not involve measurement of results of operations. Such funds have no equity since all assets are due to individuals or entities at some future time.

Property Tax Collection – This fund is used to account for property tax collections awaiting apportionment to governmental agencies.

Local Transportation – This fund is used to account for the quarter of one percent sales tax collected by the State Board of Equalization and deposited with the county of origin for local transportation support. The Tuolumne County Transportation Council, the regional agency responsible for administration of these monies, directs their use and distribution.

Emergency Medical – This fund is used to account for fines collected to pay for medical services for the indigent (SB611) and allocated to third parties.

**COUNTY OF TUOLUMNE, CALIFORNIA
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	Balance at June 30, 2007	Additions	Deductions	Balance at June 30, 2008
Property Tax Collection				
Assets:				
Cash and investments	\$ 1,156,129	\$ 78,996,263	\$ 79,209,871	\$ 942,521
Taxes receivable	5,491,956	7,479,187	5,901,541	7,069,602
Total assets	<u>\$ 6,648,085</u>	<u>\$ 86,475,450</u>	<u>\$ 85,111,412</u>	<u>\$ 8,012,123</u>
Liabilities:				
Advances from other funds	\$ 2,706,905	\$ 1,454,418	\$ -	\$ 4,161,323
Agency obligations	3,941,180	9,955,266	10,045,646	3,850,800
Total liabilities	<u>\$ 6,648,085</u>	<u>\$ 11,409,684</u>	<u>\$ 10,045,646</u>	<u>\$ 8,012,123</u>
Local Transportation				
Assets:				
Cash and investments	\$ 2,311,972	\$ 4,051,894	\$ 4,149,437	\$ 2,214,429
Intergovernmental receivables	336,498	674,900	466,590	544,808
Total assets	<u>\$ 2,648,470</u>	<u>\$ 4,726,794</u>	<u>\$ 4,616,027</u>	<u>\$ 2,759,237</u>
Liabilities:				
Salaries and benefits payable	\$ 357	\$ 11,536	\$ 11,715	\$ 178
Agency obligations	2,648,113	903,225	792,279	2,759,059
Total liabilities	<u>\$ 2,648,470</u>	<u>\$ 914,761</u>	<u>\$ 803,994</u>	<u>\$ 2,759,237</u>
Emergency Medical				
Assets:				
Cash and investments	\$ 240,946	\$ 206,445	\$ 132,319	\$ 315,072
Taxes receivable	-	80,036	80,036	-
Intergovernmental receivables	4,947	-	4,947	-
Total assets	<u>\$ 245,893</u>	<u>\$ 286,481</u>	<u>\$ 217,302</u>	<u>\$ 315,072</u>
Liabilities:				
Agency obligations	\$ 245,893	\$ 155,271	\$ 86,092	\$ 315,072
Total liabilities	<u>\$ 245,893</u>	<u>\$ 155,271</u>	<u>\$ 86,092</u>	<u>\$ 315,072</u>

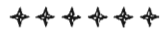
**COUNTY OF TUOLUMNE, CALIFORNIA
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES (Continued)
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	Balance at June 30, 2007	Additions	Deductions	Balance at June 30, 2008
Total - All Agency Funds				
Assets:				
Cash and investments	\$ 3,709,047	\$ 83,254,602	\$ 83,491,627	\$ 3,472,022
Taxes receivable	5,491,956	7,559,223	5,981,577	7,069,602
Intergovernmental receivables	341,445	674,900	471,537	544,808
	<u>9,542,448</u>	<u>91,488,725</u>	<u>89,944,741</u>	<u>11,086,432</u>
Total assets	\$ 9,542,448	\$ 91,488,725	\$ 89,944,741	\$ 11,086,432
Liabilities:				
Salaries and benefits payable	\$ 357	\$ 11,536	\$ 11,715	\$ 178
Advances from other funds	2,706,905	1,454,418	-	4,161,323
Agency obligations	6,835,186	11,013,762	10,924,017	6,924,931
	<u>9,542,448</u>	<u>12,479,716</u>	<u>10,935,732</u>	<u>11,086,432</u>
Total liabilities	\$ 9,542,448	\$ 12,479,716	\$ 10,935,732	\$ 11,086,432



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STATISTICAL SECTION



This part of the County of Tuolumne's comprehensive annual financial report provides supplemental information for the benefit of the readers. This section presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the County's overall financial health.

Financial Trends – These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

- Schedule 1 – Net Assets by Component
- Schedule 2 – Changes in Net Assets
- Schedule 3 – Fund Balances of Governmental Funds
- Schedule 4 – Changes in Fund Balances, Governmental Funds
- Schedule 5 – Tax Revenues by Source, Governmental Funds

Revenue Capacity Information – These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

- Schedule 6 – Assessed Value of Taxable Property
- Schedule 7 – Direct and Overlapping Property Tax Rates
- Schedule 8 – Principal Property Taxpayers
- Schedule 9 – Property Tax Levies and Collections

Debt Capacity Information – These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

- Schedule 10 – Ratios of Outstanding Debt by Type
- Schedule 11 – Direct and Overlapping Governmental Activities Debt
- Schedule 12 – Legal Debt Margin Information
- Schedule 13 – Pledged Revenue Coverage

Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

- Schedule 14 – Demographic and Economic Statistics
- Schedule 15 – Principal Employers

Operating Information – These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

- Schedule 16 – Full-Time Equivalent County Government Employees by Function
- Schedule 17 – Operating Indicators by Function
- Schedule 18 – Capital Assets Statistics by Function

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement No. 34 in 2002; schedules presenting government-wide information include information beginning in that year.



