

**COUNTY OF EL DORADO
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2020**



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INDEPENDENT AUDITORS' REPORT

Board of Supervisors
County of El Dorado
Placerville, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of El Dorado, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Children and Families Commission, El Dorado County Transit Authority and El Dorado County Transportation Commission, which represent the following percentages of assets and revenues/additions as of and for the fiscal year ended June 30, 2020.

<u>Opinion Unit</u>	<u>Assets</u>	<u>Revenues/ Additions</u>
Discretely Presented Component Units	100.0%	100.0%

Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for Children and Families Commission, El Dorado County Transit Authority and El Dorado County Transportation Commission are based on the report of other auditors. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of El Dorado as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis, budgetary comparison schedules, schedule of changes in net pension liability and related ratios for the miscellaneous and safety plans, schedule of plan contributions for the miscellaneous and safety plans and schedule of change in total OPEB liability and related ratios. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of El Dorado's basic financial statements. The combining and individual fund statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2021 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 solely to describe the scope of our testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Roseville, California
March 30, 2021

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County of El Dorado

OFFICE OF AUDITOR-CONTROLLER

360 FAIR LANE
PLACERVILLE, CALIFORNIA 95667
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JOE HARN
Auditor-Controller

BOB TOSCANO
Assistant Auditor-Controller

March 30, 2021

Members of the Board of Supervisors and
Citizens of the County of El Dorado:

This **Management's Discussion and Analysis** and letter of transmittal of the County of El Dorado's (County) financial statements presents a narrative overview and analysis of the County's financial activities during the fiscal year ended June 30, 2020. Please read it in conjunction with the County's financial statements following this section.

FINANCIAL HIGHLIGHTS

- The combined assets and deferred outflows of resources of the County exceeded its combined liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$219.8 million (net position). Of this, \$149.0 million was restricted for specific purposes (restricted net position), and \$377.0 million was net investment in capital assets. Unrestricted net position was a negative \$306.2 million, primarily due to the reporting of long-term net pension liability and total other post-employment benefits (OPEB) liability as prescribed by Governmental Accounting Standards Board (GASB) Statements Nos. 68 and 75.
- The total fund balances for the County's governmental funds amounted to \$278.8 million, an increase of \$19.3 million from the prior year. Approximately \$172.4 million of this total, or 61.8 percent, was either nonspendable or restricted for specific uses; and \$106.4 million, or 38.2 percent, was unrestricted as either committed, assigned, or unassigned and would be available to meet the County's current and future spending needs.
- At the end of the fiscal year the County's primary operating fund, the General Fund, had a fund balance of \$71.8 million. Approximately \$2.2 million was nonspendable. The remaining \$69.6 million, which approximated to 29.4 percent of the General Fund's total expenditures for the year, was unrestricted.
- The County's net investment in capital assets as of June 30, 2020 was \$377.0 million. This balance consisted of \$373.6 million for governmental activities and \$3.4 million for business-type activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's financial statements. The County's financial statements are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements and 3) Notes to the financial statements. Required Supplementary Information is included in addition to the financial statements.

Government-wide Financial Statements are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business.

The statement of net position presents information on all County assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the residual amount reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator in determining if the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the

change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. earned but uncollected revenues and earned but unused vacation leave).

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

Component units are included in our financial statements and consist of legally separate organizations for which the County is financially accountable or other organizations whose nature and significant relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Component units of the County include the El Dorado Transit Authority, Children and Families Commission, and the El Dorado County Transportation Commission.

Fund Financial Statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

Governmental Funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds financial statements focus on current *inflows and outflows of spendable resources* as well as the *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the County's short-term financial position and the financial resources available in the near future to support the County's programs.

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

In addition to the *General Fund*, the County maintains several individual governmental funds organized according to their type (special revenue, capital projects, debt service, and permanent funds). Major funds are presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances. Major governmental funds include the *General Fund*, the *Road Fund*, and the *Public Safety Facility Loan Fund*. All other non-major governmental funds are presented in aggregate as *Other Governmental Funds*.

Proprietary Funds are comprised of *enterprise funds* and *internal service funds*. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses the enterprise fund to account for County Airports. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds for its fleet operations and maintenance (Fleet Management), and for its health insurance, worker's compensation, and self-insurance programs (Risk Management Authority), which includes employee health benefits, retiree health benefits, workers' compensation, and general liability. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary fund financial statements provide similar information as the government-wide financial statements, only in more detail. These statements present the County's *business type activities-enterprise funds* and *governmental activities- internal service funds*. The *proprietary fund statements* present the County's *enterprise fund* (County Airports) along with the aggregate of the *internal service funds* activity. Additional *internal service funds* financial statements have been provided for Fleet Management and the Risk Management Authority, which provide the detail for each of these funds.

Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the County's programs. The County retains and reports Investment Trust and Agency type fiduciary funds.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information consists of the County's *pension plan contributions schedule*, *changes in net pension liability schedule*, as well as *changes in total OPEB liability schedule*. It also includes the County's *General Fund and major special revenue funds budgetary comparison schedules* to demonstrate compliance with the County's adopted budget.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position can serve over time as a useful indicator of whether the County's financial position is improving or deteriorating. Other factors, such as market conditions, should be considered in measuring the County's overall financial position. The County's combined assets and deferred outflows of resources exceeded its combined liabilities and deferred inflows of resources by \$219.8 million at June 30, 2020. A comparative analysis of government-wide data is presented below.

	Net Position					
	June 30,					
	(in thousands)					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Assets:						
Current and other assets	\$ 363,538	\$ 346,567	\$ 478	\$ 422	\$ 364,016	\$ 346,989
Capital assets	425,492	406,087	3,361	3,178	428,853	409,265
Total assets	789,030	752,654	3,839	3,600	792,869	756,254
Deferred outflows of resources:						
Deferred pension outflows	53,238	60,617	--	--	53,238	60,617
Deferred OPEB outflows	7,449	3,013	--	--	7,449	3,013
Total deferred outflows of resources	60,687	63,630	--	--	60,687	63,630
Liabilities:						
Current and other liabilities	41,722	42,649	106	83	41,828	42,732
Long-term liabilities	560,355	514,191	--	12	560,355	514,203
Total liabilities	602,077	556,840	106	95	602,183	556,935
Deferred inflows of resources:						
Deferred pension inflows	7,114	7,661	--	--	7,114	7,661
Deferred OPEB inflows	24,486	29,210	--	--	24,486	29,210
Total deferred inflows of resources	31,600	36,871	--	--	31,600	36,871
Net Position:						
Net investment in capital assets	373,612	370,367	3,361	3,178	376,973	373,545
Restricted net position	148,990	140,279	--	--	148,990	140,279
Unrestricted net position	(306,562)	(288,073)	372	327	(306,190)	(287,746)
Total net position	\$ 216,040	\$ 222,573	\$ 3,733	\$ 3,505	\$ 219,773	\$ 226,078

ANALYSIS OF NET POSITION

By far the largest portion of the County's net position is invested in capital assets (e.g., land, infrastructure, intangible assets, structures and improvements, and equipment), less any related debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, this portion of net position is not available for future spending.

An additional portion of the County's net position, \$149.0 million or 67.8 percent, represents resources that are subject to external restrictions on how they may be used.

The County's unrestricted net position balance of negative \$306.2 million is the result of reporting the net pension liability and total OPEB liability on the statements to comply with accounting standards (GASB Statements Nos. 68 and 75).

At the end of the most current fiscal year, the County is able to report positive balance in total net position for the government as a whole. The following table indicates the changes in net position for governmental and business-type activities:

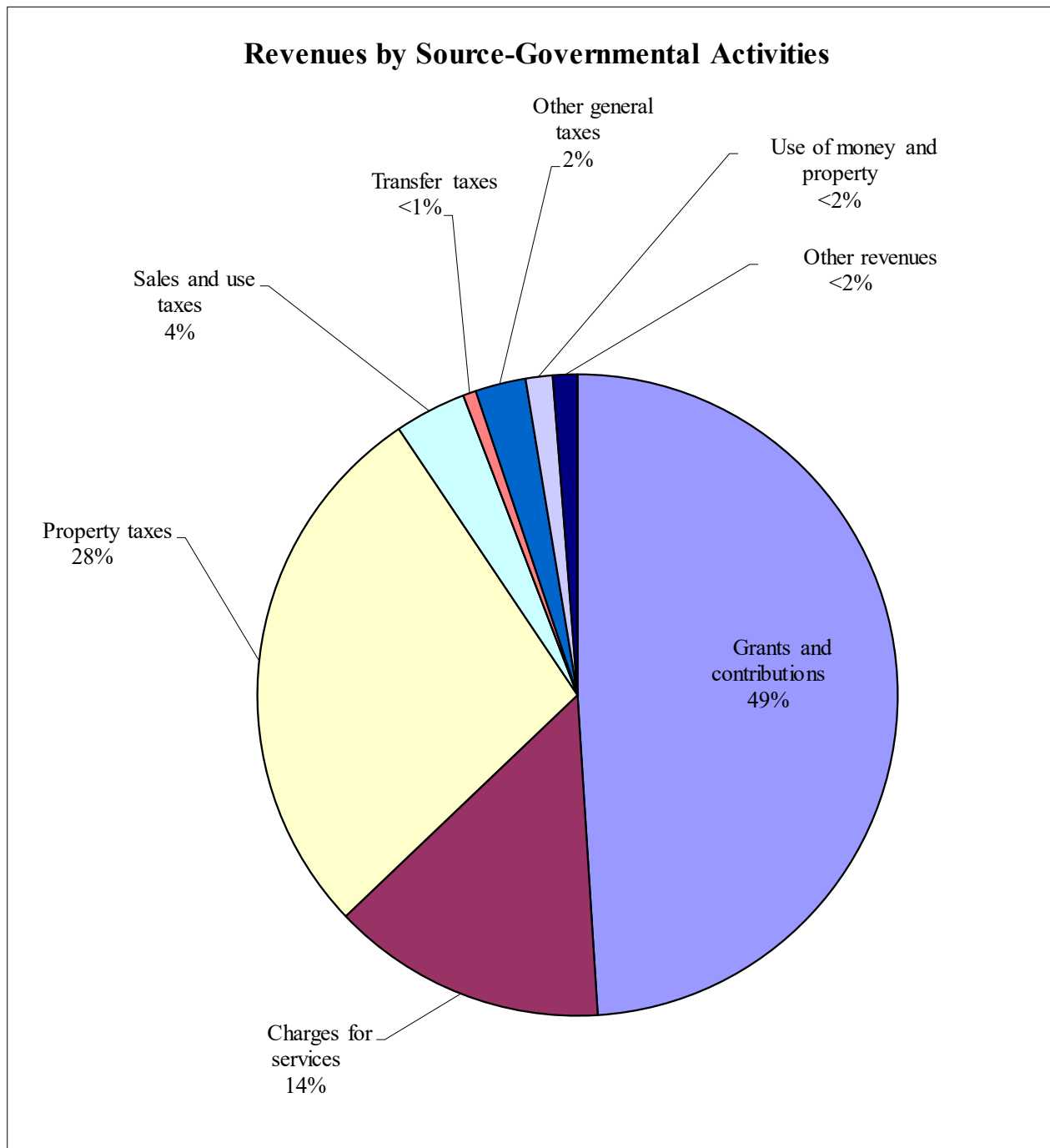
Change in Net Position						
June 30,						
(in thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues:						
Charges for services	\$ 56,426	\$ 48,846	\$ 671	\$ 647	\$ 57,097	\$ 49,493
Operating grants and contributions	192,495	186,360	--	--	192,495	186,360
Capital grants and contributions	4,850	174	460	353	5,310	527
General Revenues:						
Taxes	140,452	134,276	--	--	140,452	134,276
Use of money and property	5,520	5,765	6	1	5,526	5,766
Other revenues	5,040	6,914	4	8	5,044	6,922
Total revenues	<u>404,783</u>	<u>382,335</u>	<u>1,141</u>	<u>1,009</u>	<u>405,924</u>	<u>383,344</u>
Expenses						
General government	46,255	46,077	--	--	46,255	46,077
Public protection	151,164	138,600	--	--	151,164	138,600
Public ways and facilities	60,618	51,346	--	--	60,618	51,346
Health and sanitation	70,245	69,257	--	--	70,245	69,257
Public assistance	75,634	71,666	--	--	75,634	71,666
Education	4,155	3,630	--	--	4,155	3,630
Recreation and culture	1,744	955	--	--	1,744	955
Interest on long-term debt	1,404	305	--	--	1,404	305
Airports	--	--	1,010	1,080	1,010	1,080
Total expenses	<u>411,219</u>	<u>381,836</u>	<u>1,010</u>	<u>1,080</u>	<u>412,229</u>	<u>382,916</u>
Excess (deficiency) before special items and transfers	(6,436)	499	131	(71)	(6,305)	428
Transfers	(97)	(126)	97	126	--	--
Change in net position	<u>(6,533)</u>	<u>373</u>	<u>228</u>	<u>55</u>	<u>(6,305)</u>	<u>428</u>
Net position at beginning of year	222,573	222,200	3,505	3,450	226,078	225,650
Net position at end of year	<u>\$ 216,040</u>	<u>\$ 222,573</u>	<u>\$ 3,733</u>	<u>\$ 3,505</u>	<u>\$ 219,773</u>	<u>\$ 226,078</u>

Governmental activities. The County experienced an overall decrease in net position of \$6.3 million in 2020, compared to a \$428 thousand increase in 2019. This decrease in net position was attributable almost entirely to **governmental activities**. Specifically, the \$6.3 million decrease in net position attributable to governmental activities, resulted from a \$22.4 million or 5.9 percent increase in revenues accompanied by a \$29.4 million or 7.7 percent increase in expenses. The largest revenue increase, \$7.6 million, occurred in the charges for services category, followed by a \$6.2 million increase in taxes, a \$6.1 million increase in operating grants and contributions, and a \$4.7 million increase in capital grants and contributions. These revenue increases were offset by a \$1.9 million decrease in other revenues, and a \$245 thousand decrease in use of money and property. The \$7.6 million increase in charge for services primarily resulted from \$2.7 million increase in TIM Fee revenue, \$2.0 million increase in ambulance service revenue, \$565 thousand increase in MC&FP revenue, and \$769 thousand increase in the utility permit inspections revenue. The \$6.2 million increase in taxes was mainly the result of \$5.8 million increase in property taxes revenue. The \$6.1 million increase in operating grants and contributions was a result of the net increase of the various funding from State and Federal sources in public protection, health and sanitation, and public assistance functions, with about \$2.0 million increase in each of these functional areas. The \$1.9 million decrease in other revenues was a result of various one-time payments received last year, including Court audit, dissolution of the American River Authority, and Cost Report settlements.

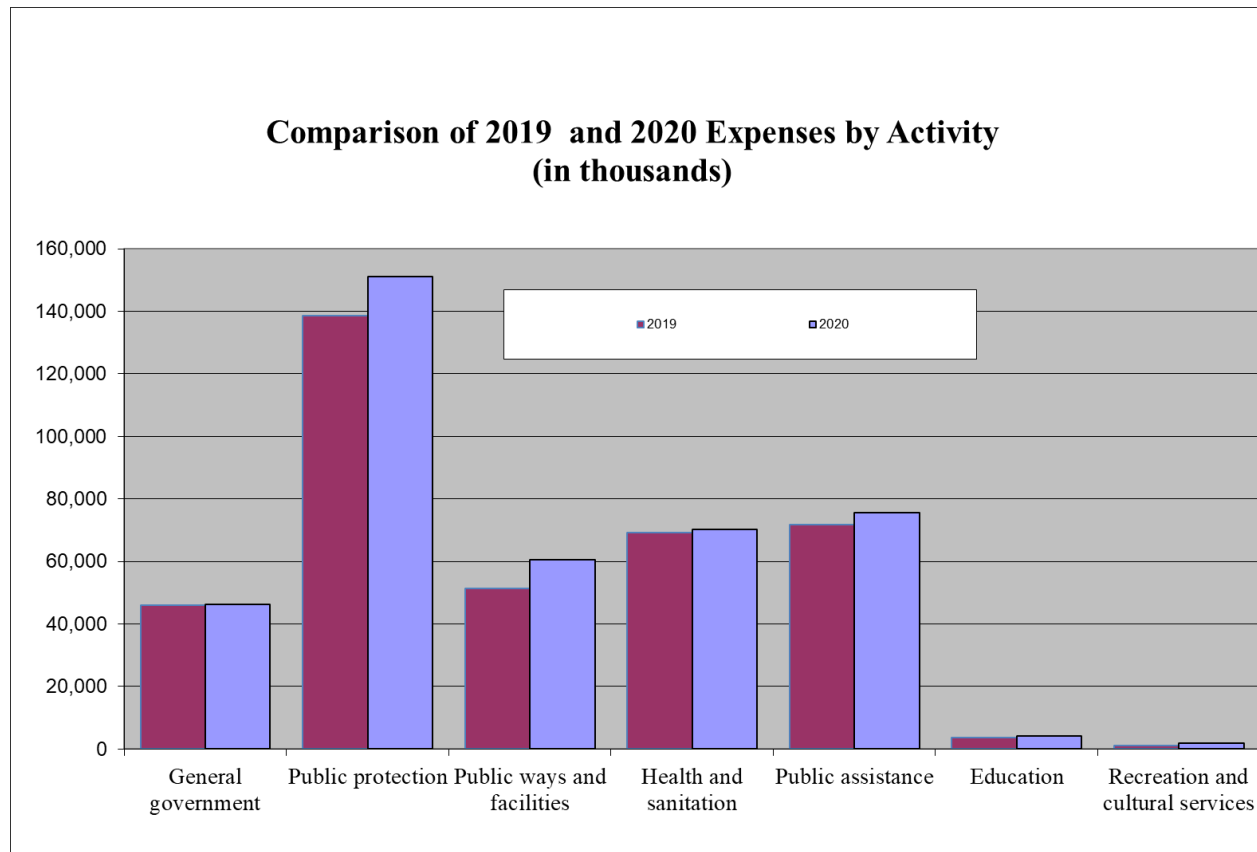
As mentioned, while total revenues increased by 5.9 percent, total expenses also increased by 7.7 percent in 2020 when compared to 2019. Further, expenses increased in all of the functional areas. While the increases in most functional areas were moderate, the increases in some functional areas were significant. For example, public protection expenses increased by \$12.6 million or 9.1 percent, primarily due to \$5.0 million increase in salaries and employee benefits, \$3.6 million increase in non-capitalizable project expenses, and \$2.9 million increase in pension and OPEB expenses compared to 2019. In addition, public ways and facilities expenses increased by \$9.3 million or 18.1 percent as a result of the \$5.1 million increase in professional services and \$3.4 million increase in other non-capitalizable project expenses. Further, public assistance expenses increased by \$4.0 million or 5.5 percent, mainly due to \$2.0 million increase in social services program expenses, and \$633 thousand increase in community services program support charges. Interest on long-term debt also increased by \$1.1 million.