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COUNTY OF TUOLUMNE, CALIFORNIA
Net Assets by Component
Last Six Fiscal Years
(accrual basis of accounting)

Schedule 1
Financial Trends

	Fiscal Year					
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Governmental activities						
Invested in capital assets, net of						
related debt	\$ 49,437,561	\$ 48,879,341	\$ 47,613,046	\$ 50,010,046	\$ 47,739,711	\$ 46,217,118
Restricted	19,647,634	24,994,782	31,682,658	27,252,825	30,530,085	33,051,827
Unrestricted	<u>258,583</u>	<u>2,219,241</u>	<u>2,273,777</u>	<u>(1,622,862)</u>	<u>(3,622,233)</u>	<u>(2,274,859)</u>
Total governmental activities net assets	<u>69,343,778</u>	<u>76,093,364</u>	<u>81,569,481</u>	<u>75,640,009</u>	<u>74,647,563</u>	<u>76,994,086</u>
Business-type activities:						
Invested in capital assets, net of						
related debt	9,492,182	10,373,738	10,540,245	11,022,785	12,540,681	12,364,712
Restricted	195,003	235,110	274,814	311,388	772,760	382,270
Unrestricted	<u>(10,139,041)</u>	<u>(9,714,837)</u>	<u>(8,258,289)</u>	<u>(6,174,002)</u>	<u>(5,723,740)</u>	<u>(9,434,132)</u>
Total business-type activities expenses	<u>(451,856)</u>	<u>894,011</u>	<u>2,556,770</u>	<u>5,160,171</u>	<u>7,589,701</u>	<u>3,312,850</u>
Primary government						
Invested in capital assets, net of						
related debt	58,929,743	59,253,079	58,153,291	61,032,831	60,280,392	58,581,830
Restricted	19,842,637	25,229,892	31,957,472	27,564,213	31,302,845	33,434,097
Unrestricted	<u>(9,880,458)</u>	<u>(7,495,596)</u>	<u>(5,984,512)</u>	<u>(7,796,864)</u>	<u>(9,345,973)</u>	<u>(11,708,991)</u>
Total primary government net assets	<u>\$ 68,891,922</u>	<u>\$ 76,987,375</u>	<u>\$ 84,126,251</u>	<u>\$ 80,800,180</u>	<u>\$ 82,237,264</u>	<u>\$ 80,306,936</u>

Note: Prior year information is presented in accordance with the County's implementation of GASB Statement No. 34 beginning with Fiscal Year 2002-03.

Source: Tuolumne County's Financial Statements

COUNTY OF TUOLUMNE, CALIFORNIA

Changes in Net Assets Last Six Fiscal Years (accrual basis of accounting)

Schedule 2

Financial Trends

	Fiscal Year					
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Expenses						
Governmental activities:						
General government	\$ 13,037,907	\$ 13,859,311	\$ 15,155,420	\$ 16,539,535	\$ 15,604,958	\$ 17,927,110
Public protection	24,527,643	26,414,292	27,352,016	29,174,432	30,142,288	33,886,040
Public ways and facilities	12,112,933	8,888,284	8,444,217	9,284,993	8,395,063	9,041,406
Health and sanitation	11,558,357	11,654,775	10,850,902	12,597,128	12,154,748	12,935,931
Public assistance	15,211,021	16,699,988	16,649,868	19,452,193	18,660,028	17,732,946
Education	1,101,896	1,116,494	1,210,690	1,432,414	1,395,303	1,463,879
Recreation and cultural services	1,134,978	1,105,006	1,463,086	1,559,125	1,683,948	1,737,867
Interest on long term debt	218,745	37,864	22,755	10,638	176,012	270,301
Total governmental activities expenses	78,903,480	79,776,014	81,148,954	90,050,458	88,212,348	94,995,480
Business-type activities:						
General Medical Facility	27,445,952	26,798,455	30,867,019	36,120,540	38,220,097	15,789,738
Solid Waste	6,042,795	2,367,445	1,073,106	1,102,926	845,119	3,102,109
Ambulance	2,271,077	2,383,769	3,152,902	3,354,725	3,559,791	4,224,401
Airport	725,955	697,042	703,442	921,130	719,861	769,275
VNA of the Mother Lode	-	3,407,614	3,625,032	4,061,207	5,592,774	5,446,784
Public Transportation	1,250,121	1,248,504	1,348,599	1,361,229	1,690,218	2,062,631
Public Power Agency	1,221,514	1,116,368	1,560,106	1,534,839	1,405,460	1,722,058
Total business-type activities expenses	38,957,414	38,019,197	42,330,206	48,456,596	52,033,320	33,116,996
Total primary government expenses	117,860,894	117,795,211	123,479,160	138,507,054	140,245,668	128,112,476
Program Revenues						
Governmental Activities:						
Charges for services:						
General government	7,271,500	8,374,870	8,673,914	11,174,809	11,058,782	11,608,849
Public protection	3,093,005	3,693,330	4,001,694	4,023,938	3,857,690	3,811,379
Public ways and facilities	2,148,920	3,141,988	5,274,486	2,310,244	2,720,544	2,242,940
Health and sanitation	1,713,608	1,059,576	1,527,673	1,444,996	1,299,495	1,305,271
Public assistance	-	422,077	480,133	574,236	647,705	753,958
Education	32,664	28,812	30,793	31,049	68,694	45,628
Recreation and cultural services	154,363	237,655	217,521	226,175	291,862	248,621
Operating grants and contributions	28,633,576	32,684,901	26,034,177	31,113,715	29,956,181	30,440,389
Capital grants and contributions	1,717,360	3,010,824	2,954,328	1,109,826	532,358	1,329,288
Total governmental activities program revenues	44,764,996	52,654,033	49,194,719	52,008,988	50,433,311	51,786,323
Business-type Activities:						
Charges for services:						
General Medical Facility	23,679,341	23,824,746	27,416,825	27,930,873	28,108,691	9,002,787
Solid Waste	777,353	1,767,984	1,616,430	1,454,344	1,424,989	1,351,046
Ambulance	2,435,100	2,472,922	3,346,846	3,389,368	3,663,048	3,966,271
Airport	296,872	373,550	371,565	398,179	432,675	413,362
VNA of the Mother Lode	-	3,012,457	3,003,649	3,207,816	3,209,233	4,178,132
Public Transportation	445,012	414,752	456,284	434,943	515,187	577,233
Public Power Agency	1,545,862	1,604,282	1,588,142	1,462,971	1,462,910	1,372,390
Operating grants and contributions	966,203	997,635	1,191,281	1,471,695	1,493,085	2,095,449
Capital grants and contributions	27,450	189,603	43,356	157,904	143,346	134,019
Total Business-type activities program revenues	30,173,193	34,657,931	39,034,378	39,908,093	40,453,164	23,090,689
Total primary government program revenues	74,938,189	87,311,964	88,229,097	91,917,081	90,886,475	74,877,012

Continued

COUNTY OF TUOLUMNE, CALIFORNIA

Changes in Net Assets (Continued) Last Six Fiscal Years (accrual basis of accounting)

Schedule 2

Financial Trends

	Fiscal Year					
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Net (expense) revenue						
Governmental activities	\$ (34,138,484)	\$ (27,121,981)	\$ (31,954,235)	\$ (38,041,470)	\$ (37,779,037)	\$ (43,209,157)
Business-type activities	(8,784,221)	(3,361,266)	(3,295,828)	(8,548,503)	(11,580,156)	(10,026,307)
Total primary government net expense	(42,922,705)	(30,483,247)	(35,250,063)	(46,589,973)	(49,359,193)	(53,235,464)
General Revenues and Other Changes in Net Assets						
Governmental Activities:						
Taxes:						
Property	12,531,774	15,712,487	19,719,949	22,545,907	24,777,319	26,678,566
Property transfer	444,055	575,316	672,257	672,622	447,453	319,083
Transient occupancy	1,211,510	1,052,217	1,171,269	1,375,760	1,374,444	1,515,725
Sales taxes shared state revenue	11,975,359	13,412,547	14,980,175	15,679,601	15,941,751	15,617,504
Grants and other intergovernmental revenue						
not restricted to specific programs	5,046,004	4,413,520	3,002,924	2,428,991	3,257,936	3,409,183
Unrestricted investment earnings	1,048,964	856,556	780,939	2,246,676	1,716,815	2,338,695
Proceeds from sale of tobacco settlement revenues	6,908,475	-	-	-	-	-
Gain on sale of capital assets	-	39,876	102,417	2,603	-	65,395
Other	1,646,238	1,986,906	1,438,248	609,731	830,248	736,186
Transfers	(4,347,885)	(4,177,858)	(4,437,826)	(10,983,116)	(13,842,281)	(5,124,657)
Total governmental activities	36,464,494	33,871,567	37,430,352	34,578,775	34,503,685	45,555,680
Business-type Activities:						
Unrestricted investment earnings	271,503	198,970	142,897	148,514	146,541	133,136
Gain on sale of capital assets	2,208	-	-	2,080	-	-
Other	239,578	330,305	377,864	18,194	20,864	491,663
Transfers	4,347,885	4,177,858	4,437,826	10,983,116	13,842,281	5,124,657
Total Business-type activities	4,861,174	4,707,133	4,958,587	11,151,904	14,009,686	5,749,456
Total primary government	41,325,668	38,578,700	42,388,939	45,730,679	48,513,371	51,305,136
Changes in Net Assets						
Governmental activities	2,326,010	6,749,586	5,476,117	(3,462,695)	(3,275,352)	2,346,523
Business-type activities	(3,923,047)	1,345,867	1,662,759	2,603,401	2,429,530	(4,276,851)
Total primary government	\$ (1,597,037)	\$ 8,095,453	\$ 7,138,876	\$ (859,294)	\$ (845,822)	\$ (1,930,328)

Note: Prior year information is presented in accordance with the County's implementation of GASB Statement No. 34 beginning with Fiscal Year 2002-03.

Source: Tuolumne County's Financial Statements

COUNTY OF TUOLUMNE, CALIFORNIA
Fund Balances of Governmental Funds
Last Six Fiscal Years
(Modified Accrual Basis of Accounting)

Schedule 3

Financial Trends

	Fiscal Year					
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
General Fund						
Reserved	\$ 548,658	\$ 1,392,688	\$ 950,274	\$ 1,385,086	\$ 1,757,852	\$ 6,840,631
Unreserved	5,407,208	7,561,178	8,843,060	7,830,442	4,377,326	1,249,672
Total General Fund	<u>\$ 5,955,866</u>	<u>\$ 8,953,866</u>	<u>\$ 9,793,334</u>	<u>\$ 9,215,528</u>	<u>\$ 6,135,178</u>	<u>\$ 8,090,303</u>
All other governmental funds						
Reserved	\$ 7,604,713	\$ 10,657,106	\$ 11,510,264	\$ 6,350,019	\$ 7,837,182	\$ 8,622,262
Unreserved, reported in:						
Special revenue funds	15,561,118	17,700,868	22,154,258	18,248,305	19,519,915	20,142,775
Capital projects funds	2,006,957	1,636,297	2,289,560	4,147,766	4,388,169	4,048,091
Permanent fund	80,100	-	-	-	226,401	238,699
Total all other governmental funds	<u>\$ 25,252,888</u>	<u>\$ 29,994,271</u>	<u>\$ 35,954,082</u>	<u>\$ 28,746,090</u>	<u>\$ 31,971,667</u>	<u>\$ 33,051,827</u>
Total governmental funds	<u>\$ 31,208,754</u>	<u>\$ 38,948,137</u>	<u>\$ 45,747,416</u>	<u>\$ 37,961,618</u>	<u>\$ 38,106,845</u>	<u>\$ 41,142,130</u>

Note: Prior year information is presented in accordance with the County's implementation of GASB Statement No. 34 beginning with Fiscal Year 2002-03.

Source: Annual Financial Reports

COUNTY OF TUOLUMNE, CALIFORNIA
Changes in Fund Balances, Governmental Funds
Last Six Fiscal Years
(Modified Accrual Basis of Accounting)