All functional expenses were affected by the recognition of the total OPEB liability, the net pension liability, the deferred OPEB inflows and outflows of resources, and the deferred pension inflows and outflows of resources. The County reported total OPEB liability of \$91.0 million and annual OPEB expense of \$3.2 million in 2020. Further, the County reported net pension liability of \$364.7 million and annual pension expense of \$64.8 million in 2020.

Following is a graphical presentation of the various revenue sources at the entity-wide level. As presented, the County received most of its recognized revenues from grants and contributions (49 percent), property taxes (28 percent), and charges for services (14 percent).



Below is a graph that presents a comparison of 2020 and 2019 expenses under each of the governmental activities,



Business-type activities. Business-type activities increased the County’s net position by \$228 thousand. This net increase was the result of \$339 thousand in operating losses, offset by \$10 thousand in non-operating revenues, \$460 thousand in capital grants contribution, and transfers in of \$97 thousand. Similar to prior years, the County Airports continued to operate at a loss, \$339 thousand in 2020 compared to \$433 thousand last year.

To help finance the operations of business-type activities in 2020, County governmental funds contributed \$97 thousand to the County Airports during the year.

FINANCIAL ANALYSIS OF THE COUNTY’S FUNDS

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

Governmental funds. Governmental activities are accounted for under the general, special revenue, capital project, debt service, and permanent funds. Included in these funds are the special districts governed by the Board of Supervisors. The focus of the County’s governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the County’s short-term financing requirements. In particular, the spendable and unrestricted fund balance may serve as a useful measure of the government’s net resources available for spending at the end of the fiscal year.

As of June 30, 2020, the County's governmental funds reported a combined ending fund balance of \$278.8 million, compared to the \$259.5 million fund balance of the previous year. Approximately 38.2 percent of this fund balance, or \$106.4 million, was unrestricted and thus would be available to meet the County's current and future spending needs. The remainder of the fund balance was either not spendable or restricted for specific uses.

The General Fund is the chief operating fund of the County. As of June 30, 2020, the General Fund's spendable and unrestricted fund balance was \$69.6 million; an increase of \$9.5 million from last year's spendable and unrestricted fund balance of \$60.1 million. This increase is primarily due to the net change or increase in the General Fund's fund balance of \$9.8 million during the year.

The June 30, 2020 spendable and unrestricted fund balance, as compared to General Fund expenditures for the year, was approximately 29.4 percent compared to 26.8 percent in 2019. Thus, without any additional revenue inflows, this fund balance could support the General Fund's activities for approximately 107 days compared to 98 days last year.

In addition to the General Fund, the County maintains two major governmental funds, the Road Fund and the Public Safety Facility Loan Fund. The Road Fund accounts for the planning, design, construction, maintenance, and administration of the County's transportation activities (public ways and facilities). The Road Fund recorded revenue of \$40.7 million in 2020, compared to \$36.8 million last year. This \$3.9 million increase was primarily due to a \$1.5 million increase in intergovernmental revenue and a \$1.4 million increase in charges of services. The \$1.5 million increase in intergovernmental revenue was a result of the net increase of the funding from State and Federal sources, including \$4.4 million increase in State transportation funding, \$4.2 million increase in Federal HBRD funding, \$2.5 million decrease in Federal Congestion Mitigation Air Quality funding, \$1.6 million decrease in FEMA funding, and \$2.6 million decrease in Federal highway funding. The \$1.4 million increase in charges of services was primarily due to the \$565 thousand increase in MC&FP revenue and the \$769 thousand increase in the public utility inspections revenue. Similarly, expenditures increased from \$48.3 million in 2019 to \$57.3 million in 2020. Thus, the \$3.9 million increase in revenues, coupled with the \$9.0 million increase in expenditures resulted in a \$16.7 million deficiency of revenues under expenditures compared to \$11.5 million deficit last year. With the \$19.7 million in net transfers from other funds, the relative net change in fund balance went from a \$3.7 million increase in fiscal year 2019 to a \$3.0 million increase in 2020.

The Public Safety Facility Loan Fund is a special revenue fund established as a condition of the loan agreements between the County and the U. S. Department of Agriculture (USDA) to receive all proceeds from the USDA loans used to finance the construction of the public safety facility. In addition to the use of money and property revenues of \$239 thousand in 2020, the Public Safety Facility Loan Fund recorded the issuance of notes payable of \$16.6 million in 2020, compared to \$33.3 million last year. Similarly, the transfers out recorded in 2020 totaled \$16.8 million, compared to \$33.7 million in 2019.

The combined governmental fund balances increased by \$19.3 million during 2020, compared to a \$23.9 million increase last year. This \$4.6 million decrease to the net change in governmental fund balances was the result of 4.5 percent increase in revenues and 1.3 percent increase in expenditures in 2020 when compared to 2019, resulting in a \$3.0 million excess of revenues over expenditures in 2020, compared to a \$9.0 million deficiency of revenues under expenditures in 2019, with a \$16.3 million in other financing sources, compared to a \$32.9 million in other financing sources last year.

Proprietary funds. As described earlier, when certain activities are performed for which user fees or charges are designed to cover expenditures, proprietary funds are used. The County accounts for both governmental activities (internal service funds) and business-type activities (enterprise funds) using these types of funds.

The internal service funds include the Fleet Management and Risk Management Authority funds. In fiscal year 2020, the Fleet Management realized a net operating loss of \$227 thousand dollars, compared to a \$80 thousand of net operating income last year. The Risk Management Authority reported a net operating income of \$2.5 million dollars, compared to a net operating income of \$1.5 million dollars last year.

Business-type activities are accounted for under enterprise funds and include the County Airports; see the business-type activities section for a further discussion regarding the County Airports.

GENERAL FUND BUDGETARY ANALYSIS

Compared to the original budget, the final amended budgeted amounts available for appropriations (and budgeted appropriations) increased by \$6.2 million, or 2.0 percent. The largest of the amounts available for appropriations budget modifications included:

- \$2.5 million decrease in budgetary fund balances,
- \$1.7 million increase in State intergovernmental revenues,
- \$3.0 million increase in Federal intergovernmental revenues, and
- \$2.9 million increase in other financing sources.

The largest expenditure budget modifications included:

- \$1.0 million increase to the Elections appropriation, including \$771 thousand increase in services and supplies, \$943 thousand increase in fixed assets, and \$731 thousand decrease in other financing uses,
- \$2.1 million increase to the Other General appropriation, including \$515 thousand increase in services and supplies, and \$1.2 million increase in intrafund transfers,
- \$3.8 million increase to the Other General SR – Fund appropriation, including \$3.5 million increase in other financing uses,
- \$1.1 million increase to the Public Health appropriation, including \$692 thousand increase in salaries and employee benefits, and \$242 thousand increase in services and supplies,
- \$912 thousand increase to the Recreation appropriation, including \$674 thousand increase in services and supplies, and
- \$7.3 million decrease to the Contingency for the appropriation for contingencies.

The overall variances between final resources budgeted and the actual amounts available for appropriations were significant, with a negative or deficit variance of \$32.2 million or 10.1 percent. Specifically, compared to the final amounts available for appropriations budget of \$318.9 million, actual funding equaled \$286.7 million. This variance included the following:

- \$2.4 million over budget in taxes and assessments,
- \$1.4 million over budget in fines, forfeitures and penalties,
- \$21.6 million under budget in State intergovernmental revenues,
- \$6.2 million under budget in Federal intergovernmental revenues,
- \$1.5 million under budget in charges for services, and
- \$6.9 million under budget in other financing sources.

The differences between the budgeted and actual expenditures, not including contingency, were significant. Specifically, expenditures fell \$55.1 million or 17.7 percent below the final budget. Variances occurred under each of the functions, whereby departments' expenditures fell below projections, the most significant of which included:

- General Government – Actual expenditures fell below final budget by \$15.4 million or 21.0 percent. While most of the general government operating units had expenditures that fell below their final budget, some showed considerable differences whereby actual expenditures fell below budget by \$500 thousand or more, including Elections, County Promotion, Information Services and Support, Other General, and Other General – SR Fund. The only operating unit that exceeded its final budget was the Building and Grounds.
- Public Protection – Actual expenditures fell below final budget by \$33.6 million or 20.6 percent. Most of the departments under public protection fell below their budgets, with many departments falling significantly below budget (budget exceeded actual expenditures by over \$500 thousand) including District Attorney, Child Support Services, Sheriff, Jail, Probation, Building Inspector, Emergency Services, Planning and Zoning, and Animal Control. The departments that exceeded their final budget included the Central Dispatch and the Coroner.
- Health and Sanitation – Actual expenditures fell below budget by \$610 thousand or 17.1 percent, mostly due to the Public Health, which fell below budget by \$543 thousand.
- Public Assistance – Actual expenditures fell below final budget by \$3.9 million or 6.1 percent, mostly due to the Welfare Administration and the Categorical Aids, which fell below budget by \$2.9 million and \$1.1 million, respectively. The departments that exceeded their final budget included the Social Services Programs and the Aid to the Indigents.
- Education – County Library fell under budget by \$218 thousand or 5.7 percent, with services and supplies making up the majority, followed by salaries and benefits, and intrafund transfers.
- Recreational and Cultural Services – Actual expenditures fell below budget by \$1.3 million or 46.7 percent, mostly due to the Recreation, which fell below budget by \$1.3 million.

In general, both General Fund inflows and outflows fell below budget. Specifically, actual revenues, not including budgetary fund balance, fell \$32.2 million or 10.8 percent under budget while expenditures, not including contingency, fell \$55.1 million or 17.7 percent under budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The County's net investment in capital assets for its governmental and business-type activities as of June 30, 2020 amounts to \$377.0 million, specifically, capital assets of \$428.9 million net of related debt of \$51.9 million. The County's capital assets include land and improvements, construction in progress, infrastructure, intangible assets, structures and improvements, and equipment. Additions to capital assets totaled \$52.8 million in 2020.

Major capital asset additions during the current fiscal year included the following:

- \$23.6 million in additions to construction in progress,
- \$935 thousand in new road construction, including \$397 thousand for the Silver Springs Parkway, and \$166 thousand for the Diamond Springs Parkway,
- \$14.3 million in road reconstruction, including \$2.2 million for the Bassi Road at Granite Creek Bridge Replacement, \$1.1 million for the Greenstone Road at Slate Creek Bridge Replacement, \$1.9 million for the Hazel Valley Road at EID Canal Bridge Replacement, \$2.2 million for the Mosquito Road Bridge/South Fork American River Bridge Replacement, and \$3.1 million for the Sly Park Road/Clear Creek Crossing Bridge Rehab,
- \$616 thousand for signals, safety devices, and road lighting, including \$383 thousand for the Industrial Drive/Missouri Flat Road Signalization,
- \$1.1 million for pedestrian ways and bike paths, including \$856 thousand for the El Dorado Hills Boulevard Class 1 Bike Path,
- \$351 thousand for storm drains, including \$285 thousand for the Country Club Heights Area 1 Erosion Control Project,

- \$322 thousand for storm damage construction, including \$209 thousand for White Meadows Road Slide,
- \$1.6 million in additions to the intangible assets, including \$1.5 million in right of way acquisition, and \$126 thousand in commercially available computer software acquisition through licensing agreements,
- \$3.0 million in additions to the structures and improvements, and
- \$7.0 million in additions to the equipment, including \$1.3 million in general government equipment, \$1.5 million in law enforcement equipment, \$2.7 million in road construction and maintenance equipment, and \$1.3 million of new vehicle purchases by Fleet Management.

Additional information on the County's capital assets can be found in note 4 in the notes to the financial statements.

Debt Administration and Long-Term Debt. As of June 30, 2020 the County's outstanding long-term debt totaled \$58.3 million. The components of this obligation consisted of the software licensing agreements totaling \$828 thousand, and notes payable associated with the Housing and Urban Development (HUD) Home program (\$6 million), HUD State Community Development Block Grant (CDBG) Program (\$483 thousand), and the U.S. Department of Agriculture (USDA) Rural Development Loans (\$51.1 million).

In 2016, the County entered into six loan agreements with the USDA Rural Development Program in an aggregate amount not to exceed \$57,140,000. The purpose of the loans was to fund the development and construction of a new public safety facility in Diamond Springs. The principal outstanding at June 30, 2020 is \$51,053,195.

Additional information on the County's long-term debt can be found in note 6 in the notes to the financial statements.

OTHER LONG-TERM OBLIGATIONS

In addition to long-term debt, as of June 30, 2020, the County had other long-term liabilities of \$509.8 million associated with compensated absences (\$18.0 million), landfill closure (\$19.4 million), self-insurance (\$16.7 million), other post-employment benefits (\$91.0 million), and pension benefits (\$364.7 million). Additional information on the County's long-term obligations follows.

Post Employment Retirement Benefits.

The County has contractually obligated itself with various labor organizations to provide post employment retirement benefits to its employees and former employees. As a result, the County has assumed significant obligations to its retirees and future retirees. These obligations are described in the notes to the financial statements.

The County has two pension plans: the miscellaneous plan and the safety plan. As prescribed by GASB Statement No. 68, the County reported net pension liability of \$222.7 million for its miscellaneous plan and \$142.0 million for its safety plan as of June 30, 2020.

Further, the Retiree's Health obligation has been presented as a liability on the County's financial statements as prescribed by GASB Statement No. 75. In prior fiscal years this OPEB obligation was partially funded in addition to pay-as-you-go via the Retiree Health internal service rates charges to the various County departments and programs. In fiscal year 2010 this practice was discontinued and the County reverted back to a pay-as-you-go basis. As a pay-as-you-go administered program, none of the additional costs were passed to the County funds, programs, or restricted funding sources via the internal service fund rates. While this pay-as-you-go funding reduced the expenditures incurred at the fund level, these liabilities and expenses are recognized in the government-wide level. Specifically, as of June 30, 2020, the County recognized total other post-employment benefits (OPEB) liability of \$91.0 million. This liability was based on the assumption that the Board of Supervisors has enforced and will continue to enforce a cap on the County's contribution. Because the Retiree's Health benefit plan is a defined benefit plan, generally accepted accounting principles required that the County recognize its retiree's health obligation without the cap limitation until it was enforced by the Board of Supervisors and began to impact the pattern of shared costs. The Board of Supervisors voted to enforce the cap in fiscal year 2012. The effect on benefits of the Retiree Health defined benefit plan was that the County's share of benefit costs has been reduced. The Retiree's Health plan has no assets held in a qualifying trust. However, the County has charged departments and programs to set aside cash to fund this obligation, which as of June 30, 2020 and 2019 totaled \$12,948,844 and \$12,644,059, respectively.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the El Dorado County Auditor-Controller, 360 Fair Lane, Placerville, California 95667.