Schedule 4
Financial Trends

	Fiscal Year					
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Revenues						
Taxes	\$ 14,187,339	\$ 17,340,020	\$ 21,563,475	\$ 24,594,289	\$ 26,599,216	\$ 28,513,374
Licenses and permits	1,672,240	1,798,486	2,443,085	2,545,053	2,353,455	2,336,157
Fines, forfeits and penalties	1,936,474	2,071,969	2,050,378	1,893,077	1,924,056	1,927,457
Interest, rents and concessions	873,143	709,833	636,188	2,027,654	1,358,702	1,956,133
Intergovernmental revenues	47,244,088	53,396,333	46,801,361	49,667,167	49,506,735	50,716,804
Charges for services	10,805,346	13,087,853	15,712,751	15,347,317	15,667,261	15,753,032
Miscellaneous	1,646,238	1,986,906	1,438,248	609,731	830,248	736,186
Total revenues	<u>78,364,868</u>	<u>90,391,400</u>	<u>90,645,486</u>	<u>96,684,288</u>	<u>98,239,673</u>	<u>101,939,143</u>
Expenditures						
General government	11,201,178	11,661,933	13,177,604	14,768,996	14,268,508	15,962,038
Public protection	23,113,763	25,254,167	26,500,974	28,086,898	29,753,500	32,274,087
Public ways and facilities	5,936,080	5,906,406	6,310,302	7,035,952	6,754,268	7,238,609
Health and sanitation	11,382,381	11,562,336	10,803,647	12,474,481	12,174,579	12,876,623
Public assistance	15,069,384	16,586,812	16,558,054	19,343,103	18,558,647	17,653,855
Education	1,045,002	1,054,722	1,135,460	1,362,793	1,341,091	1,406,055
Recreation and cultural services	1,109,338	1,075,188	1,442,269	1,498,537	1,633,825	1,684,216
Capital outlay	6,404,493	5,147,091	5,054,447	6,538,480	3,121,371	4,936,085
Debt service						
Principal	1,232,510	387,476	450,828	150,140	88,689	221,319
Costs of Issuance	-	-	-	-	284,069	-
Interest	204,657	37,864	22,755	10,638	133,831	274,103
Total expenditures	<u>76,698,786</u>	<u>78,673,995</u>	<u>81,456,340</u>	<u>91,270,018</u>	<u>88,112,378</u>	<u>94,526,990</u>
Excess of revenues over expenditures	<u>1,666,082</u>	<u>11,717,405</u>	<u>9,189,146</u>	<u>5,414,270</u>	<u>10,127,295</u>	<u>7,412,153</u>
Other financing sources (uses)						
Transfers in	4,367,738	4,007,403	4,526,092	9,343,259	5,320,246	5,502,412
Transfers out	(8,630,623)	(8,185,261)	(7,721,282)	(20,477,902)	(18,185,526)	(9,993,496)
Contributions	30,102	125,459	167,743	380,501	181,491	79,560
Debt issued	-	-	-	-	6,310,000	-
Premium on debt issued	-	-	-	-	89,069	-
Litigation Settlement	-	-	-	-	(6,000,000)	-
Loan proceeds	-	-	450,000	-	-	-
Sale of tobacco settlement revenues	6,908,475	-	-	-	-	-
Sale of capital assets (Net)	15,641	74,377	187,580	20,851	19,746	34,656
Total other financing sources (uses)	<u>2,691,333</u>	<u>(3,978,022)</u>	<u>(2,389,867)</u>	<u>(10,733,291)</u>	<u>(12,264,974)</u>	<u>(4,376,868)</u>
Net change in fund balances	<u>\$ 4,357,415</u>	<u>\$ 7,739,383</u>	<u>\$ 6,799,279</u>	<u>\$ (5,319,021)</u>	<u>\$ (2,137,679)</u>	<u>\$ 3,035,285</u>
Debt service as a percentage of non-capital expenditures	2.04%	0.59%	0.62%	0.19%	0.60%	0.55%

Note: Prior year information is presented in accordance with the County's implementation of GASB Statement No. 34 beginning with Fiscal Year 2002-03.

Source: Annual Financial Reports

COUNTY OF TUOLUMNE, CALIFORNIA
Tax Revenues by Source, Governmental Funds
Last Six Fiscal Years

Schedule 5
Financial Trends

	Fiscal Year					
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Property Taxes	\$ 12,531,774	\$ 15,712,487	\$ 19,719,949	\$ 22,545,907	\$ 24,777,319	\$ 26,678,566
Property Transfer Tax	444,055	575,316	672,257	672,622	447,453	319,083
Occupancy Tax	1,211,510	1,052,217	1,171,269	1,375,760	1,374,444	1,515,725
	<u>\$ 14,187,339</u>	<u>\$ 17,340,020</u>	<u>\$ 21,563,475</u>	<u>\$ 24,594,289</u>	<u>\$ 26,599,216</u>	<u>\$ 28,513,374</u>

Note: Prior year information is presented in accordance with the County's implementation of GASB Statement No. 34 beginning with Fiscal Year 2002-03.

Source: Audited financial statement, statement of activities

COUNTY OF TUOLUMNE, CALIFORNIA
Assessed Value of Taxable Property
Last Ten Fiscal Years

Schedule 6

Revenue Capacity Information

Fiscal Year	Land Value	Improvement Value	Fixed Equipment Value	Personal Property Value	Exemptions	Total Value	Total Direct Tax Rate
1998-99	\$ 1,145,190,654	\$ 2,025,919,447	\$ 51,492,425	\$ 179,452,026	\$ (141,612,269)	\$ 3,260,442,283	1.000000
1999-00	1,175,138,791	2,123,674,190	53,954,958	181,959,416	(161,201,114)	3,373,526,241	1.000000
2000-01	1,221,471,893	2,231,282,557	55,785,940	182,215,539	(168,768,136)	3,521,987,793	1.000000
2001-02	1,282,533,558	2,365,047,999	55,937,479	191,289,427	(176,611,735)	3,718,196,728	1.000000
2002-03	1,355,743,386	2,546,957,153	57,387,765	195,267,582	(196,561,732)	3,958,794,154	1.000000
2003-04	1,445,263,764	2,777,388,083	56,936,559	208,352,563	(212,969,461)	4,274,971,508	1.000000
2004-05	1,564,107,326	3,035,952,519	58,870,151	216,645,305	(230,465,872)	4,645,109,429	1.000000
2005-06	1,733,669,191	3,365,964,240	57,119,356	228,901,010	(238,449,355)	5,147,204,442	1.000000
2006-07	1,957,913,518	3,717,656,365	56,507,453	245,340,409	(245,405,292)	5,732,012,453	1.000000
2007-08	2,145,103,991	4,008,372,025	66,343,776	248,407,548	(257,171,119)	6,211,056,221	1.000000

Notes: Includes locally assessed Secured and Unsecured Roll property values, does not include Utility Roll values. Breakdown of residential and commercial values not available.

Due to passage of the Proposition 13 (Prop 13) property tax initiative in 1978, the County does not track the estimated actual value of all properties in the County. Under Prop 13 property is assessed at the 1975 market value with an annual increase limited to 2% on properties not involved in a change of ownership or properties that did not undergo new construction. Newly acquired property is assessed at its new market value (usually the purchase price) and the value of any new construction is added to the existing base value of a parcel. As a result, similar properties can have substantially different assessed values based on the date of purchase. Additionally, Prop 13 limits the property tax rate to 1% of assessed value, plus the rate necessary to fund local voter-approved bonds and special assessments.

Source: County of Tuolumne - Assessor's Office

COUNTY OF TUOLUMNE, CALIFORNIA
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Schedule 7

Revenue Capacity Information

<u>Fiscal Year</u>	<u>Countywide</u>	<u>Special Districts</u>	<u>Schools</u>	<u>Cities</u>	<u>Total</u>
1998-99	1.0000	0.0660	0.5125	0.0330	1.6115
1999-00	1.0000	0.0653	0.5131	0.0320	1.6104
2000-01	1.0000	0.0658	0.5129	0.0320	1.6107
2001-02	1.0000	0.0650	0.5135	0.0310	1.6095
2002-03	1.0000	0.0647	0.5139	0.0300	1.6086
2003-04	1.0000	0.0644	0.5141	0.0290	1.6075
2004-05	1.0000	0.0642	0.5140	0.0330	1.6112
2005-06	1.0000	0.0644	0.5138	0.0350	1.6132
2006-07	1.0000	0.0531	0.5134	0.0140	1.5805
2007-08	1.0000	0.0532	0.5133	0.0120	1.5785

Source: Tuolumne County Auditor-Controller Property Tax Section

COUNTY OF TUOLUMNE, CALIFORNIA

Principal Property Taxpayers June 30, 2008 and June 30, 1999

Schedule 8

Revenue Capacity Information

Taxpayer	Fiscal Year 2008			Fiscal Year 1999		
	Assessed Value	Rank	% of County	Assessed Value	Rank	% of County
Pacific Gas & Electric	\$ 84,244,503	1	1.36%	\$ 77,937,820	1	2.39%
Sierra Pacific Industries	49,796,831	2	0.80%	55,073,142	2	1.69%
City & County of San Francisco	42,400,121	3	0.68%	34,870,778	4	1.07%
AT&T California	18,823,035	4	0.30%			
Portola Minerals (Blue Mountain)	17,726,646	5	0.29%	15,956,508	5	0.49%
Sonora/Five Assoc. (Junction)	17,617,019	6	0.28%	15,235,761	6	0.47%
Pacific Ultrapower	15,155,500	7	0.24%	7,896,828	10	0.24%
Wal-Mart	13,146,530	8	0.21%	9,290,053	8	0.28%
R1 Timberhills LLC	11,531,343	9	0.19%	8,713,184	9	0.27%
Skyline Place Holdings LLC	11,001,653	10	0.18%			
Pacific Bell				38,621,131	3	1.18%
P O 'B Sonora LP (Sonora Plaza)				10,103,374	7	0.31%
	<u>\$ 281,443,181</u>		<u>4.53%</u>	<u>\$ 273,698,579</u>		<u>8.39%</u>
Countywide Assessed Value	\$6,211,056,221			\$3,260,442,283		

Source: Tuolumne County Assessor/Recorder

COUNTY OF TUOLUMNE, CALIFORNIA
Property Tax Levies and Collections
Last Ten Fiscal Years

Schedule 9

Revenue Capacity Information

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	% of Levy		Amount ¹	% of Levy
1998-99	\$ 36,137,296	\$ 34,489,731	95.4%	\$ 1,663,557	\$ 36,153,288	100.0%
1999-00	37,129,130	35,723,250	96.2%	1,282,054	37,005,304	99.7%
2000-01	38,456,709	36,717,916	95.5%	1,016,267	37,734,183	98.1%
2001-02	40,298,656	38,691,322	96.0%	1,581,551	40,272,873	99.9%
2002-03	43,072,702	41,372,509	96.1%	1,332,305	42,704,814	99.1%
2003-04	45,897,173	44,712,003	97.4%	1,090,013	45,802,016	99.8%
2004-05	49,850,712	48,620,855	97.5%	1,053,117	49,673,972	99.6%
2005-06	55,939,608	54,537,242	97.5%	1,218,945	55,756,187	99.7%
2006-07	62,293,344	60,340,752	96.9%	1,334,570	61,675,322	99.0%
2007-08	67,552,173	64,772,348	95.9%	n/a	64,772,348	95.9%

¹ Collections include delinquent (abstract) bills.

Source: Auditor-Controller Office/Crest Tax System

COUNTY OF TUOLUMNE, CALIFORNIA
Ratios of Outstanding Debt by Type
Last Six Fiscal Years

Schedule 10

Debt Capacity Information

Fiscal Year	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		Total Primary Government	Percentage of Taxable Assessed Value ¹	Percentage of Personal Income ²	Per Capita ²
	Notes Payable	Jugement Obligation Bonds	Capital Leases	Notes Payable	Capital Leases				
2002-03	\$ 68,897	\$ -	\$ 791,043	\$ 47,656	\$ 1,142,201	\$ 2,049,797	0.05%	0.14%	\$ 36.50
2003-04	36,085	-	436,379	45,416	861,175	1,379,055	0.03%	0.09%	24.33
2004-05	-	-	471,636	42,996	1,763,259	2,277,891	0.05%	0.14%	40.22
2005-06	-	-	321,496	512,397	1,408,269	2,242,162	0.04%	0.13%	39.42
2006-07	115,000	6,195,000	232,807	460,347	1,078,313	8,081,467	0.14%	n/a	141.79
2007-08	109,868	6,070,000	141,620	410,190	736,736	7,468,414	0.12%	n/a	131.99

Note: Prior year information is presented in accordance with the County's implementation of GASB Statement No. 34 beginning with Fiscal Year 2002-03.

¹ See Schedule 6, Assessed Value of Taxable Property, for total taxable assessed value.