Respectfully submitted,

Joe Harn
El Dorado County Auditor-Controller

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COUNTY OF EL DORADO
STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government		Total	Component Units
	Governmental Activities	Business-Type Activities		
Assets				
Cash and investments	\$ 298,355,377	\$ 2,374	\$ 298,357,751	\$ 7,294,225
Restricted cash and investments	2,983,954	-	2,983,954	1,815,553
Accounts receivable	6,369,298	6,479	6,375,777	46,369
Interest receivable	709,908	-	709,908	4,279
Notes receivable	10,962,114	-	10,962,114	-
Due from other governments	38,093,326	409,269	38,502,595	6,672,257
Inventories and prepayments	6,033,204	90,776	6,123,980	274,964
Internal balances	31,000	(31,000)	-	-
Net OPEB assets	-	-	-	20,584
Capital assets				
Nondepreciable assets	64,292,766	1,178,857	65,471,623	2,402,367
Depreciable, net	361,199,509	2,182,572	363,382,081	11,083,444
Total Assets	789,030,456	3,839,327	792,869,783	29,614,042
Deferred Outflows of Resources				
Deferred outflows related to pensions	53,237,927	-	53,237,927	1,172,290
Deferred outflows related to OPEB	7,448,636	-	7,448,636	104,735
Total Deferred Outflows of Resources	60,686,563	-	60,686,563	1,277,025
Liabilities				
Accounts payable	20,215,930	100,878	20,316,808	725,761
Accrued expenses	-	-	-	148,850
Accrued salaries and benefits	5,129,935	5,295	5,135,230	4,088
Accrued interest payable	1,621,977	-	1,621,977	-
Due to other governments	-	-	-	873,261
Unearned revenue	6,963,903	-	6,963,903	5,238,613
Retainage Payable	-	-	-	13,126
Long-term liabilities:				
Other liabilities	-	-	-	51,127
Total OPEB liability				
Due within one year	2,381,000	-	2,381,000	-
Due beyond one year	88,585,859	-	88,585,859	-
Liability for self-insurance				
Due within one year	3,423,226	-	3,423,226	-
Due beyond one year	13,297,774	-	13,297,774	-
Liability for landfill closure and post-closure				
Due beyond one year	19,437,718	-	19,437,718	-
Net pension liability				
Due beyond one year	364,685,927	-	364,685,927	3,644,956
Long-term debt				
Due within one year	587,954	-	587,954	237,742
Due beyond one year	57,750,784	-	57,750,784	564,825
Compensated Absences				
Due within one year	1,399,042	38	1,399,080	315,285
Due beyond one year	16,596,460	435	16,596,895	284,034
Net OPEB liability due beyond one year	-	-	-	140,558
Total Liabilities	602,077,489	106,646	602,184,135	12,242,226
Deferred Inflows of Resources				
Deferred inflows related to pensions	7,113,508	-	7,113,508	204,602
Deferred inflows related to OPEB	24,486,208	-	24,486,208	93,882
Total Deferred Inflows of Resources	31,599,716	-	31,599,716	298,484
Net Position				
Net investment in capital assets	373,611,515	3,361,429	376,972,944	12,683,244
Restricted for				
Capital projects	32,747,853	-	32,747,853	-
Public safety	37,334,560	-	37,334,560	-
Community resources and public facilities	34,638,345	-	34,638,345	2,444,770
Health and public assistance	30,412,951	-	30,412,951	-
General government and support programs	12,298,296	-	12,298,296	-
Other purposes	1,557,844	-	1,557,844	1,960,534
Unrestricted	(306,561,550)	371,252	(306,190,298)	1,261,809
Total Net Position	\$ 216,039,814	\$ 3,732,681	\$ 219,772,495	\$ 18,350,357

See accompanying Notes to Basic Financial Statements.

**COUNTY OF EL DORADO
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Government activities:				
General government	\$ 46,254,840	\$ 11,417,364	\$ 12,826,883	\$ 3,092,405
Public protection	151,163,498	14,587,729	37,016,036	150,000
Public ways and facilities	60,618,019	13,549,580	38,699,415	142,906
Health and sanitation	70,245,373	15,503,807	35,876,522	167,400
Public assistance	75,634,029	750,066	67,408,776	1,213,745
Education	4,155,044	380,790	298,347	-
Recreation and cultural services	1,744,167	237,137	369,084	83,613
Debt Service:				
Interest and fiscal charges on long-term debt	1,404,130	-	-	-
Total governmental activities	411,219,100	56,426,473	192,495,063	4,850,069
Business-type activities:				
Airports	1,009,924	670,966	-	459,970
Total business-type activities	1,009,924	670,966	-	459,970
Total Primary Government	\$ 412,229,024	\$ 57,097,439	\$ 192,495,063	\$ 5,310,039
Component Units:				
El Dorado County Transit Authority	\$ 9,831,838	\$ 1,243,873	\$ 7,140,257	\$ 1,681,429
Children and Families Commission	2,292,295	-	2,157,216	-
El Dorado County Transportation Commission	9,417,037	-	1,790,864	-
Total Component Units	\$ 21,541,170	\$ 1,243,873	\$ 11,088,337	\$ 1,681,429

General Revenues:
Taxes:
Property
Sales and use
Transfer taxes
Cannabis activities taxes
Other general taxes
Unrestricted interest and investment earnings
Other revenues (expenses)
Transfers

Total General Revenues and Transfers

Change in Net Position

Net position - July 1

Net position - June 30

See accompanying Notes to Basic Financial Statements.

Net (Expense) Revenue and
Changes in Net Position
Primary Government

Governmental Activities	Business-Type Activities	Total	Component Units
\$ (18,918,188)	\$ -	\$ (18,918,188)	
(99,409,733)	-	(99,409,733)	
(8,226,118)	-	(8,226,118)	
(18,697,644)	-	(18,697,644)	
(6,261,442)	-	(6,261,442)	
(3,475,907)	-	(3,475,907)	
(1,054,333)	-	(1,054,333)	
(1,404,130)	-	(1,404,130)	
(157,447,495)	-	(157,447,495)	
-	121,012	121,012	
-	121,012	121,012	
(157,447,495)	121,012	(157,326,483)	
			\$ 233,721
			(135,079)
			(7,626,173)
			<u>(7,527,531)</u>
112,456,337	-	112,456,337	-
14,697,522	-	14,697,522	7,247,202
2,670,387	-	2,670,387	-
269,012	-	269,012	-
10,358,379	-	10,358,379	-
5,520,361	5,577	5,525,938	88,798
5,039,939	3,700	5,043,639	67,811
(97,405)	97,405	-	-
150,914,532	106,682	151,021,214	7,403,811
(6,532,963)	227,694	(6,305,269)	(123,720)
222,572,777	3,504,987	226,077,764	18,474,077
\$ 216,039,814	\$ 3,732,681	\$ 219,772,495	\$ 18,350,357

See accompanying Notes to Basic Financial Statements.

**COUNTY OF EL DORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020**

	General Fund	Road Fund	Public Safety Facility Loan Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 61,957,594	\$ 8,091,463	\$ -	\$ 182,874,797	\$ 252,923,854
Restricted cash and investments	-	83,776	-	2,900,178	2,983,954
Accounts receivable	1,526,269	1,304,176	-	3,508,288	6,338,733
Notes receivable	-	-	-	10,962,114	10,962,114
Due from other funds	4,555,103	-	-	6,842,972	11,398,075
Due from other governments	12,312,584	4,677,315	6,323,626	14,779,801	38,093,326
Advances to other funds	430,000	-	-	-	430,000
Inventories	-	422,037	-	129,827	551,864
Prepaid expenses	1,711,838	41,793	-	1,072,009	2,825,640
Total Assets	\$ 82,493,388	\$ 14,620,560	\$ 6,323,626	\$ 223,069,986	\$ 326,507,560
Liabilities					
Accounts payable	\$ 4,783,687	\$ 7,526,538	\$ -	\$ 7,001,336	\$ 19,311,561
Salaries and benefits payable	4,138,452	385,477	-	584,137	5,108,066
Due to other funds	-	-	6,323,626	5,043,449	11,367,075
Advances from other funds	-	-	-	430,000	430,000
Unearned revenue	784,985	110,982	-	6,067,936	6,963,903
Total Liabilities	9,707,124	8,022,997	6,323,626	19,126,858	43,180,605
Deferred Inflows of Resources					
Unavailable revenue	\$ 1,009,621	\$ 214,850	\$ -	\$ 3,296,618	\$ 4,521,089
Fund Balances					
Nonspendable	2,141,838	463,830	-	4,700,301	7,305,969
Restricted	-	5,918,883	-	159,188,711	165,107,594
Committed	32,317,083	-	-	18,393,839	50,710,922
Assigned	1,426,158	-	-	18,948,055	20,374,213
Unassigned	35,891,564	-	-	(584,396)	35,307,168
Total Fund Balances	71,776,643	6,382,713	-	200,646,510	278,805,866
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 82,493,388	\$ 14,620,560	\$ 6,323,626	\$ 223,069,986	\$ 326,507,560

See accompanying Notes to Basic Financial Statements.

**COUNTY OF EL DORADO
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
JUNE 30, 2020**

Fund balances - total governmental funds	\$ 278,805,866
Amounts reported for governmental activities in the statement of net position are different because:	
Long-term interest receivables are not financial resources and therefore are not reported in the governmental funds.	709,908
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the governmental funds.	417,321,387
Unavailable revenues are not available to pay for current period expenditures, and therefore, are deferred inflows of resources in the governmental funds.	4,521,089
Deferred outflows of resources related to OPEB and pensions reported in statement of net position	60,686,563
Internal service funds are used by the County to charge the cost of self-insurance risk management and management of fleet maintenance to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included in governmental activities in the statement of net position. The net position of internal service funds is:	38,558,047
Interest payable on long-term debt does not require the use of current financial resources and, therefore, is not accrued as a liability in the governmental funds.	(1,621,977)
Deferred inflows of resources related to OPEB and pensions reported in statement of net position	(31,599,716)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.	
Notes payable	(57,511,173)
Software licensing agreement liability	(827,565)
Compensated absences	(17,912,111)
Liability for landfill closure and post-closure	(19,437,718)
Net pension liability	(364,685,927)
Total OPEB liability	<u>(90,966,859)</u>
Net position of governmental activities	<u>\$ 216,039,814</u>

See accompanying Notes to Basic Financial Statements.

COUNTY OF EL DORADO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	<u>General Fund</u>	<u>Road Fund</u>	<u>Public Safety Facility Loan Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Taxes	\$ 120,626,321	\$ 28,976	\$ -	\$ 19,862,161	\$ 140,517,458
Licenses, permits and franchises	11,498,455	1,087,431	-	1,027,741	13,613,627
Intergovernmental revenues	68,798,641	37,393,272	-	88,554,183	194,746,096
Use of money and property	1,440,614	(178,444)	238,693	3,241,574	4,742,437
Charges for services	10,473,946	1,578,953	-	29,664,079	41,716,978
Fines, forfeits and penalties	2,279,950	-	-	1,069,238	3,349,188
Miscellaneous revenues	1,997,840	650,198	-	1,404,617	4,052,655
Other revenues	252,163	100,375	-	-	352,538
Total Revenues	217,367,930	40,660,761	238,693	144,823,593	403,090,977
Expenditures					
Current					
General government	38,876,541	-	-	584,618	39,461,159
Public protection	126,413,500	-	-	6,813,456	133,226,956
Public ways and facilities	-	51,016,904	-	1,146,565	52,163,469
Health and sanitation	2,620,590	-	-	64,057,954	66,678,544
Public assistance	60,352,110	-	-	11,834,982	72,187,092
Education	3,627,470	-	-	-	3,627,470
Recreation and cultural services	1,486,350	-	-	-	1,486,350
Debt Service	-	-	-	589,373	589,373
Interest	-	-	-	589,373	589,373
Capital Outlay	3,256,017	6,315,107	-	21,098,127	30,669,251
Total Expenditures	236,632,578	57,332,011	-	106,125,075	400,089,664
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,264,648)	(16,671,250)	238,693	38,698,518	3,001,313
Other Financing Sources (Uses)					
Issuance of notes payable	-	-	16,589,421	-	16,589,421
Software licensing agreements	125,600	-	-	-	125,600
Transfers in	39,160,244	19,829,839	-	28,811,491	87,801,574
Transfers out	(10,189,905)	(163,014)	(16,828,114)	(61,052,510)	(88,233,543)
Total Other Financing Sources (Uses)	29,095,939	19,666,825	(238,693)	(32,241,019)	16,283,052
Net Change in Fund Balances	9,831,291	2,995,575	-	6,457,499	19,284,365
Fund Balances - Beginning of Year	61,945,352	3,387,138	-	194,189,011	259,521,501
Fund Balances - End of Year	\$ 71,776,643	\$ 6,382,713	\$ -	\$ 200,646,510	\$ 278,805,866

See accompanying Notes to Basic Financial Statements.

COUNTY OF EL DORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2020

Net change in fund balances - total governmental funds	\$	19,284,365
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Government funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlays	\$ 48,119,504	
Depreciation	<u>(30,870,737)</u>	17,248,767
<p>Disposal of capital assets: proceeds from the sale of capital assets are a financial resource in governmental funds, but only the net gain or loss is presented in the statement of activities.</p>		
		(990,532)
<p>Because long-term receivables will not be collected within the year, they are reported as deferred inflows of resources in the governmental funds. Unavailable revenues decreased by this amount this year:</p>		
		(2,592,952)
<p>Because long-term interest receivables will not be collected within the year, they are not considered available resources and are not reported in governmental funds. Long-term interest receivables increased by this amount:</p>		
		104,490
<p>Resources from debt issuance are recognized as inflows in governmental funds, but are reported as increases to liabilities in the statement of net position.</p>		
		(16,589,421)
<p>Some revenues reported in the statement of activities do not result in the increase of current financial resources and, therefore, are not reported as revenues in governmental funds.</p>		
Donated capital assets		2,894,846
<p>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.</p>		
Change in compensated absences		(1,559,565)
Change in accrued interest payable		(814,757)
Change in software licensing agreement liability		429,629
Change in liability for closure and post-closure		(746,336)
Change in net pension liability and deferred inflows/outflows related to pensions		(27,145,470)
Change in total OPEB liability and deferred inflows/outflows related to OPEB		26,607
<p>Internal service funds are used by the County to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.</p>		
		<u>3,917,366</u>
Change in net position of governmental activities	\$	<u>(6,532,963)</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF EL DORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020**

	<u>Business - Type Activities</u>		<u>Governmental Activities</u>
	<u>County Airports</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
Assets			
Current Assets:			
Cash and investments	\$ 2,374	\$ 2,374	\$ 45,431,523
Accounts receivable	6,479	6,479	30,565
Due from other governments	409,269	409,269	-
Deposits	59,406	59,406	83,100
Inventories	31,370	31,370	31,349
Prepaid expenses	-	-	2,541,251
Total Current Assets	<u>508,898</u>	<u>508,898</u>	<u>48,117,788</u>
Noncurrent Assets:			
Capital Assets:			
Land	319,665	319,665	40,000
Construction in progress	859,192	859,192	-
Structures and improvements	9,517,650	9,517,650	213,088
Equipment	43,703	43,703	13,865,883
Accumulated depreciation	(7,378,781)	(7,378,781)	(5,948,083)
Total Capital Assets, Net of Accumulated Depreciation	<u>3,361,429</u>	<u>3,361,429</u>	<u>8,170,888</u>
Total Assets	<u>3,870,327</u>	<u>3,870,327</u>	<u>56,288,676</u>
Liabilities			
Current Liabilities			
Accounts payable	100,878	100,878	904,369
Salaries and benefits payable	5,295	5,295	21,869
Due to other funds	31,000	31,000	-
Liability for self-insurance	-	-	3,423,226
Compensated absences - due in one year	38	38	6,671
Total Current Liabilities	<u>137,211</u>	<u>137,211</u>	<u>4,356,135</u>
Noncurrent Liabilities			
Liability for self-insurance	-	-	13,297,774
Compensated absences - due beyond one year	435	435	76,720
Total Noncurrent Liabilities	<u>435</u>	<u>435</u>	<u>13,374,494</u>
TOTAL LIABILITIES	<u>137,646</u>	<u>137,646</u>	<u>17,730,629</u>
Net Position			
Net investment in capital assets	3,361,429	3,361,429	8,170,888
Restricted	-	-	2,568,822
Unrestricted	371,252	371,252	27,818,337
Total Net Position (Deficit)	<u>\$ 3,732,681</u>	<u>\$ 3,732,681</u>	<u>\$ 38,558,047</u>

See accompanying Notes to Basic Financial Statements.