² See Schedule 14, Demographic and Economic Statistics, for the population and personal income figures. These ratios are calculated using personal income and population for the most recent calendar year.

Source: Audited financial statements

COUNTY OF TUOLUMNE, CALIFORNIA
Direct and Overlapping Governmental Activities Debt
As of June 30, 2008

Schedule 11
Debt Capacity Information

	Net Debt Outstanding	Percentage Applicable to County	County's Share of Debt
DEBT REPAYED WITH PROPERTY TAXES:			
SCHOOL DISTRICTS			
Summerville High School	\$ 17,471,413	100%	\$ 17,471,413
BOF-Groveland Unified	46,755	100%	46,755
SPECIAL DISTRICTS			
Groveland Community Service Dist	107,589	100%	<u>107,589</u>
Sub-total Overlapping Debt			\$ 17,625,757
COUNTY			<u>0</u>
Total Direct and Overlapping Debt			<u><u>\$ 17,625,757</u></u>

Source: Auditor-Controller, County of Tuolumne

COUNTY OF TUOLUMNE, CALIFORNIA

Legal Debt Margin Information

Last Ten Fiscal Years

Schedule 12

Debt Capacity Information

Fiscal Year	Assessed Value of Property	Debt Limit, 1.25% of Assessed Value	Debt Applicable to the Limit	Legal Debt Margin	Total Net debt Applicable to the Limit as a % of Debt Limit
1998-99	\$ 3,260,442,283	40,755,529	\$ 21,688,034	\$ 19,067,495	53.21 %
1999-00	3,373,526,241	42,169,078	21,277,433	20,891,645	50.46 %
2000-01	3,521,987,793	44,024,847	20,888,535	23,136,312	47.45 %
2001-02	3,718,196,728	46,477,459	20,487,148	25,990,311	44.08 %
2002-03	3,958,794,154	49,484,927	20,422,021	29,062,906	41.27 %
2003-04	4,274,971,508	53,437,144	19,647,534	33,789,610	36.77 %
2004-05	4,645,109,429	58,063,868	19,208,507	38,855,361	33.08 %
2005-06	5,147,204,442	64,340,056	18,710,230	45,629,826	29.08 %
2006-07	5,732,012,453	71,650,156	18,190,168	53,459,988	25.39 %
2007-08	6,211,056,221	77,638,203	17,625,757	60,012,446	22.70 %

Source: Tuolumne County Auditor-Controller's and Assessor's Office

COUNTY OF TUOLUMNE, CALIFORNIA
Pledged Revenue Coverage

Schedule 13

Debt Capacity Information

GASB Statement No. 44, Economic Condition Reporting: The Statistical Section, requires that the County show all nongeneral obligation long-term debt backed by pledged revenues. The County has no nongeneral obligation long-term debt.

COUNTY OF TUOLUMNE, CALIFORNIA
Demographic and Economic Statistics
Last Ten Years

Schedule 14
Demographic and Economic Information

Fiscal Year	Population ²	Change	Personal Income ¹ (Thousand of dollars)		Per Capita Personal Income ¹		Unemployment Rate ²
				Change		Change	
1998-99	54,034	1.8 %	1,160,392	3.4 %	21,546	2.0 %	5.9 %
1999-00	54,115	0.1 %	1,268,760	9.3 %	23,215	7.7 %	5.6 %
2000-01	54,715	1.1 %	1,325,363	4.5 %	24,027	3.5 %	5.2 %
2001-02	55,527	1.5 %	1,356,859	2.4 %	24,367	1.4 %	6.3 %
2002-03	56,154	1.1 %	1,427,404	5.2 %	25,389	4.2 %	6.7 %
2003-04	56,678	0.9 %	1,556,761	9.1 %	27,698	9.1 %	6.8 %
2004-05	56,641	-0.1 %	1,639,251	5.3 %	29,119	5.1 %	6.2 %
2005-06	56,880	0.4 %	1,735,896	5.9 %	30,916	6.2 %	5.6 %
2006-07	56,995	0.2 %	n/a		n/a		6.2 %
2007-08	56,583	-0.7 %	n/a		n/a		7.7 %

Sources:

¹ US Dept of Commerce - Bureau of Economic Analysis, California Dept of Finance

² California Dept of Finance, Demographic Research

COUNTY OF TUOLUMNE, CALIFORNIA

Principal Employers

June 30, 2008

Schedule 15

Demographic and Economic Information

Employer	Location	Industry	Number of Employees	% of County
Black Oak Casino	Tuolumne	Gambling Industry	500-999	2.0% - 4.0%
Sonora Regional Medical Center	Sonora	General Hospital	500-999	2.0% - 4.0%
Dodge Ridge Ski Resort	Pinecrest	Ski Resort	250-499	1.0% - 1.9%
Wal-Mart	Sonora	Department Store	250-499	1.0% - 1.9%
Avalon Care Center	Sonora	Nursing Care Facility	100-249	0.4% - 1.0%
Chicken Ranch Bingo & Casino	Jamestown	Gambling Industry	100-249	0.4% - 1.0%
Columbia College	Sonora	Colleges and Universities	100-249	0.4% - 1.0%
Hetch Hetchy Water & Power	Moccasin	Water Supply and Irrigation Systems	100-249	0.4% - 1.0%
Pak 'N Save Foods	Sonora	Supermarket	100-249	0.4% - 1.0%
Sonora School District	Sonora	School District	100-249	0.4% - 1.0%
Sonora Union High School	Sonora	Secondary Schools	100-249	0.4% - 1.0%
Big Oak Flat-Groveland School District	Groveland	School District	50 - 99	0.2% - 0.4%
Blue Mountain Minerals	Columbia	Masonry Material Wholesaler	50 - 99	0.2% - 0.4%
Columbia Elementary School	Columbia	Elementary School	50 - 99	0.2% - 0.4%
Jamestown Elementary School	Jamestown	Elementary School	50 - 99	0.2% - 0.4%
Kinematic Automation	Sonora	Packaging Machinery Manufacturing	50 - 99	0.2% - 0.4%
Mervyns	Sonora	Department Store	50 - 99	0.2% - 0.4%
Sierra Motors	Jamestown	New Car Dealer	50 - 99	0.2% - 0.4%
Sonora Elementary School	Sonora	Elementary School	50 - 99	0.2% - 0.4%
Twain Harte Market	Twain Harte	Supermarket	50 - 99	0.2% - 0.4%

Total Workforce in Tuolumne County:

Year	Labor Force	Number of Workers Employed
7/08	27,110	25,020
7/07	26,370	24,720
7/06	26,150	24,670
7/05	26,430	24,800
7/04	26,020	24,260
7/03	25,740	24,020
7/02	25,480	23,880
7/01	24,700	23,420
7/00	23,250	21,950
7/99	20,050	18,870

Note: Tuolumne County itself is a principal employer but is excluded for the purposes of this report. Number of employees reflect an average range based on California Employment Development Department data. Data prior to current year not available.