COUNTY OF EL DORADO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020

	<u>Business -Type Activities</u>		<u>Governmental Activities</u>
	<u>County Airports</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
Operating Revenues			
Service fees	\$ 670,966	\$ 670,966	\$ 41,679,299
Total Operating Revenues	<u>670,966</u>	<u>670,966</u>	<u>41,679,299</u>
Operating Expenses			
Salaries and benefits	257,141	257,141	1,060,925
Services and supplies	473,824	473,824	37,412,758
Depreciation	278,959	278,959	968,298
Total Operating Expenses	<u>1,009,924</u>	<u>1,009,924</u>	<u>39,441,981</u>
Operating Income (Loss)	<u>(338,958)</u>	<u>(338,958)</u>	<u>2,237,318</u>
Non-Operating Revenues (Expenses)			
Interest income	5,577	5,577	673,434
Gain (Loss) on sale of fixed assets	-	-	(43,583)
Miscellaneous nonoperating revenue	3,700	3,700	687,705
Total Non-Operating Revenues (Expenses)	<u>9,277</u>	<u>9,277</u>	<u>1,317,556</u>
Income (Loss) Before Transfers and Capital Contributions	<u>(329,681)</u>	<u>(329,681)</u>	<u>3,554,874</u>
Transfers In (Out) and Capital Contributions			
Transfers in	97,405	97,405	334,564
Capital contributions (deductions)	459,970	459,970	27,928
Total Transfers and Capital Contributions	<u>557,375</u>	<u>557,375</u>	<u>362,492</u>
Change in Net Position	227,694	227,694	3,917,366
Net Position - Beginning of Year	<u>3,504,987</u>	<u>3,504,987</u>	<u>34,640,681</u>
Net Position - End of Year	<u>\$ 3,732,681</u>	<u>\$ 3,732,681</u>	<u>\$ 38,558,047</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF EL DORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020**

	<u>Business -Type Activities</u>		<u>Governmental Activities</u>
	<u>County Airports</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
Cash Flows From Operating Activities:			
Cash receipts from customers	\$ 671,605	\$ 671,605	\$ -
Cash receipts from interfund services provided	-	-	41,650,734
Cash paid to suppliers for goods and services	(424,601)	(424,601)	(39,867,036)
Cash paid to employees for salaries and benefits	(270,149)	(270,149)	(1,034,100)
Net cash provided (used) by operating activities	<u>(23,145)</u>	<u>(23,145)</u>	<u>749,598</u>
Cash Flows From Noncapital Financing Activities:			
Cash received from (paid to) other funds	128,405	128,405	218,564
Non-operating receipts	3,700	3,700	687,705
Net cash provided (used) by noncapital financing activities	<u>132,105</u>	<u>132,105</u>	<u>906,269</u>
Cash Flows From Capital and Related Financing Activities:			
Proceeds from sale of capital assets	-	-	81,393
Payments related to the acquisition of capital assets	(462,443)	(462,443)	(1,317,079)
Capital contributions	168,968	168,968	-
Net cash provided (used) by capital and related financing activities	<u>(293,475)</u>	<u>(293,475)</u>	<u>(1,235,686)</u>
Cash Flows From investing Activities:			
Interest received (paid)	5,577	5,577	673,434
Net cash provided (used) by investing activities	<u>5,577</u>	<u>5,577</u>	<u>673,434</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(178,938)</u>	<u>(178,938)</u>	<u>1,093,615</u>
Cash and Cash Equivalents, Beginning of Year	<u>181,312</u>	<u>181,312</u>	<u>44,337,908</u>
Cash and Cash Equivalents, End of year	<u>\$ 2,374</u>	<u>\$ 2,374</u>	<u>\$ 45,431,523</u>

Continued

See accompanying Notes to Basic Financial Statements.

**COUNTY OF EL DORADO
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020**

	<u>Business -Type Activities</u>		<u>Governmental Activities</u>
	<u>County Airports</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (338,958)	\$ (338,958)	\$ 2,237,318
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	278,959	278,959	968,298
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	639	639	(28,565)
Inventory	(1,496)	(1,496)	(2,341)
Deposits and prepaid expenses	26,335	26,335	(92,403)
Increase (decrease) in:			
Accounts payable	24,384	24,384	(202,534)
Salaries payable	509	509	4,632
Liability for compensated absences	(13,517)	(13,517)	22,193
Liability for self-insurance	-	-	(2,157,000)
Net Cash Provided (Used) by Operating Activities	<u>\$ (23,145)</u>	<u>\$ (23,145)</u>	<u>\$ 749,598</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF EL DORADO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020**

	Investment Trust Funds	Agency Funds
Assets		
Cash and investments	\$ 218,088,804	\$ 7,344,555
Interest receivable	1,836,966	57,399
Taxes receivable	-	24,941,199
	<u>219,925,770</u>	<u>32,343,153</u>
Liabilities		
Accounts payable	2,430,698	1,874,701
Salaries and benefits payable	742,041	-
Fiduciary liabilities	-	30,468,452
	<u>3,172,739</u>	<u>32,343,153</u>
Net Position		
Net position held in trust for external pool participants	216,753,031	-
	<u>\$ 216,753,031</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF EL DORADO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2020**

	Investment Trust Funds
Additions:	
Contributions to investment pool	\$ 1,449,545,481
Interest and investment income	<u>4,298,212</u>
Total Additions	<u><u>1,453,843,693</u></u>
Deductions:	
Distributions from investment pool	<u>1,460,761,571</u>
Total Deductions	<u><u>1,460,761,571</u></u>
Changes in Net Position	(6,917,878)
Net Position - Beginning	<u>223,670,909</u>
Net Position - Ending	<u><u>\$ 216,753,031</u></u>

See accompanying Notes to Basic Financial Statements.

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COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Reporting Entity

The County of El Dorado (the "County") is a political subdivision of the State of California (the "State"). As such, it can exercise the powers specified by the Constitution and statutes of the State. The County's powers are exercised through a Board of Supervisors (the "Board"), which acts as the governing body of the County. The Board is responsible for the legislative and executive control of the County. The County provides various services on a countywide basis including law and justice, education, detention, social, health, road construction, road maintenance, transportation, park and recreation facilities, elections and records, communications, planning, zoning and tax collection.

The governmental reporting entity consists of the County (Primary Government) and its component units. Component units are legally separate organizations for which the Board is financially accountable or other organizations whose nature and significant relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The following circumstances set forth the County's financial accountability for a legally separate organization.

- The County is financially accountable if it appoints a voting majority of the organization's governing body *and* (1) it is able to impose its will on that organization *or* (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County.
- The County is financially accountable if an organization is fiscally dependent on *and* there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

The financial statements include both blended and discretely presented component units. The blended component units, although legally separate entities, are in substance, part of the County's operations and so data from these units are combined with data of the primary government. The discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County. For financial reporting purposes, the County's basic financial statements include all financial activities that are controlled by or are dependent upon activities taken by the County's Board. Financial information on these component units may be obtained from the County Auditor-Controller's Office.

Blended Component Units: The following component units are blended into the County's financial statements because the governing board members are substantively the same as the County Board of Supervisors and the County's management has operational responsibility for these component units.

- The County Service Areas are separate legal entities created to provide services such as water, sewer, lighting and road maintenance throughout the County.
- The Air Quality Management District was established as a separate legal entity to maintain and improve the County's air quality.
- The In-Home Supportive Services Public Authority was created for the purpose of collective bargaining for in-home supportive services (IHSS) providers.
- The El Dorado County Housing Authority was formed to issue certificates and vouchers for Section 8 housing.

COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

A. **Description of the Reporting Entity** (continued)

Blended Component Units: (continued)

- The El Dorado County Bond Authority was established pursuant to a joint exercise of powers agreement between the County and the El Dorado Redevelopment Agency to obtain financing for public capital improvements.
- The El Dorado Hills Business Park Light and Landscape District was formed to provide lighting and landscaping to the business park in El Dorado Hills.

The following component unit is blended into the County's financial statements because its total debt outstanding, if any, is expected to be repaid entirely or almost entirely with the County's resources.

- The County Water Agency is a separate legal entity formed to provide water service within the County.

Discretely Presented Component Units: The following component units are discretely presented because their governing boards are not substantively the same as that of the County and they do not meet other criteria as blending component units.

- The Children and Families Commission of El Dorado County (the Commission) was established in December 1998, under the authority of the California Children and Families First Act of 1998 and sections 130100, et seq. of the Health and Safety Code. The County Board appointed all members of the Commission. The Board can remove appointed members at will. The Commission accounts for receipts and disbursements of California Children and First Families Trust Fund (Proposition 10) allocations and appropriations for the Commission.
- The El Dorado County Transit Authority (EDCTA) was established pursuant to a joint exercise of powers agreement by and between the County and the City of Placerville to provide transit services. The County Board appoints three of the five EDCTA board members.
- The El Dorado County Transportation Commission (EDCTC) was created pursuant to Section 29532(b) of the California Government Code as a local transportation commission for the western slope of the County in 1975 to administer transportation planning and allocate the funds in accordance with the Transportation Development Act. Provided by the law change through California Assembly Bill No. 1204, the County Board appoints four of the seven EDCTC voting board members.

The reporting entity excludes certain separate legal entities which may have "El Dorado" in their title, or which are required to keep their funds in the County Treasury or receive their tax apportionment from the County. Examples are school districts and a variety of special purpose districts for fire protection, recreation and parks, etc. These entities are autonomous organizations with their own governmental powers and constituencies over which the County Board has no oversight responsibility. Accordingly, they are not included in the accompanying combined financial statements, except as to their assets held by the County (principally cash and investments held by the County Treasury) as discussed under "Fiduciary Funds".

COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

A. Description of the Reporting Entity (continued)

Also, excluded from the reporting entity are the following Joint Power Authorities (JPA):

- American River Authority. The County participates with Placer County, Placer County Water Agency, El Dorado County Water Agency, and San Joaquin County in this Joint Powers Authority that was created to facilitate construction of a dam, reservoir and hydroelectric power facilities at the Auburn Dam Site. The participants share the costs of operating the JPA equally. The governing board consists of one member from each of the participants and a public resident who alternates among El Dorado, Placer and San Joaquin County.
- El Dorado County-Folsom Joint Powers Agreement. The County participates with the City of Folsom in this JPA, the purpose of which is to manage growth toward the goal of achieving an improved quality of life for the citizens of both political jurisdictions. The governing board consists of two members from each of the participating entities.
- Sacramento-Placerville Transportation Corridor Joint Powers Agreement. The County participates with Sacramento County, the City of Folsom and Regional Transit in this JPA. The agency was formed to acquire the Placerville Branch of the Southern Pacific Railroad Right of Way. The participants share the costs of operating the Joint Powers Authority equally. The board is made up of one member from each participant and one public member at large.

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except fiduciary activities. These statements distinguish between the *governmental* and *business-type activities* of the County and between the County and its discretely presented 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 charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Certain indirect costs, which cannot be identified and broken down, are included in the program expenses reported for individual functions and activities. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

When both restricted and unrestricted components of net position are available, restricted resources are used just before the unrestricted resources are used.

COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

B. Basis of Presentation (continued)

Fund Financial Statements

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. *Operating* revenues, such as charges for services, result from exchange transactions associated with the principal activities of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. *Operating* expenses include costs of providing services and delivering goods. All other expenses not meeting this definition are reported as nonoperating expenses.

The County reports the following major governmental funds:

- The General Fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as general government, public protection, health and sanitation, public assistance, education, and recreation and cultural services.
- The Road Fund is a special revenue fund used to account for funds allocated for the planning, design, construction, maintenance and administration of County transportation activities (public ways and facilities). The Road Fund's revenues primarily come from intergovernmental sources. The State provides the allocation to the Road Fund from sources such as gas taxes, transportation planning funds and Proposition 1B. The federal government also provides funding through various federal construction funds. In addition, Road Fund receives operating transfers of local revenues generated from road improvement fees and traffic impact mitigation fees charged on new development.
- The Public Safety Facility Loan Fund is a special revenue fund established as a condition of the loan agreements between the County and the U. S. Department of Agriculture (USDA). The sole purpose of this fund is to receive all proceeds from the USDA loans used to finance the construction of the public safety facility.

The County reports the following nonmajor enterprise fund:

- The County Airports Fund accounts for the activities of the County airports.

COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

B. Basis of Presentation (continued)

Fund Financial Statements (continued)

In addition, the County reports the following additional fund types:

- Internal Service Funds – Fleet Management and Risk Management Authority are internal service funds used to account for the County’s fleet maintenance provided to other departments, and for employee and retiree health benefits and the self-insurance program for personal injury and property damage on a cost-reimbursement basis.
- Investment Trust Funds – Investment Trust Funds account for the assets, primarily cash and investments, of legally separate entities that deposit cash with the County Treasury in an investment pool, which commingles resources in an investment portfolio for the benefit of all participants. These participants include school and community college districts, other special districts governed by local boards, regional boards and authorities.
- Agency Funds – Agency Funds are custodial in nature and do not involve measurement of the results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. These funds account for assets held by the County as an agent for individuals and other government units.

C. Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide and proprietary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County does not give (or receive) equal value in exchange, includes property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales taxes are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year for which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when earned, measurable and available. Property and sales taxes, interest, certain state and federal grants and charges for services are accrued when their receipt occurs within 180 days after the end of the accounting period so as to be both measurable and available. Expenditures are generally 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. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

D. Cash and Investments

The County maintains an investment pool that is managed by the County Treasurer. The County Treasury invests on behalf of most funds of the County and external participants in accordance with the California State Government Code and the County’s investment policy. The State of California (State) statutes authorize the County to invest its cash surplus in obligations of the U.S. Treasury, agencies and instrumentalities, corporate bonds, medium term notes, bankers acceptances, certificates of deposit, commercial paper, repurchase agreements, and the State of California Local Agency Investment Fund.

COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

D. Cash and Investments (continued)

Participants' equity in the investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Amortized premiums and accredited discounts, accrued interest, and realized gains and losses, net of expenses, are apportioned to pool participants every month. Unrealized gains or losses are not apportioned to pool participants.

Income from pooled investments is allocated to the individual funds or external participants based on the fund or participants' average daily cash balance at month end in relation to the total pool investments.

E. Cash and Cash Equivalents

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

F. Mortgages Receivables

Governmental fund long-term mortgage receivables arise from mortgage subsidiary programs. These long-term receivables are recorded in the governmental fund balance sheet as well as in the governmental activities of the government-wide statement of net position.

G. Inventories and Prepaid Expenses

Inventories of expendable supplies are valued at the lower of cost (first-in, first-out) or market. The cost is recorded as an expenditure at the time individual inventory items are consumed. Reported inventories are equally offset by the nonspendable fund balance to indicate that portion of fund balance is not in spendable form.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses. Similarly, reported prepaid expenses are equally offset by the nonspendable fund balance.

H. Capital Assets and Depreciation

Capital assets (including infrastructure) are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated acquisition value on the date contributed. Capital assets include public domain (infrastructure) general capital assets consisting of certain improvements including roads, bridges, water/sewer, lighting system, drainage systems, and flood control. The County defines infrastructure and building and improvements as purchases or improvements with an aggregate cost of more than \$25,000 and with useful life of more than one year. This threshold was increased from \$10,000 during fiscal year 2018-2019. The County defines intangible assets with the acquirement or development with an aggregate cost of more than \$100,000 and with useful life in excess of one year. The County defines equipment with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. This threshold was increased from \$1,500 to \$5,000 effectively July 1, 2015.

The estimated useful lives are as follows:

Infrastructure (except for the maintained pavement subsystem)	15 to 25 years
Depreciable intangible assets	3 to 20 years
Structures and improvements	8 to 50 years
Equipment	3 to 20 years

**COUNTY OF EL DORADO
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets and Depreciation (continued)

Governmental Funds – Capital assets that the County acquires through the use of resources from a governmental fund are recorded as an outflow/expenditure for the period. Further, since the governmental fund balance sheet presents only those assets that represent financial resources available for current appropriation and expenditure, capital assets are not reported in a specific governmental fund but, rather, are reported in the government-wide statement of net position. Leasehold improvements of governmental funds are amortized in the government-wide statements using the straight-line method over the lesser of the lease period or their estimated useful lives. Other capital assets of governmental funds are depreciated in the government-wide statements using the straight-line method over their estimated useful lives.

Proprietary Funds – Capital assets are capitalized and depreciated using the straight-line method over their estimated useful lives; however, the Fleet Management Fund uses the “per mile” depreciation method, which approximates the straight-line method.

I. Property Tax Levy, Collection and Maximum Rates

The State Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed one percent (1%) of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100% of market value, as defined by Article XIII A, and may be adjusted by no more than two percent (2%) per year unless the property is sold or transferred. The State Legislature has determined the method of distribution of receipts from a one percent (1%) tax levy among the County, cities, school districts, and other districts. The total 2019-2020 net assessed valuation of the County was \$34,754,837,370.

Secured property taxes are recorded as revenues when levied under the alternate plan described in Division I, Part 8, Chapter 3 of the Revenue and Taxation Code of the State so that fund balances include property taxes apportioned but not collected. Unsecured taxes are recorded as revenues when collected. The County’s property tax calendar is as follows:

	<u>Secured</u>	<u>Unsecured</u>
Lien date	January 1	January 1
Levy date	July 1	July 1
Due dates:		
First installment	November 1	January 1
Second installment	February 1	
Delinquent dates:		
First installment	December 10	August 31
Second installment	April 10	

J. Compensated Absences (Accrued Vacation, Sick Leave and Compensatory Items)

The County’s policy allows employees to accumulate earned but unused vacation, sick leave, and compensatory time-off. Vacation pay may be accumulated to a maximum of six to eight weeks depending on the employee’s years of service and is payable upon termination. Employees with at least five years of service receive a percentage of their unused sick leave upon termination ranging from 20% at five years to 100% at twenty years up to a maximum cap between 500 to 504 hours. Compensated time off may be accumulated up to a maximum of 160 to 200 hours depending on the employee’s bargaining unit and, similar to vacation pay, is payable upon termination.

COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

J. Compensated Absences (Accrued Vacation, Sick Leave and Compensatory Items) (continued)

Governmental Funds – Because vacation, sick leave and compensatory time-off balances do not require the use of expendable financial resources, no liability is recorded within the governmental funds. However, this liability is reflected in the government-wide statement of net position.

Proprietary Funds – Vacation, sick leave and compensatory time-off are recorded as an expense and the related salaries and benefits liability in the year earned. Accrued but unpaid liabilities at year-end are recorded in the respective funds.

K. Interfund Transactions

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

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

L. Self-Insurance

The County self-insures for property damage, liability, and unemployment claims. Self-insurance programs are accounted for in an internal service fund and interfund charges are treated as quasi-external transactions.

M. Pensions

For purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the fiduciary net positions of the County’s pension plans (the Plans) and additions to/deductions from the Plans’ fiduciary net positions have been determined on the same basis as they are reported by the California Public Employees’ Retirement System (CalPERS) Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Other Postemployment Benefits (OPEB)

For purposes of measuring the total other postemployment benefits (OPEB) liabilities, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expenses, benefit payments are recognized when due and payable in accordance with the benefit terms. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board (GASB) Statement No. 75.

COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

O. Deferred Outflows and Inflows of Resources

Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 63, “*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of resources, and Net Position*” and GASB Statement No. 65, “*Items Previously Reported as Assets and Liabilities*”, the County recognized deferred outflows and inflows of resources.

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets by the County that is applicable to a future reporting period and will not be recognized as an outflow of resources (expense/ expenditure) until then. The County has two types of deferred outflows of resources. The first type is from pension activities. The second type is from other post-employment benefit (OPEB) activities. Both types are reported in the government-wide statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets by the County that is applicable to a future reporting period and will not be recognized as an inflow of resources (revenue) until that time. The County has three types of deferred inflows of resources. The first type, unavailable revenue, arises under the modified accrual basis of accounting and therefore, is reported only in the governmental fund balance sheet. The second type is from pension activities and is reported in the government-wide statement of net position. The third type is from other post-employment benefit (OPEB) activities and is reported in the government-wide statement of net position.

P. Net Position and Fund Balances

Net Position

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- *Net Investment in Capital Assets*: This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position*: 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. Included in governmental activities restricted net position at June 30, 2020, is net position restricted by enabling legislation of \$142.5 million.
- *Unrestricted Net Position*: This category represents net position of the County, not restricted for any project or other purpose.

COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

P. Net Position and Fund Balances (continued)

Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balances in classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources reported in those funds. As of June 30, 2020, fund balances for governmental funds comprise the following based on the relative strength of the constraints that control how specific amounts can be spent:

- *Nonspendable Fund Balance:* This category includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories, and prepaid amounts.
- *Restricted Fund Balance:* This category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- *Committed Fund Balance:* This category includes amounts that can be used only for the specific purposes determined by a formal action of the County’s highest level of decision-making authority (resolution by the County’s Board). Commitments may be changed or lifted only by the County’s Board taking the same formal action that imposed the constraint originally.
- *Assigned Fund Balance:* This category comprises amounts intended to be used by the County for specific purposes that are neither restricted nor committed. *Intent* is expressed by (a) the County’s Board or (b) a body (a budget or finance committee, for example) or official to which the County’s Board has delegated the authority to assign amounts to be used for specific purposes.
- *Unassigned Fund Balance:* This category is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification was used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

In circumstances when an expenditure is incurred for purposes for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

General Fund General Reserves and Contingency

The County’s Board has established policies with adoption of the annual budget to establish and maintain General Fund General Reserves and Contingency.

- *General Reserves:* should be maintained at a target of five percent (5%) of adjusted General Fund budget. General Reserves are to be maintained at this level at all times, except in the case of a Board recognized fiscal emergency.
- *Appropriation for Contingencies:* should be established annually at a minimum of three percent (3%) of adjusted General Fund appropriations. Funds are to be used during the fiscal year to address unanticipated expenditure increases or revenue decreases. The use of contingency funds requires the County’s Board and the Chief Administrative Office approval.

COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

P. Net Position and Fund Balances (continued)

General Fund General Reserves and Contingency (continued)

For 2019-2020, the appropriation for contingencies in General Fund budget was \$7.6 million. As of June 30, 2020, the balance of General Fund General Reserves was \$9.0 million. General Fund General Reserves and Contingency are reported within unassigned fund balances because they do not meet the criteria to be reported within the restricted or committed classifications.

Q. Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenditures/expenses during the reporting period. Actual results could differ from these estimates and the differences may be material.

R. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

NOTE 2: **CASH AND INVESTMENTS**

The County Treasurer manages an investment pool as prescribed in the County's investment policy. Cash and investments for most County activities are included in the investment pool. Interest earned on the investment pool is distributed to the participating funds using a formula based on the average daily cash balance of each fund.

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

The County investment pool is not registered with the Securities and Exchange Commission (SEC) as an investment company. Investments made by the County Treasury are regulated by the California Government Code and by the County's investment policy. The objectives of the policy are in order of priority, safety, liquidity, public trust, and yield.

COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2: **CASH AND INVESTMENTS** (CONTINUED)

The County Board of Supervisors reviews and approves the investment policy annually. The County Treasury prepares and submits a comprehensive investment report to the investment pool participants every quarter. The report covers the type of investments in the pool, maturity dates, par value, actual costs and fair value.

As of June 30, 2020, total County cash and investments were as follows:

	Pooled Treasury	External to Pool	Total
Cash:			
Imprest cash	\$ -	\$ 297,600	\$ 297,600
Cash on hand	500	-	500
Deposits	36,575,829	5,431,239	42,007,068
Total Cash	<u>36,576,329</u>	<u>5,728,839</u>	<u>42,305,168</u>
Investments	<u>492,311,512</u>	<u>1,268,162</u>	<u>493,579,674</u>
Total Cash and Investments	<u>\$ 528,887,841</u>	<u>\$ 6,997,001</u>	<u>\$ 535,884,842</u>

Total cash and investments as of June 30, 2020 were presented on the County's financial statements as follows:

	Primary Government	Fiduciary Funds	Component Units	Total
County Investment Pool:				
Unrestricted	\$ 298,060,551	\$ 224,911,512	\$ 1,446,582	\$ 524,418,645
Restricted	2,900,178	-	1,569,018	4,469,196
Total in County Investment Pool	<u>300,960,729</u>	<u>224,911,512</u>	<u>3,015,600</u>	<u>528,887,841</u>
External to Pool:				
Other restricted cash and investments	83,776	-	246,535	330,311
Other unrestricted cash and investments	-	521,847	5,847,243	6,369,090
Imprest cash	297,200	-	400	297,600
Total External to Pool	<u>380,976</u>	<u>521,847</u>	<u>6,094,178</u>	<u>6,997,001</u>
Total Cash and Investments	<u>\$ 301,341,705</u>	<u>\$ 225,433,359</u>	<u>\$ 9,109,778</u>	<u>\$ 535,884,842</u>

In the Statement of Fiduciary Net Position, the total cash and investments balance for Investment Trust and Agency Funds in the amount of \$225,433,359 includes, and is decreased by the negative cash balances maintained in certain agency funds used to allocate property taxes under the alternate method of tax apportionment (Teeter Plan). The total cash deficits of these Teeter Plan funds of \$8,571,125 is entirely offset by, and is significantly less than, the total \$14,319,819 that has been recorded by these funds as taxes receivable.

COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2: **CASH AND INVESTMENTS** (CONTINUED)

Cash and investments were restricted as of June 30, 2020, for the following purposes:

	Primary Government	Component Units	Total
Closure and post-closure costs	\$ 2,900,178	\$ -	\$ 2,900,178
Retainage held in escrow	83,776	-	83,776
Transit and transportation grant expenditures	-	1,797,926	1,797,926
Risk financing	-	17,627	17,627
	<u>\$ 2,983,954</u>	<u>\$ 1,815,553</u>	<u>\$ 4,799,507</u>

Investments

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer *
U.S. Treasury Obligations (Notes, Bonds, Bills)	5 years	100%	100%
Cash Management Bills	5 years	100%	100%
U.S. Agency Obligations	5 years	100%	25%
Money Market Mutual Funds	N/A	20%	10%
Public Investment Money Market Accounts, Collateralized	N/A	30%	20%
Certificates of Deposit, Non-negotiable	5 years	30%	5%
Collateralized Certificates of Deposit, Non-negotiable	5 years	30%	5%
Certificates of Deposits, Negotiable	5 years	30%	5%
Bankers Acceptances	180 days	40%	5%
Domestic Commercial Paper	270 days	25%	10%
Repurchase Agreements (REPO)	1 year	20%	5%
Medium-Term Corporate Notes	5 years	30%	10%
State and Local Government Bonds	5 years	20%	5%
Local Agency Investment Fund (LAIF)	N/A	100%	**
Deposit Placement Services	5 years	30%	***
California Asset Management Program (CAMP)	N/A	100%	****
Registered California State Warrants, Notes or Bonds	5 years	100%	100%

* Limitations apply only at the time an investment is purchased.

** Subject to a \$75 million cap set by LAIF.

*** Individual deposit no more than can be federally insured.

**** Subject to a cap of twice the LAIF investment.

COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Investments (continued)

As of June 30, 2020, the County had the following investments:

	Interest Rates	Maturities	Par Value	Book Value	Fair Value	WAM (Years)
Investments in Investment Pool						
Treasury Securities - Coupon	1.375%-2.625%	07/15/20-01/31/21	\$ 97,000,000	\$ 96,967,203	\$ 97,387,450	0.30
Treasury Securities - Discount	1.480%-1.508%	10/08/20-12/03/20	30,000,000	29,594,331	29,984,700	0.14
Commercial Paper - Discount	1.250%-2.150%	07/09/20-11/16/20	62,386,000	61,880,763	62,267,580	0.24
Federal Agencies - Coupon	0.730%-2.875%	09/11/20-05/28/25	113,000,000	113,045,848	113,266,627	4.17
California Local Agency Investment Fund	1.363%	On Demand	75,000,000	75,000,000	75,000,000	0.00
California Asset Management Program	0.470%	On Demand	69,250,000	69,250,000	69,250,000	0.00
Money Market Account	0.100%-1.363%	On Demand	46,573,367	46,573,367	46,573,367	0.00
Total Investments in Investment Pool			<u>\$ 493,209,367</u>	<u>\$ 492,311,512</u>	<u>\$ 493,729,724</u>	1.05
Investments Outside Investment Pool						
Component Units:						
<i>El Dorado County Transit Authority</i>						
California Local Agency Investment Fund	1.363%	On Demand	<u>\$ 1,268,162</u>	<u>\$ 1,268,162</u>	<u>\$ 1,268,162</u>	--
Total Investments Outside Investment Pool			<u>\$ 1,268,162</u>	<u>\$ 1,268,162</u>	<u>\$ 1,268,162</u>	--

As of June 30, 2020 the difference between the carrying value and fair value of cash and investments was not material (fair value was 100.287% of carrying value). No adjustment has been recorded on the financial statements.

Interest Rate Risk

The County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years or less in accordance with its investment policy. As of June 30, 2020, the investment pool had a weighted average maturity of 1.05 year.

Credit Risk

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligation. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of the County investment pool's fair value as of June 30, 2020.

	Standard & Poor's Rating	% of Portfolio
Treasury Securities - Coupon	AA+	19.72%
Treasury Securities - Discount	A-1+	6.07%
Commercial Paper - Discount	A-1	12.61%
Federal Agencies - Coupon	AA	22.95%
California Asset Management Program	AAA	14.03%
California Local Agency Investment Fund	Unrated	15.19%
Money Market Account	Unrated	9.43%
Total		<u><u>100.00%</u></u>

COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2: **CASH AND INVESTMENTS** (CONTINUED)

Custodial Credit Risk

For all investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or deposits that are in the possession of an outside party. At year end, the County had no securities exposed to custodial credit risk.

The custodial credit risk pertaining specifically to deposits is the risk that the County will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The County's bank deposits are insured by FDIC, which serves to mitigate the County's risk.

Fair Value Hierarchy

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Treasury Securities – Coupon and Discount, and Federal Agencies – Coupon, valued at \$240.6 million in total, are classified in Level 1 of the fair value hierarchy, valued using quoted prices in active markets. Commercial Paper – Discount, valued at \$62.3 million in total, are classified in Level 2 of the fair value hierarchy, valued using significant other observable inputs. Deposits and withdrawals in governmental investment pools, such as the State of California Local Agency Investment Fund (LAIF) and California Asset Management Program (CAMP), are made on the basis of one dollar and not fair value. Accordingly, the fair value of the County's proportionate share in this type of investment is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input. Money Market Accounts are nonparticipating interest-bearing savings accounts. They are measured using a cost-based measure, not fair value and therefore, not subject to fair value hierarchy.

Local Agency Investment Fund

The County Treasury pool maintains an investment in the State of California LAIF, managed by the State Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California Government Code. Participants in the pool include voluntary and involuntary participants, such as special districts and school districts for which there are legal provisions regarding their investments. The Local Investment Advisory Board (LIAB) has oversight responsibility for LAIF. The LIAB consists of five members as designated by State Statute.

As of June 30, 2020, the County's investment position in LAIF was \$75 million, which approximates fair value and is the same as value of the pool shares. The total amount invested by all public agencies in LAIF on that day was \$32.1 billion. LAIF is part of the State of California Pooled Money Investment Account (PMIA), whose balance as of June 30, 2020 was \$101.0 billion. Of that amount, 3.37% was invested in medium-term and short-term structured notes and asset-backed securities.

COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2: **CASH AND INVESTMENTS** (CONTINUED)

County Investment Pool Condensed Financial Statements

The following represents a condensed statement of net position and changes in net position for the County Treasury investment pool as of June 30, 2020:

Statement of Net Position

Net position held for pool participants	\$ 528,887,841
Equity of internal pool participants	\$ 310,799,037
Equity of external pool participants	218,088,804
Total net position	<u>\$ 528,887,841</u>

Statement of Changes in Net Position

Net position, July 1, 2019	\$ 517,652,114
Investment income	10,168,838
Investment expenses	(623,145)
Net contributions (withdrawals) by pool participants	1,690,034
Net position, June 30, 2020	<u>\$ 528,887,841</u>

NOTE 3: **LONG-TERM RECEIVABLES**

The accounts receivable balances reported in the governmental funds include an allowance for uncollectible amounts of \$15,819,914. Among the accounts receivables, \$3,190,816 (net of uncollectible amount) are long-term accounts receivables. In addition, the due from other government balances reported in the governmental funds include long-term receivables of \$1,330,273. These long-term receivables are not expected to be fully collected in the next fiscal year and are therefore equally offset by the deferred inflows of resources (unavailable revenue). Further, the governmental funds and the governmental activities report long-term notes receivables of \$10,962,114. The governmental activities also report long-term interest receivables of \$709,908.

COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2020
Governmental Activities					
Capital assets, not being depreciated					
Land and improvements	\$ 28,911,930	\$ --	\$ --	\$ --	\$ 28,911,930
Intangible assets (Right of Way)	30,221,775	1,485,824	--	--	31,707,599
Construction in progress	46,863,883	23,104,587	--	(66,295,233)	3,673,237
Total capital assets not being depreciated	105,997,588	24,590,411	--	(66,295,233)	64,292,766
Capital assets, being depreciated					
Infrastructure	527,449,769	17,702,030	(89,853,615)	--	455,298,184
Intangible assets (Software)	9,011,707	125,600	--	542,666	9,679,973
Structures and improvements	143,674,841	2,951,878	(71,665)	65,716,154	212,271,208
Equipment	54,844,622	6,961,510	(4,722,860)	36,413	57,119,685
Total capital assets being depreciated	734,980,939	27,741,018	(94,648,140)	66,295,233	734,369,050
Less accumulated depreciation for					
Infrastructure	(342,563,951)	(20,814,884)	89,134,952	--	(274,243,883)
Intangible assets (Software)	(1,532,313)	(1,323,526)	--	--	(2,855,839)
Structures and improvements	(54,575,217)	(6,360,466)	71,665	--	(60,864,018)
Equipment	(36,219,585)	(3,340,159)	4,353,943	--	(35,205,801)
Total accumulated depreciation	(434,891,066)	(31,839,035)	93,560,560	--	(373,169,541)
Total capital assets being depreciated, net	300,089,873	(4,098,017)	(1,087,580)	66,295,233	361,199,509
Governmental activities capital assets, net	\$ 406,087,461	\$ 20,492,394	\$ (1,087,580)	\$ --	\$ 425,492,275
Business Type Activities					
Capital assets, not being depreciated					
Land	\$ 319,665	\$ --	\$ --	\$ --	\$ 319,665
Construction in progress	396,749	462,443	--	--	859,192
Total capital assets not being depreciated	716,414	462,443	--	--	1,178,857
Capital assets, being depreciated					
Structures and improvements	9,517,650	--	--	--	9,517,650
Equipment	43,703	--	--	--	43,703
Total capital assets being depreciated	9,561,353	--	--	--	9,561,353
Less accumulated depreciation for					
Structures and improvements	(7,061,099)	(277,169)	--	--	(7,338,268)
Equipment	(38,723)	(1,790)	--	--	(40,513)
Total accumulated depreciation	(7,099,822)	(278,959)	--	--	(7,378,781)
Total capital assets being depreciated, net	2,461,531	(278,959)	--	--	2,182,572
Business type activities capital assets, net	\$ 3,177,945	\$ 183,484	\$ --	\$ --	\$ 3,361,429

COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4: **CAPITAL ASSETS** (CONTINUED)

Depreciation

Depreciation expense was charged to governmental activities as follows:

General government	\$ 3,921,645
Public protection	3,722,032
Public ways and facilities	21,916,752
Health and sanitation	406,364
Public assistance	442,551
Education	278,118
Recreation and cultural services	183,275
Internal Service Funds - depreciation on capital assets held by the County's internal service funds are charged to the various functions based on their usage of service	968,298
Total depreciation expense governmental activities	\$ 31,839,035

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

Airports	\$ 278,959
Total depreciation expense business-type activities	\$ 278,959

NOTE 5: **UNEARNED REVENUE AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

Unearned Revenues

Under both the accrual and modified accrual basis of accounting, revenue may be recognized only when earned. Therefore, the government-wide statement of net position as well as governmental and proprietary funds delay revenue recognition in connection with resources that have been received as of year-end, but not yet earned. Assets recognized in connection with a transaction before the earning process is complete are offset by a corresponding liability for unearned revenue.

As of June 30, 2020, governmental funds and governmental activities report unearned revenue in connection with resources that have been received, but not yet earned. The various components of unearned revenue were reported as follows:

	Governmental Funds Unearned Revenue	Governmental Activities Unearned Revenue
Governmental Funds/Governmental Activities:		
General Fund:		
Various grants and charges	\$ 784,985	\$ 784,985
Road Fund:		
Various grants and charges	110,982	110,982
Other Governmental Funds:		
Various grants, charges, and special assessments	6,067,936	6,067,936
Total	\$ 6,963,903	\$ 6,963,903

COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5: **UNEARNED REVENUE AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES** (CONTINUED)

Deferred Outflows and Inflows of Resources

As described in Note 10, pursuant to GASB Statement No. 63 and Statement No. 65, the County recognizes deferred outflows and inflows of resources in the financial statements. Under the modified accrual basis of accounting, in addition to “having been earned”, revenue must also be available to finance expenditures of the current period for it to be recognized in the current period. When an asset is recorded in governmental fund financial statements but the revenue is not available, governmental funds report a deferred inflow of resources until such time as the revenue becomes available. These deferred inflows of resources are in connection with receivables for revenues considered unavailable for the current period. Further, the County reports deferred outflows and inflows of resources related to pensions and other post-employment benefits (OPEB) in its governmental activities.

The summary of the deferred outflows and inflows of resources reported for the year ended June 30, 2020, is as follows:

	Governmental Funds (Unavailable Revenue)	Governmental Activities	
	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental Funds:			
General Fund:			
Various grants and charges	\$ 1,009,621	\$ --	\$ --
Road Fund:			
Various grants and charges	214,850	--	--
Other Governmental Funds:			
Various grants, charges, and special assessments	3,296,618	--	--
Governmental Activities:			
Deferred pension outflows	--	53,237,927	--
Deferred OPEB outflows	--	7,448,636	--
Deferred pension inflows	--	--	7,113,508
Deferred OPEB inflows	--	--	24,486,208
Total	<u>\$ 4,521,089</u>	<u>\$ 60,686,563</u>	<u>\$ 31,599,716</u>

COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6: LONG-TERM LIABILITIES

Long-term debt at June 30, 2020 consisted of the following:

	<u>Date of Issue</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2020</u>
Governmental Activities						
Notes Payable:						
HUD HOME Program ¹⁾	2003	2058	0.00%	2)	3,000,000	\$ 2,974,978
HUD HOME Program ¹⁾	2013	2067	3.00%	2)	3,000,000	3,000,000
HUD State CDBG Program ¹⁾	2013	2068	3.00%	2)	483,000	483,000
USDA Rural Development Loans	2018	2058	2.375%	\$876,550 - \$2,040,599	51,053,195 ³⁾	51,053,195
Software Licensing Agreements:						
Kronos	2019	2022	0.00%	\$128,958	386,874	220,303
Microsoft Enterprise	2018	2021	0.00%	\$419,046	1,257,138	488,887
Nexus	2019	2022	0.00%	\$10,200 - \$63,200	125,600	<u>118,375</u>
Total Governmental Activities						<u>\$ 58,338,738</u>

¹⁾ Note payable is offset by a long-term note receivable secured by a deed of trust.

²⁾ Outstanding principal is due in total at the end of note maturity.

³⁾ See below.

USDA Rural Development Loans

In 2016, the County entered into six loan agreements with the U.S. Department of Agriculture (USDA) Rural Development Program in an aggregate amount not to exceed \$57,140,000. The purpose of the loans was to fund the development and construction of a new public safety facility in Diamond Springs. The principal outstanding at June 30, 2020 is \$51,053,195.

The following is a summary of long-term liabilities transactions for the year ended June 30, 2020:

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2020</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Notes payable:					
* HUD HOME Program	\$ 5,974,978	\$ --	\$ --	\$ 5,974,978	\$ --
* HUD State CDBG Program	483,000	--	--	483,000	--
* USDA Rural Development Loans	34,463,774	16,589,421	--	51,053,195	--
Compensated absences	16,413,744	2,966,584	1,384,826	17,995,502	1,399,042
* Software licensing agreements	1,257,194	125,600	555,229	827,565	587,954
Landfill closure / post-closure liability	18,691,382	746,336	--	19,437,718	--
Liability for self-insurance claims	18,878,000	28,258,216	30,415,216	16,721,000	3,423,226
Other postemployment benefits	81,833,826	12,145,941	3,012,908	90,966,859	2,381,000
Net pension liability	<u>344,371,724</u>	<u>110,890,225</u>	<u>90,576,022</u>	<u>364,685,927</u>	<u>--</u>
	<u>\$ 522,367,622</u>	<u>\$ 171,722,323</u>	<u>\$ 125,944,201</u>	<u>\$ 568,145,744</u>	<u>\$ 7,791,222</u>
Business-Type Activities					
Compensated absences	\$ 13,990	\$ --	\$ 13,517	\$ 473	\$ 38
	<u>\$ 13,990</u>	<u>\$ --</u>	<u>\$ 13,517</u>	<u>\$ 473</u>	<u>\$ 38</u>

* Direct borrowings and direct placements

COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

The County acquired commercially available computer software through licensing agreements. Under the term of the agreements, the County is required to make annual installment payments to the software vendors for the right to use the software over the lives of the agreements. Software licensing agreement liability is generally liquidated by the General Fund.

The liability for self-insurance claims is liquidated by the cumulative charge for services recorded in the internal service fund. Compensated absences, other postemployment benefits, and net pension liability are generally liquidated by the General Fund and related special revenue funds. Landfill closure / post-closure liability is liquidated from special revenue funds.

As of June 30, 2020, annual debt service requirements of governmental activities having fixed maturities are shown below. The HUD State CDBG Program note payable and both of the HUD Home Program notes payable are not included in the schedule.

Year Ending June 30:	Governmental Activities		
	Notes Payables*		Software Licensing Agreements*
	Principal	Interest	Principal
2021	\$ --	\$ 912,070	\$ 587,954
2022	876,550	1,212,513	221,178
2023	897,368	1,191,695	18,433
2024	918,681	1,170,383	--
2025	940,500	1,148,564	--
2026-2030	5,048,351	5,396,967	--
2031-2035	5,677,003	4,768,315	--
2036-2040	6,383,939	4,061,379	--
2041-2045	7,178,906	3,266,412	--
2046-2050	8,072,868	2,372,450	--
2051-2055	9,078,152	1,367,167	--
2056-2058	5,980,877	286,314	--
	\$ 51,053,195	\$ 27,154,229	\$ 827,565

* Direct borrowings and direct placements

As of June 30, 2020, there are no annual debt service requirements of business-type activities to maturity.

NOTE 7: LIMITED OBLIGATION DEBT

Pursuant to various development agreements, the County has formed a number of community facility districts (CFDs) and has issued limited obligation bonds to finance infrastructure. The bonds are limited obligation debt repayable solely from the special taxes collected with each CFD. The only foreseeable circumstances that would make the County partially responsible for debt service payments or damages to bond investors would be if an error or omission is made by the County in the formation of the CFD, in the preparation of the offering statement, in the ongoing SEC required disclosures, or in the administration of the CFD. No adjustments were made to the County's financial statements for these limited obligation debt. As of June 30, 2020, the balances of these districts' outstanding debt were as follows:

Community Facilities District No. 1992-1 (EDH Serrano)	\$ 28,225,000
Community Facilities District No. 2001-1 (Promontory)	\$ 21,890,000
Community Facilities District No. 2005-1 (Blackstone)	\$ 25,375,000
Community Facilities District No. 2005-2 (Laurel Oaks)	\$ 2,905,000
Community Facilities District No. 2014-1 (Carson Creek)	\$ 32,280,000
Community Facilities District No. 2018-1 (Bass Lake)	\$ 11,970,000

**COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8: LEASES

Operating Lease Obligations

The County leases various office space, equipment, and buildings under various operating leases. Annual rent expenditures were approximately \$3.7 million for the year ended June 30, 2020.

Future minimum operating lease commitments are as follows:

Year Ending June 30		
2021	\$	2,838,263
2022		2,776,685
2023		2,721,830
2024		1,948,761
2025		831,040
2026-2028		1,477,513
	\$	12,594,092

NOTE 9: LIABILITY FOR CLOSURE AND POST-CLOSURE COSTS

State and federal laws and regulations require the County to place a final cover on its Union Mine landfill site and perform certain maintenance and monitoring functions at the site for thirty years after final closure. In addition to operating expenditures related to current activities of the landfill, an estimated liability is being recognized based on the future closure and postclosure maintenance costs that will be incurred near or after the date the landfill no longer accepts waste.

The County ceased accepting waste from the public in 1997 and 8.2 acres or 19.4 percent of the landfill's 42.3 acres remain open to waste generated onsite. The estimated landfill closure care liability of \$2,900,178 reported as of June 30, 2020, is the current cost estimate of closing the remaining 8.2 acres. Because the landfill is no longer accepting waste from the public, the additional liability of \$16,537,540 representing postclosure costs for the entire 42.3 acres has been recognized and is a cumulative amount reported to date based on County staff estimates and adjustments for CPI (Consumer Price Index) rate changes.

State and federal laws require the County to make contributions to a special fund in order to finance closure care. At June 30, 2020, cash and investments held of \$2,900,178 in this special fund are part of the pooled funds held by the County Treasury and are reported as restricted assets on the Statement of Net Position. Currently, the amount held as restricted cash is sufficient to cover the entire closure liability.

The County has filed a Pledge of Revenue with the California Integrated Waste Management Board that waives the requirement to make contributions to a special fund to finance postclosure costs. The estimated postclosure costs of \$16,537,540, to be paid over a 30-year period upon final closure, may need to be funded by charges to future landfill users and/or from future tax revenue.

**COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 10: INTERFUND TRANSACTIONS

The composition of interfund balances as of June 30, 2020 is as follows:

Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Enterprise Fund - County Airports	\$ 31,000	Advance for cash flow
	Other Governmental Funds	309,719	Realignment Funds
	Other Governmental Funds	739,000	Advance to Erosion Control Fund to cover cash shortfall
	Other Governmental Funds	444,000	Advance to Community Services Funds to cover cash shortfall
	Other Governmental Funds	3,000	Advance to HCED Fund to cover cash shortfall
	Other Governmental Funds	35,000	Advance to Health Fund to cover cash shortfall
	Other Governmental Funds	1,317,000	Advance to Mental Health Fund to cover cash shortfall
	Other Governmental Funds	66,000	Advance to Social Services Fund to cover cash shortfall
	Other Governmental Funds	203,000	Advance to EMS Preparedness Fund to cover cash shortfall
	Other Governmental Funds	2,000	Advance to Public Housing Authority Fund to cover cash shortfall
	Other Governmental Funds	57,000	Advance to CSA #9 Fund to cover cash shortfall
	Other Governmental Funds	857,000	Advance to ACO Fund to cover cash shortfall
	Other Governmental Funds	425,148	Reimbursement for Insurance Fraud Program Expenditures
	Other Governmental Funds	<u>66,236</u>	Reimbursement for SB678 Expenditures
		<u>4,555,103</u>	
Other Governmental Funds	Other Governmental Funds	308,897	Sales Tax Realignment Funds for Health Programs
	Other Governmental Funds	210,449	Sales Tax Realignment Funds for Mental Health Programs
	Public Safety Facility Loan Fund	<u>6,323,626</u>	ACO Funds due from Public Safety Facility Loan Fund
		<u>6,842,972</u>	
	Total	<u>\$ 11,398,075</u>	

Advance To/From Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Other Governmental Funds	\$ 330,000	Advance to IHSS Public Authority
	Other Governmental Funds	<u>100,000</u>	Advance to Public Housing Authority
		<u>430,000</u>	
	Total	<u>\$ 430,000</u>	

COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10: **INTERFUND TRANSACTIONS** (CONTINUED)

Transfers

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Transfer to	Transfer from	Amount	Purpose
General Fund	Other Governmental Funds	\$ 68,000	Timber Tax to Sheriff's Office Patrol, Search and Rescue
	Other Governmental Funds	75,000	Community Services Payments for Probation's Transitional Housing Placement Services
	Other Governmental Funds	31,485	Public Health Special Revenue Fund to Environmental Management For Vector Control
	Other Governmental Funds	26,292	Mental Health Special Revenue Fund to Social Services For PEI Expenses
	Other Governmental Funds	392,917	County Service Area #10 Solid Waste to Environmental Management General Fund Operating and Admin
	Other Governmental Funds	1,369,139	County Service Area #10 Special Tax Revenues to Library General Fund Operating
	Other Governmental Funds	13,653	Air Quality to General Fund for Reimbursement
	Other Governmental Funds	186,198	State Off-Highway Vehicle & El Dorado-SMUD Agreement Funds to Parks
	Other Governmental Funds	72,855	State Off-Highway Vehicle & ED-SMUD to Sheriff Operation
	Other Governmental Funds	67,853	CASp Fee Admin Share To General Fund
	Other Governmental Funds	189,222	Park / River Fees to Parks and Rivers General Fund Operating
	Other Governmental Funds	400,831	Time Share, Overpayment, and Redemption Fees to BOS / Auditor / TTC / Assessor
	Other Governmental Funds	1,882	Overages to Treasurer Tax Collector Operating
	Other Governmental Funds	836,830	Grant Revenues, Prop 64, Environmental & Real Estate Funds to District Attorney General Fund Operating
	Other Governmental Funds	617,022	Grant Revenues & Program Revenues to Sheriff's Operating
	Other Governmental Funds	399,940	Probation CCPIF SB678 Reimbursement to General Fund Adult Supervision
	Other Governmental Funds	169,675	Micro, Computer System, Vital Health Statistics, Electronic Recording to Recorder Operating
	Other Governmental Funds	358,720	Engineer Time and Materials to DOT County Engineer
	Other Governmental Funds	151,846	Developer Deposits to DOT County Engineer
	Other Governmental Funds	13,884	Planning Projects Revenues to Planning
	Other Governmental Funds	76,587	Commercial Grading to Building Operating
	Other Governmental Funds	42,000	TRPA Building Allocations to Building Services
	Other Governmental Funds	25,470	License Plate Fees to Veteran Services Operating
	Other Governmental Funds	137,338	Library Trust Funds to Library Operating
	Other Governmental Funds	283,970	Realignment Funds to Animal Services
	Other Governmental Funds	240,283	Realignment Funds to Environmental Management
	Other Governmental Funds	15,276,394	Realignment Funds to Social Services
	Other Governmental Funds	269,455	Realignment Funds to Probation
	Other Governmental Funds	228,040	County Local Revenue Funds to DA
	Other Governmental Funds	46,250	County Local Revenue Funds to Public Defender
	Other Governmental Funds	4,181,422	County Local Revenue Funds to Sheriff
	Other Governmental Funds	2,976,678	County Local Revenue Funds to Probation
	Other Governmental Funds	8,650,200	County Local Revenue Funds to Social Services
	Other Governmental Funds	792,175	Supplemental Law Enforcement Services Fund (SLESF) to DA/Sheriff/Probation Operating
	Other Governmental Funds	490,738	ACO Fund Reimbursements to General Fund
		<u>39,160,244</u>	

COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10: **INTERFUND TRANSACTIONS** (CONTINUED)

Transfers (continued)

Transfer to	Transfer from	Amount	Purpose
Road Fund	General Fund	\$ 1,804	General Fund Billing
	Other Governmental Funds	526,350	ACO Fund Billing
	Other Governmental Funds	7,552,286	Road District Tax to Road Fund Operating
	Other Governmental Funds	34,770	El Dorado-SMUD Cooperation Agreement Fund Billing
	Other Governmental Funds	11,604,155	Road Projects Billing and Traffic Impact Fees to Road Fund Operating
	Other Governmental Funds	<u>110,474</u>	AQMD AB2766 Funding El Dorado Trail
		<u>19,829,839</u>	
Internal Services Fund - Fleet	General Fund	221,027	General Fund Contribution
	Other Governmental Funds	62,545	Mental Health Fund Vehicle Reimbursement
	Other Governmental Funds	<u>50,992</u>	AQMD Fund Vehicle Reimbursement
		<u>334,564</u>	
Enterprise Fund - Airports	General Fund	77,405	General Fund Contribution
	Other Governmental Funds	<u>20,000</u>	Special Aviation Funding
		<u>97,405</u>	
Other Governmental Funds	General Fund	2,158,006	General Fund Contribution to Community Services
	General Fund	103,820	General Fund Contribution to HCED
	General Fund	3,584,977	General Fund Contribution to Public Health
	General Fund	16,510	Transfer 1991 SLPR Match
	General Fund	5,000	General Fund Reimbursement to EMS Preparedness
	General Fund	12,500	General Fund Reimbursement to Environmental Management
	General Fund	28,647	General Fund Contribution to IHSS Public Authority Fund
	General Fund	74,672	General Fund Contribution to Housing Authority
	General Fund	15,000	General Fund Contribution For Veterans Hall
	General Fund	2,377	General Fund Transfer to Change Difference Shortage
	General Fund	265,739	General Fund Contribution to Veterans
	General Fund	704,192	General Fund Contribution to Health and Welfare
	General Fund	2,918,229	General Fund Reimbursements to ACO Fund
	Road Fund	163,014	Road Fund Reimbursements to ACO
	Public Safety Facility Loan Fund	16,828,114	Public Safety Facility Loan Fund to ACO Fund for Loan Proceeds
	Other Governmental Funds	1,410,381	Health Fund to ACO Fund for Project Billing
	Other Governmental Funds	19,590	Mental Health Fund to ACO Fund for Project Billing
	Other Governmental Funds	221,480	Air Quality to ACO Fund for Project Billing
	Other Governmental Funds	<u>279,243</u>	Central Services Designated Fund to ACO Fund for Billing
			<u>28,811,491</u>
Total		<u>\$ 88,233,543</u>	

**COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 11: PENSIONS

A. General Information about the Pension Plans

Plan Description

The County has two pension plans (the Plans): the miscellaneous plan and the safety plan. Both Plans are agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for participating public employers within the State of California. Benefit provisions under the Plans are established by State statutes and County's resolutions. CalPERS issues publicly available reports that include a full description of the Plans regarding benefit provisions, assumptions and membership information. These reports and CalPERS' audited financial statements can be viewed at CalPERS' website.

Benefits Provided

CalPERS provides service retirement, disability benefits, annual cost-of-living adjustments, and death benefits to plan members, who must be public employees, and beneficiaries. Benefits are based on years of credited service, each equal to a year of full time employment. Members with five years of total service are eligible to retire at age 50 (52 for miscellaneous PEPRA members hired on or after January 1, 2013) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, the Optional Settlement 2 Death Benefit, or the Special Death Benefit (for safety members only). The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law (PERL).

Below is a summary of the Plans' provisions and benefits in effect at June 30, 2020:

	Miscellaneous		
	Classic		PEPRA
	Prior to October 5, 2012	On or after October 5, 2012	On or after January 1, 2013
Hire Date			
Benefit formula	2% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement eligibility age	50	50	52
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.092% to 2.418%	1% to 2.5%
Required employee contribution rates	7% *	7% *	7% *
Required employer contribution - normal cost %	9.239% *	9.239% *	9.239% *
Required employer contribution - payment of unfunded accrued liability:	\$14,378,734 *		
	Safety		
	Classic		PEPRA
	Prior to October 5, 2012	On or after October 5, 2012	On or after January 1, 2013
Hire Date			
Benefit formula	3% @ 50	2% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement eligibility age	50	50	50
Monthly benefits, as a % of eligible compensation	3%	2% to 2.7%	2% to 2.7%
Required employee contribution rates	9% *	9% *	11.500% *
Required employer contribution - normal cost %	18.396% *	18.396% *	18.396% *
Required employer contribution - payment of unfunded accrued liability:	\$8,956,510 *		

* The required contribution for fiscal year 2019-2020 was determined as part of the June 30, 2017 actuarial.

**COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 11: **PENSIONS** (CONTINUED)

A. General Information about the Pension Plans (continued)

Employees Covered

Listed below is the summary of number of employees covered by the benefit terms as of June 30, 2019, the most recent measurement date:

	Miscellaneous	Safety
Active employees	1,358	347
Inactive employees entitled to but not yet receiving benefits (Transferred + Terminated)	1,463	286
Inactive employees or beneficiaries currently receiving benefits	1,973	435
Total	4,794	1,068

Contribution

Section 20814(c) of the PERL requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2019 (the measurement date), the active employee contribution rate is 7 percent of annual pay for miscellaneous employees (7 percent for miscellaneous PEPRA employees hired on or after January 1, 2013), and 9 percent for safety employees (10.75 percent for safety PEPRA employees hired on or after January 1, 2013). The County's required contribution for miscellaneous employees include the employer normal cost rate (8.898 percent of annual payroll) and employer amortization of unfunded accrued liability of \$12,108,033. The County's required contribution for safety employees include the employer normal cost rate (17.227 percent of annual payroll) and employer amortization of unfunded accrued liability of \$7,635,932. Employer contribution rates may change if plan contracts are amended. Further, the employees pay a portion or all of their required CalPERS contribution to CalPERS depending on their labor agreements with the County. When employees are required to pay only a portion of their required contribution, the County pays the remaining portion on their behalf and for their account. Payments made by the County to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

B. Net Pension Liability

The County's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each Plan is measured as of June 30, 2019, using standard update procedures.

**COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 11: **PENSIONS** (CONTINUED)

B. Net Pension Liability (continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2018 valuation was rolled forward to determine the June 30, 2019 (the measurement date) total pension liability for each Plan, based on the following actuarial methods and assumptions:

	<u>Miscellaneous and Safety</u>
Actuarial cost method	Entry age normal in accordance with the requirements of GASB 68
Actuarial assumptions	
Discount rate	7.15%
Inflation	2.50%
Salary increases	Varies by entry age and service
Mortality rate table ⁴⁾	Derived using CalPERS' membership data for all funds
Post retirement benefit increase	The lesser of contract COLA or 2.50% until purchasing power protection allowance floor on purchasing power applies, 2.50% thereafter

⁴⁾ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

Change of Assumptions

In 2019, the post retirement benefit increase assumption changed. Specifically, the assumption was based on the lesser of contract COLA or 2.50 percent (changed from using contract COLA up to 2.00 percent) until purchasing power protection allowance floor on purchasing power applied and 2.50 percent thereafter.

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 11: **PENSIONS** (CONTINUED)

B. Net Pension Liability (continued)

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as followed:

Asset Class⁵⁾	Assumed Asset Allocation	Real Return Years 1 – 10⁶⁾	Real Return Years 11+⁷⁾
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	--	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	--	(0.92%)

⁵⁾ In the System's CAFR, Fixed Income is included in Global Debt Securities;
Liquidity is included in Short-term Investments;
Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
⁶⁾ An expected inflation of 2.00% used for this period
⁷⁾ An expected inflation of 2.92% used for this period

COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11: **PENSIONS** (CONTINUED)

C. Changes in the Net Pension Liability

The change in the net pension liability for each Plan follows:

	Miscellaneous Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/18	\$ 699,205,500	\$ 489,253,293	\$ 209,952,207
Changes for the year:			
Service cost	14,698,937	--	14,698,937
Interest	49,738,994	--	49,738,994
Changes of benefit terms	--	--	--
Changes of assumptions	--	--	--
Differences between expected and actual experience	6,865,623	--	6,865,623
Net plan to plan resource movement	--	297,504	(297,504)
Contributions - employer	--	20,095,711	(20,095,711)
Contributions - employees	--	6,627,077	(6,627,077)
Net investment income	--	31,899,887	(31,899,887)
Benefit payments, including refunds of employee contributions	(35,540,665)	(35,540,665)	--
Administrative expense	--	(349,141)	349,141
Other miscellaneous income/(expense)	--	1,136	(1,136)
Net changes	35,762,889	23,031,509	12,731,380
Balances at 6/30/19	\$ 734,968,389	\$ 512,284,802	\$ 222,683,587
	Safety Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/18	\$ 370,655,585	\$ 236,236,068	\$ 134,419,517
Changes for the year:			
Service cost	8,778,029	--	8,778,029
Interest	26,430,233	--	26,430,233
Changes of benefit terms	--	--	--
Changes of assumptions	--	--	--
Differences between expected and actual experience	3,544,191	--	3,544,191
Net plan to plan resource movement	--	(316,494)	316,494
Contributions - employer	--	13,055,406	(13,055,406)
Contributions - employees	--	3,141,935	(3,141,935)
Net investment income	--	15,456,819	(15,456,819)
Benefit payments, including refunds of employee contributions	(17,870,378)	(17,870,378)	--
Administrative expense	--	(168,583)	168,583
Other miscellaneous income/(expense)	--	547	(547)
Net changes	20,882,075	13,299,252	7,582,823
Balances at 6/30/19	\$ 391,537,660	\$ 249,535,320	\$ 142,002,340

**COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 11: **PENSIONS** (CONTINUED)

C. Changes in the Net Pension Liability (continued)

Sensitivity of the Net Pension Liability to Change in the Discount Rate

The following presents the net pension liability of the County for each Plan, calculated using the discount rate for each Plan, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

		<u>Miscellaneous</u>	<u>Safety</u>
		Net Pension Liability	Net Pension Liability
1% Decrease	6.15%	\$ 313,187,326	\$ 196,510,424
Current Discount Rate	7.15%	\$ 222,683,587	\$ 142,002,340
1% Increase	8.15%	\$ 147,072,027	\$ 97,278,969

Pension Plan Fiduciary Net Position

Detailed information about each Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

D. Pension Expenses and Deferred Outflows / Inflows of Resources Related to Pensions

For the year ended June 30, 2020, the County recognized total pension expense of \$64,762,274 (\$40,890,446 for its miscellaneous plan and \$23,871,828 for its safety plan). At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions		
Miscellaneous	\$ --	\$ 1,255,919
Safety	6,138,092	663,543
Differences between expected and actual experience		
Miscellaneous	4,498,167	793,257
Safety	4,931,008	855,085
Net difference between projected and actual earnings on plan investments		
Miscellaneous	--	2,487,626
Safety	--	1,058,078
County contributions subsequent to the measurement date		
Miscellaneous	22,865,161	--
Safety	14,805,499	--
Total	\$ 53,237,927	\$ 7,113,508

**COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 11: **PENSIONS** (CONTINUED)

D. Pension Expenses and Deferred Outflows / Inflows of Resources Related to Pensions (continued)

\$37,670,660 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources related to pensions and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amounts
2021	\$ 8,741,404
2022	(1,403,853)
2023	60,715
2024	1,055,493
2025	--
Thereafter	--
Total	<u>\$ 8,453,759</u>

E. CalPERS Discount Rate Changes

In December 2016, CalPERS Board of Administration approved lowering the CalPERS discount rate from 7.5 percent to 7.0 percent over the next three fiscal years, beginning in 2017-2018. The change in the discount rate would affect the required contribution beginning in 2018-2019 and result in increases to the normal costs and required unfunded actuarial liabilities (UAL) payment.

NOTE 12: **OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

A. General Information about the OPEB Plan

Plan Description. The County of El Dorado (County) Retiree Healthcare Plan (OPEB Plan) is a single-employer defined benefit healthcare plan administered by the County. The benefit terms, and the contribution requirements of the plan members and the County are established and may be amended by the County. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided. The County's OPEB Plan provides healthcare insurance benefits to employees who retire from active service due to disability or after the age of 50 and are eligible to commence pension benefits.

- **County Contribution Subsidy** – The County pays a monthly amount up to a percentage of the premium for the County sponsored Blue Shield PPO Standard plan plus dental single coverage for the retirees prior to age 65. For the age 65 or older retirees, the County pays a monthly amount up to a percentage of the premium for the highest cost Medicare eligible plan plus dental single coverage. The applicable percentage is based on the retiree's years of service with the County, and multiplied by a calculated percentage each year for payroll cap adjustment.
- **Implicit Subsidy** – For coverage prior to age 65, the retiree pays premiums that are developed by blending active and retiree costs. Since retirees are older and generally cost more than actives, the premium paid by the retiree is less than the "true cost" of coverage for retirees.

**COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 12: **OTHER POST-EMPLOYMENT BENEFITS (OPEB)** (CONTINUED)

A. General Information about the OPEB Plan (continued)

New hires were no longer eligible for the County Contribution Subsidy. The new hire cut off dates ranged from January 2009 to January 2010, depending on the bargaining unit. While not eligible for the County Contribution Subsidy, new hires are allowed to participate in the plan with payment of premiums and, as a result, benefit from the Implicit Subsidy. The County's OPEB Plan agreement places a cap on the County's contribution so that the amount paid to each individual retiree will be limited such that total County contributions do not exceed 1.2% of total payroll. This 1.2% payroll cap applies to the County's Contribution Subsidy only, and because this cap is a limitation on the employer's contribution, and not a limitation of retiree benefits, it cannot be considered to reduce the County's liability until the cap is enforced and thereby begins to alter the established pattern of shared costs. Effective July 1, 2011, the County contribution cap (1.2%) has been enforced and the rate has been adjusted to meet the cap.

Employees Covered by Benefit Terms. At June 30, 2019, the measurement date, the following numbers of employees were covered by the benefit terms:

Inactive employees currently receiving benefits	496
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>1,430</u>
Total	<u><u>1,926</u></u>

B. Total OPEB Liability

The County's total OPEB liability of \$90,966,859 was measured as of June 30, 2019, and was determined based on an actuarial valuation as of June 30, 2018. Specifically, update procedures were used to roll forward the total OPEB liability from June 30, 2018 (the valuation date) to June 30, 2019 (the measurement date).

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2018 actuarial valuation was rolled forward to determine the June 30, 2019 (the measurement date) total OPEB liability using the following actuarial assumptions and other inputs:

Contribution policy	No pre-funding
Discount rate	3.50% at June 30, 2019 (Bond Buyer 20-Bond Index) 3.87% at June 30, 2018 (Bond Buyer 20-Bond Index)
General inflation	2.75% annually
Mortality, retirement, disability, termination	CalPERS 1997-2015 Experience Study
Mortality improvement	Post-retirement mortality projected fully generational with Scale MP-2018
Salary increases	Aggregate: 3% annually Merit: CalPERS 1997-2015 Experience Study
Medical trend	Non-Medicare: 7.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076 Medicare: 6.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076
Healthcare participation at retirement	Eligible for cash subsidy: 80% Not eligible for cash subsidy: 50%

**COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 12: **OTHER POST-EMPLOYMENT BENEFITS (OPEB)** (CONTINUED)

C. Changes in the Total OPEB Liability

The change in the total OPEB liability for the OPEB Plan follows:

	Total OPEB Liability
Balances at 6/30/18	\$ 81,833,826
Changes for the year:	
Service cost	3,982,946
Interest	3,262,809
Changes of benefit terms	--
Differences between expected and actual experience	--
Changes in assumptions or other inputs	4,900,186
Benefit payments	(3,012,908)
Net changes	9,133,033
Balances at 6/30/19	\$ 90,966,859

There are no changes of benefit terms during the measurement period. Changes of assumptions and other inputs as well as the subsequent event reflect the following:

Discount rate	Changed from 3.87% at June 30, 2018 to 3.50% at June 30, 2019
Subsequent Event	Affordable Care Act (ACA) excise tax was repealed in December 2019. Since this is after the June 30, 2019 measurement date, the excise tax is included in the June 30, 2019 Total OPEB Liability.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current discount rate:

	Discount Rate		
	1% Decrease (2.50%)	Current Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability	\$ 106,575,616	\$ 90,966,859	\$ 78,618,173

**COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 12: **OTHER POST-EMPLOYMENT BENEFITS (OPEB)** (CONTINUED)

C. Changes in the Total OPEB Liability (continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	Healthcare Trend Rate		
	1% Decrease (Non-Medicare: 6.5% decreasing to 3.0%; Medicare: 5.5% decreasing to 3.0%)	Current Rate (Non-Medicare: 7.5% decreasing to 4.0%; Medicare: 6.5% decreasing to 4.0%)	1% Increase (Non-Medicare: 8.5% decreasing to 5.0%; Medicare: 7.5% decreasing to 5.0%)
Total OPEB Liability	\$ 88,531,184	\$ 90,966,859	\$ 94,730,287

D. OPEB Expense and Deferred Outflows / Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the County recognized OPEB expense of \$3,150,072. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ --	\$ 8,922,715
Changes of assumptions or other inputs	4,271,957	15,563,493
County contributions subsequent to the measurement date	3,176,679	--
Total	<u>\$ 7,448,636</u>	<u>\$ 24,486,208</u>

**COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 12: **OTHER POST-EMPLOYMENT BENEFITS (OPEB)** (CONTINUED)

D. OPEB Expense and Deferred Outflows / Inflows of Resources Related to OPEB (CONTINUED)

\$3,176,679 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources related to OPEB, if any, and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Amounts
2021	(4,095,683)
2022	(4,095,683)
2023	(4,095,683)
2024	(4,095,683)
2025	(3,431,103)
Thereafter	(400,416)
Total	<u>(20,214,251)</u>

COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13: **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 employees; and natural disasters. The County has established the Risk Management Fund (an internal service fund) to account for and finance its uninsured risks of loss. During fiscal year 2019-2020, under this program, the Risk Management Fund provided coverage for up to a maximum of \$1,000,000 for each general liability claim, and \$25,000 for each property damage claim. The County purchases commercial insurance for claims in excess of coverage provided by the Risk Management Fund and for all other risks of loss, including the workers' compensation insurance coverage effective September 1, 2018. The amount of settlements did not exceed coverage provided by the Risk Management Fund in each of the last three years.