Source: EDD Labor Market Info

COUNTY OF TUOLUMNE, CALIFORNIA
Full-time Equivalent County Employees By Function
Last Ten Fiscal Years

Schedule 16

Operating Information

	Fiscal Year									
	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
General Government										
Board of Supervisors	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
County Administrative Office	5.00	5.00	5.00	6.00	6.00	6.00	5.00	6.00	6.00	6.00
Auditor-Controller	13.00	14.00	12.00	12.00	12.00	12.00	12.00	12.00	13.00	13.00
Treasurer/Tax Collector	5.50	5.50	6.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Assessor/Recorder	16.50	21.00	22.00	21.00	21.00	20.00	20.00	20.00	18.00	18.00
Office of Revenue Recovery	6.00	7.00	7.00	7.00	7.00	8.00	8.00	8.00	8.00	8.00
County Counsel	4.00	4.00	4.00	6.00	6.00	7.00	7.00	7.00	7.00	7.00
Human Resources	4.00	6.00	6.00	6.00	6.80	7.80	6.80	6.80	6.80	6.80
Elections	3.00	4.00	4.00	5.00	5.00	4.00	3.00	3.00	3.00	3.00
Facilities Management	35.00	36.00	37.00	37.00	38.00	36.00	33.00	33.00	29.00	29.00
Jamestown Mine	-	-	-	-	-	-	-	-	1.00	1.00
Film Commissioner	-	-	-	-	-	-	-	-	1.00	1.00
Information Technology	15.00	17.00	18.00	22.00	22.00	26.00	26.00	29.00	22.00	25.00
Surveyor	5.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00	4.00
Total General Government	119.00	131.50	133.50	139.50	141.30	143.30	137.30	141.30	131.30	134.30
Public Protection										
District Attorney	19.00	20.00	20.00	19.00	19.00	17.00	17.00	18.00	21.00	20.00
Child Support Services	21.00	29.00	30.00	32.00	37.00	38.00	27.00	26.75	27.00	25.81
Public Defender	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Sheriff/Coroner	111.00	138.50	138.50	134.00	136.00	138.50	135.00	138.00	139.00	142.00
Probation	26.00	27.00	29.00	35.50	35.50	35.50	29.00	33.00	34.00	35.00
County Fire	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	7.00	8.00
Agriculture Comm/Wts & Meas	5.00	5.00	7.00	6.00	4.00	5.00	5.00	6.00	6.00	6.00
Community Development Dept	22.00	25.00	26.00	29.00	29.00	30.75	31.75	32.75	32.75	29.75
Code Compliance	-	-	-	-	-	-	-	-	-	2.00
Animal Control	6.00	7.00	8.00	8.00	8.00	8.00	8.00	9.00	9.00	9.00
Total Public Protection	221.00	262.50	269.50	274.50	279.50	283.75	263.75	274.50	282.75	284.56
Public Ways and Facilities										
Public Works Admin, Eng. Dev. Roads	50.00	57.00	57.00	62.00	63.00	66.00	55.00	59.00	58.00	61.00
Total Public Ways and Facilities	50.00	57.00	57.00	62.00	63.00	66.00	55.00	59.00	58.00	61.00
Health and Sanitation										
Health & Tobacco Control	27.00	28.00	28.30	26.30	28.10	31.80	31.30	31.15	29.40	26.28
Environmental Health	11.00	12.00	13.00	13.00	13.00	13.00	13.00	13.00	14.00	14.50
Behavioral Health	-	-	-	-	2.00	2.00	4.00	4.00	6.00	6.00
Air Pollution Control	-	-	-	-	2.00	2.00	2.00	2.00	2.00	2.00
Solid Waste	2.00	2.00	2.00	2.00	2.00	3.00	2.00	2.00	3.50	3.50
Total Health and Sanitation	40.00	42.00	43.30	41.30	47.10	51.80	52.30	52.15	54.90	52.28
Public Assistance										
Social Services	98.00	104.00	111.00	117.00	119.00	118.00	116.00	116.00	109.00	105.00
D.A. Victim Witness	3.00	3.00	3.50	4.00	4.00	4.00	3.00	3.00	3.00	3.00
Veterans	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.90	1.90	2.00
Total Public Assistance	102.00	108.00	115.50	122.00	124.00	123.00	120.00	120.90	113.90	110.00
Education										
Library	7.00	7.00	7.00	12.38	12.13	12.60	11.63	11.63	10.50	12.00
Farm Advisor	2.00	2.00	2.50	2.40	2.40	2.00	2.00	2.50	2.50	2.50
Total Education	9.00	9.00	9.50	14.78	14.53	14.60	13.63	14.13	13.00	14.50
Recreation										
Recreation	7.00	7.00	9.50	9.60	9.60	11.75	9.75	11.35	9.75	9.75
County Museum	-	-	-	-	-	-	-	-	0.75	0.75
Boat Patrol	3.00	3.00	2.50	3.00	3.00	3.50	3.00	3.00	3.00	3.00
Total Recreation & Cultural	10.00	10.00	12.00	12.60	12.60	15.25	12.75	14.35	13.50	13.50
Enterprises & Internal Service Funds										
Airports	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.80
Public Transportation	2.00	2.00	3.00	3.00	4.00	4.00	4.00	4.00	5.00	5.00
Tuolumne General Hospital	220.60	228.95	232.25	234.75	235.20	219.63	230.40	242.00	187.30	-
Tuolumne General Medical Center	-	-	-	-	-	-	-	-	-	67.00
Home Health - VNA	-	-	-	-	-	30.90	29.40	25.00	27.90	27.90
Adult Day Health Care	-	-	-	-	-	-	-	-	-	5.50
Hospice	-	-	-	-	-	7.20	6.20	9.00	9.90	9.70
Outpatient Rehab	-	-	-	-	-	-	-	-	-	2.80
Purchasing	1.75	1.75	1.75	1.75	2.00	2.00	2.00	2.00	2.00	2.00
Total Enterprise & Internal	228.35	236.70	241.00	243.50	245.20	267.73	276.00	286.00	236.10	123.70
Grand Total	779.35	856.70	881.30	910.18	927.23	965.43	930.75	962.33	903.45	793.84

Source: County of Tuolumne Adopted Budgets

COUNTY OF TUOLUMNE, CALIFORNIA

Operating Indicators by Function

Last Six Fiscal Years ⁺

Schedule 17

Operating Information

Function	Fiscal Year					
	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
<u>General Government</u>						
Recorded documents - Assessor-Recorder	21,071	23,479	27,898	27,780	31,511	30,618
Fictitious Business Names - County Clerk	527	549	538	585	604	612
Number of registered voters - Elections	33,666	32,057	32,644	31,168	30,139	29,147
Applications received - Human Resources	1,540	1,737	1,959	1,109	1,206	1,219
Maintenance service requests received						
- Facilities Maint	4,388	3,427	3,091	N/A	N/A	N/A
<u>Public Protection</u>						
Misdemeanor cases filed - District Attorney	2,774	2,467	2,651	2,502	2,121	1,666
Felony cases filed - District Attorney	845	816	913	882	881	738
Arrests - Adults - Sheriff	5,262	1,932	2,092	2,149	2,224	1,908
Arrests - Juveniles - Sheriff	230	220	250	363	394	314
Average Daily Jail Population - Sheriff	137.5	137	138	133	136	132
Cases supervised - Probation - Adult	2,236	2,314	2,208	2,279	1,321	1,119
Cases supervised - Probation - Juvenile	106	115	118	107	105	99
Fire emergency responses - County Fire	900 **	901	904	N/A	N/A	N/A
EMS / Medical Aids - County Fire	5,100 **	5,105	5,095	N/A	N/A	N/A
Building permits issued - Community Development	1,550	1,739	1,957	1,933	2,085	2,155
Received calls for response - Animal Control	3,800 **	3,842	3,699	3,802	4,625	4,080
<u>Public Ways & Facilities</u>						
Maintained road lanes (in miles/lanes)	607.5/1214	607.5/1214	607.5/1214	607.5/1214	607.5/1214	607.5/1214
Percent of roadway miles rehabilitated	3.5	5.5	0.0	3.0	3.5	7.5
Potholes repaired	1,000's	1,000's	1,000's	1,000's	1,000's	1,000's
<u>Health & Sanitation</u>						
Food inspections - Environmental Health	932	603	840	1,262	1,339	1,516
Unduplicated Open Clients served - Mental Hlth & Alc/Drugs	1,661	2,734	2,720	2,273	1,744	2,384
Hazardous waste accepted - Solid Waste	672,002	544,026	589,983	292,755	160,484	199,751
Hazardous waste recycled - Solid Waste	586,727	505,789	492,695	203,572	93,757	113,417
<u>Public Assistance</u>						
<i>Human Services</i>						
Medi-Cal eligible households aided	17,259	18,302	21,849	22,894	22,364	22,457
Food stamps eligible households aided	17,127	15,469	13,659	13,888	12,078	14,181
General assistance eligible cases aided	60	114	165	164	162	68
CALWORKS eligible households aided	6,090	6,266	7,140	7,512	7,642	8,666
<u>Education</u>						
<i>Library</i>						
Number of library visitors	379,982	338,304	396,614	391,177	400,141	355,089
Number of registered card holders	33,928	32,081	29,968	26,862	26,212	22,622
Public internet sessions	25,459	21,313	21,407	17,072	15,912	12,505
<u>Recreation</u>						
Recreational registrations/participants/visitors	83,200	82,352	88,307	91,491	90,976	90,172

⁺ 10 year data not readily available

** Estimated

Source: Various County Departments

COUNTY OF TUOLUMNE, CALIFORNIA
Capital Asset Statistics by Function
Last Six Fiscal Years ⁺

Schedule 18

Operating Information

Function	Fiscal Year					
	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
<u>General Government</u>						
Administration Buildings	5	5	5	5	5	5
Vehicles	24	25	27	26	24	24
<u>Public Protection</u>						
Administration buildings	8	8	8	8	8	8
Jail and detention facilities	1	1	1	1	1	1
Sheriff sub-stations	6	6	6	6	6	6
Patrol boats	11	11	10	10	10	9
Vehicles/Patrol cars	242	229	227	204	203	190
Fire stations	11	11	11	11	11	11
Fire engines	16	14	16	15	15	15
<u>Public Ways & Facilities</u>						
Administration buildings	1	1	1	1	1	1
Maintenance buildings	5	5	5	5	5	5
Bridges	11	11	11	11	11	11
Roads (miles)	607.5	607.5	607.5	607.5	607.5	607.5
Traffic Signals	18	17	17	17	17	17
Heavy Equipment	51	49	52	52	52	51
Vehicles	66	69	70	70	71	70
<u>Health & Sanitation</u>						
Administration buildings	3	3	3	3	3	3
Hospitals	1	1	1	1	1	1
Health clinics	2	2	2	2	2	2
Hazardous Waste Facilities	3	3	3	3	3	3
Vehicles	21	20	22	20	21	21
<u>Public Assistance</u>						
Administration buildings	1	1	1	1	1	1
Vehicles	53	53	57	54	52	55
<u>Education</u>						
Libraries - main	1	1	1	1	1	1
Libraries - branches	6	6	6	6	6	6
Vehicles	4	5	5	4	4	5
<u>Recreation</u>						
Administration buildings	5	5	5	5	5	5
Sports fields	9	9	9	9	9	9
Vehicles	9	7	7	5	4	4

⁺ 10 year data not readily available

Source: Auditor-Controller's Office capital asset records.



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