All funds of the County participate in the program and make payments to the Risk Management Fund based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. The claims liability of \$16,721,000 reported in the Risk Management Fund at June 30, 2020 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the County's claims liability for the fiscal years ended June 30, 2020 and 2019 were as follows:

	2020	2019	
Unpaid claims, beginning of year	\$ 18,878,000	\$ 20,212,000	
Plus estimated claims incurred	28,258,216	27,566,717	
Less claims payments	(30,415,216)	(28,900,717)	
Unpaid claims, end of year	\$ 16,721,000	\$ 18,878,000	

The Risk Management Fund also accounts for the health insurance program. Effective July 1, 2011, the County entered into an agreement with CSAC Excess Insurance Authority (Authority) and participated in the Authority's health program. All funds of the County participate in the program and make payments to the Risk Management Fund based on the premiums established by the Authority's health program committee.

COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14: **COMMITMENTS AND CONTINGENCIES**

Grants

The County recognizes as revenue, grant monies received as reimbursement for costs incurred in certain Federal and State programs it administers. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

Pending Litigation

The County is also a defendant in several lawsuits arising in the normal course of business. In the aggregate, these claims seek monetary damages in significant amounts. To the extent the outcome of such litigation has been determined to result in probable loss to the County, such loss has been accrued in the accompanying financial statements. Litigation where loss to the County is reasonably possible has not been accrued. The outcome of the remaining claims cannot be determined at this time.

Encumbrances

The County uses an encumbrances system to control expenditures for the year and to enhance cash management. Under this system, purchase orders and contracts are recorded in order to reserve that portion of applicable appropriations. Encumbrances still open at the end of the year are not accounted for as expenditures and liabilities but rather as part of the fund balances. As of June 30, 2020, General Fund had a total of \$1,426,158 in encumbrances, which were reported as part of the assigned fund balances on the governmental fund balance sheet. Road Fund had a total of \$843,649 in encumbrances, which were reported as part of the restricted fund balances. Other (nonmajor) governmental funds had a total of \$143,699 in encumbrances, which were reported as part of the restricted, committed or assigned fund balances.

Construction Commitments and Other Significant Commitments

At June 30, 2020, the County has ongoing construction commitments that totaled approximately \$11.7 million and no other significant commitments.

Road Improvement Reimbursement Agreements

The County has entered into reimbursement agreements with various developers and homebuilders (developers) in the El Dorado Hills Traffic Impact Mitigation Fee (TIM Fee) zone. The developers built road improvements in the El Dorado Hills area and the County is required to reimburse the developers in accordance with the terms of the reimbursement agreements. In accordance with the agreements, the County is only required to make reimbursements to the developers if TIM Fee revenues are available. Accordingly, the County is only contingently liable for these reimbursements and these obligations are not included on the County's statement of net position.

Further, in the reimbursement agreements, the County has offered the developers credits against their TIM Fee payments in lieu of cash. The amount of credits utilized by the developers offsets the County's TIM fee revenue and also reduces the County's outstanding reimbursement obligations. Similar to the reimbursement obligations, these eligible but unutilized credits are not included on the County's statement of net position.

**COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 14: **COMMITMENTS AND CONTINGENCIES** (CONTINUED)

Road Improvement Reimbursement Agreements (continued)

The County's outstanding reimbursement obligations and the developers' eligible but unutilized credits as of June 30, 2020 are as follows:

	County's Outstanding Reimbursement Obligations	Developers' Eligible but Unutilized Credits
Latrobe Road Connector Study	\$ 55,035	\$ --
Bass Lake Road (SIA)	1,476,861	--
Saratoga Road Extension	10,957,795	4,072,299
Country Club Drive, Bass Lake Road to Tierra De Dios	11,559,611	2,421,853
Silva Valley Interchange	5,794,905	--
Silver Springs Pkwy	2,126,995	1,063,498
Silver Springs Pkwy to Bass Lake Road	4,274,262	1,702,484
Deer Valley Road	69,889	--
Total	<u>\$ 36,315,353</u>	<u>\$ 9,260,134</u>

Tax Abatement Agreement

The California Land Conservation Act of 1965 was commonly referred to as the "Williamson Act" (Act). Pursuant to the Act, the County enters into contracts with property owners for the purpose of limiting the use of specific properties to agricultural and compatible uses. To be established as an agricultural preserve, the property needs to meet all criteria, including minimum acreage, minimum capital outlay, and minimum income, set forth by the Act and the County's Board. The initial term of a contract is ten years. On each anniversary date of a contract, a year shall be automatically added to the initial term unless written notice of non-renewal is given. If the property owner or the County in any year serves written notice of non-renewal, the contract shall remain in effect for the balance of the unexpired term. During the term of the contract, the property owner pays substantially reduced property tax through a reduction of the assessed value on the property and in return agrees to limit the use of the property to agricultural and compatible uses. The assessed value of the property under the Act contract is determined by the capitalization of the property income stream. In fiscal year 2019-2020, the County's tax revenues were reduced by \$222,662 as a result of the Williamson Act contracts.

Mitigation Fee Act Litigation – The Austins

In December of 2015 Thomas and Helen Austin of El dorado Hills filed a lawsuit against the County seeking a writ of Mandate that would force the County to refund fees collected under the Mitigation Fee Act on behalf of the El dorado Hills Community Services District, the El Dorado Hills County Water District, the Ecological Preserve Program, and the County's Traffic Impact Mitigation Fee program. The County and the Austins sought to resolve the matter through mediation without success. The total of fees collected in the various accounts at the time findings were required to be made is approximately \$35 million, approximately \$15 million of which have been collected on behalf of the two aforementioned special districts. It is the County's position, among other asserted arguments, that this lawsuit was not filed on a timely basis. The County filed a demurrer asserting that the lawsuit should be barred by the statute of limitations. That demurrer was overruled by the trial court. The County petitioned the Court of Appeal for an Extraordinary Writ of Mandate seeking to reverse the trial court's decision. The Court of Appeal issued its decision on the Extraordinary Writ on October 30, 2019, and found for the County on some issues and found for the Austins on some issues. The ultimate resolution of this matter is not determinable at this time; regardless, the County's cost of defense will likely be material.

COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14: **COMMITMENTS AND CONTINGENCIES** (CONTINUED)

Mitigation Fee Act Litigation – Lunsmann

In January 2017, Jerry Lunsmann filed a complaint for recovery of impact fees collected seeking a refund of \$35,470 collected from Mr. Lunsmann by the County and other agencies. The complaint alleges that the fees were collected and retained illegally because the County failed to make specific findings required by the Mitigation Fee Act. Since the complaint was filed, it was voluntarily amended to conform in substance to that in the Sheetz matter as a Complaint of Declaratory and Injunctive Relief, and to add a Verified Petition for Writ of Mandate. The Petitioner has now filed a Third Amended Complaint. No hearing is presently set in this matter. The ultimate resolution of this matter is not determinable at this time; regardless, the County's cost of defense could be material.

Davis Litigation

In 2005, Ricky Davis was convicted of murder. On the basis of new DNA evidence, the El Dorado County District Attorney moved to dismiss the murder conviction and request a finding of factual innocence. The court granted the motion on February 13, 2020. Mr. Davis has recently filed a claim for damages alleging malicious, negligent investigation by the county. The ultimate resolution of this claim is not determinable at this time, but could have a material effect on the financial statements.

Medicaid Administrative Activities (MAA) / Targeted Case Management (TCM) Program Audit

The total overpayment of \$184,109 for the 2015-2016 MAA/TCM cost report, based on the final reconciliation received from the State Department of Health Care Services (DHCS) in 2018-2019, has been paid to and finalized with the State. The total overpayment of \$40,131 for the 2014-2015 TCM program site visit performed by DHCS in 2018-2019, has been paid to and finalized with the State as well. DHCS has issued a final audit report for the 2016-2017 MAA/TCM cost report recognizing an underpayment to the County in the amount of \$39,893. Additionally, the State has issued an interim settlement for the 2017-2018 MAA/TCM cost report in which the actual settlement amount will be determined upon final audit by DHCS. No liability or allowance has been recognized in the financial statements for any potential future revenue offsets; however, an audit reserve has been established since 2016-2017 to mitigate the impact of this type of future audits to the General Fund.

COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 15: FUND BALANCES / NET POSITION

A. Fund Balances

Fund balances for all the major and nonmajor governmental funds as of June 30, 2020, were presented as follows:

	General	Road Fund	Public Safety Facility Loan Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Advances	\$ 430,000	\$ --	\$ --	\$ --	\$ 430,000
Inventory	--	422,037	--	129,827	551,864
Prepaid expenses	1,711,838	41,793	--	1,072,009	2,825,640
Permanent fund principal	--	--	--	3,498,465	3,498,465
Subtotal	<u>2,141,838</u>	<u>463,830</u>	<u>--</u>	<u>4,700,301</u>	<u>7,305,969</u>
Restricted for:					
Capital projects	--	--	--	32,747,853	32,747,853
Public protection	--	--	--	38,174,274	38,174,274
Public ways and facilities	--	5,918,883	--	28,033,977	33,952,860
Health and sanitation	--	--	--	36,395,552	36,395,552
Public assistance	--	--	--	15,975,847	15,975,847
General government	--	--	--	6,319,364	6,319,364
Education	--	--	--	1,397,090	1,397,090
Recreation & cultural services	--	--	--	144,754	144,754
Subtotal	<u>--</u>	<u>5,918,883</u>	<u>--</u>	<u>159,188,711</u>	<u>165,107,594</u>
Committed to:					
Capital projects	22,046,483	--	--	8,709,922	30,756,405
Debt service	8,271,205	--	--	--	8,271,205
Public protection	--	--	--	337,320	337,320
Public ways and facilities	--	--	--	9,331,731	9,331,731
Public assistance	--	--	--	14,866	14,866
General government	1,999,395	--	--	--	1,999,395
Subtotal	<u>32,317,083</u>	<u>--</u>	<u>--</u>	<u>18,393,839</u>	<u>50,710,922</u>
Assigned to:					
Debt service	--	--	--	1,919,216	1,919,216
Public protection	--	--	--	1,463,017	1,463,017
Public ways and facilities	--	--	--	773	773
Health and sanitation	--	--	--	12,022,739	12,022,739
Public assistance	--	--	--	2,928,453	2,928,453
General government	1,426,158	--	--	206,966	1,633,124
Education	--	--	--	43,656	43,656
Recreation & cultural services	--	--	--	363,235	363,235
Subtotal	<u>1,426,158</u>	<u>--</u>	<u>--</u>	<u>18,948,055</u>	<u>20,374,213</u>
Unassigned	35,891,564	--	--	(584,396)	35,307,168
Total	<u>\$ 71,776,643</u>	<u>\$ 6,382,713</u>	<u>\$ --</u>	<u>\$ 200,646,510</u>	<u>\$ 278,805,866</u>

**COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 15: **FUND BALANCES / NET POSITION** (CONTINUED)

B. Deficit Fund Balances / Net Position

The following funds had deficit fund balances as of June 30, 2020:

Nonmajor Governmental Funds:		
Alcohol Drug Program	\$	250,801
Public Health Emergency Preparedness		1,690
BSCC – Recidivism Reduction Grant		45,750
Developer Deposits		5,977
Zone Administration		56,169

The deficits in the nonmajor governmental funds are expected to be eliminated in future years through future revenues and/or transfers from other funds.

COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 16: CONDENSED SEGMENT INFORMATION ON COMPONENT UNITS

The County has three Discretely Presented Component Units. Condensed Segment information as of and for the year ended June 30, 2020, is as follows:

Component Units Statement of Net Position
June 30, 2020

	Children and Families Commission	El Dorado County Transit Authority	El Dorado County Transportation Commission	Total
<u>ASSETS</u>				
Current and other assets	\$ 2,284,522	\$ 9,709,646	\$ 2,297,926	\$ 14,292,094
Capital assets	24,366	13,448,325	13,120	13,485,811
Restricted cash	--	33,389	1,782,164	1,815,553
Other long-term assets	--	--	20,584	20,584
Total Assets	2,308,888	23,191,360	4,113,794	29,614,042
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred pension outflows	--	1,009,744	162,546	1,172,290
Deferred OPEB outflows	--	100,078	4,657	104,735
Total Deferred Outflows of Resources	--	1,109,822	167,203	1,277,025
<u>LIABILITIES</u>				
Current liabilities	323,988	5,808,199	1,424,539	7,556,726
Long-term liabilities	--	4,164,200	521,300	4,685,500
Total Liabilities	323,988	9,972,399	1,945,839	12,242,226
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred pension inflows	--	186,499	18,103	204,602
Deferred OPEB inflows	--	89,359	4,523	93,882
Total Deferred Inflows of Resources	--	275,858	22,626	298,484
<u>NET POSITION</u>				
Net investment in capital assets	24,366	12,645,758	13,120	12,683,244
Restricted	1,960,534	--	2,444,770	4,405,304
Unrestricted	--	1,407,167	(145,358)	1,261,809
Total Net Position	\$ 1,984,900	\$ 14,052,925	\$ 2,312,532	\$ 18,350,357

COUNTY OF EL DORADO
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 16: CONDENSED SEGMENT INFORMATION ON COMPONENT UNITS (CONTINUED)

Component Units Statement of Activities
For the Year Ended June 30, 2020

	Children and Families Commission	El Dorado County Transit Authority	El Dorado County Transportation Commission	Total
Revenues:				
Program Revenues:				
Charges for current services	\$ --	\$ 1,243,873	\$ --	\$ 1,243,873
Operating grants and contributions	2,157,216	7,140,257	1,790,864	11,088,337
Capital grants and contributions	--	1,681,429	--	1,681,429
General Revenues:				
Taxes	--	--	7,247,202	7,247,202
Interest and investment earnings	30,482	18,668	39,648	88,798
Other revenues (expenses)	8,165	12,790	46,856	67,811
Total Revenues	<u>2,195,863</u>	<u>10,097,017</u>	<u>9,124,570</u>	<u>21,417,450</u>
Expenses:				
Health and sanitation	2,292,295	--	--	2,292,295
Public ways and facilities	--	9,831,838	9,417,037	19,248,875
Total Expenses	<u>2,292,295</u>	<u>9,831,838</u>	<u>9,417,037</u>	<u>21,541,170</u>
Change in net position	(96,432)	265,179	(292,467)	(123,720)
Net Position - Beginning of Year	<u>2,081,332</u>	<u>13,787,746</u>	<u>2,604,999</u>	<u>18,474,077</u>
Net Position - End of Year	<u>\$ 1,984,900</u>	<u>\$ 14,052,925</u>	<u>\$ 2,312,532</u>	<u>\$ 18,350,357</u>

**COUNTY OF EL DORADO
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2020**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - MISCELLANEOUS PLAN

Last 10 Fiscal Years

Measurement period	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
TOTAL PENSION LIABILITY						
Service cost	\$ 14,698,937	\$ 14,891,508	\$ 14,801,381	\$ 12,811,520	\$ 12,078,733	\$ 11,725,418
Interest	49,738,994	47,291,119	45,739,429	44,067,819	41,382,955	39,506,575
Changes of benefit terms	-	-	-	-	-	-
Changes of assumptions	-	(4,046,853)	35,910,002	-	(9,496,499)	-
Differences between expected and actual experience	6,865,623	(2,556,049)	(110,058)	9,494,835	(1,425,729)	-
Benefit payments, including refunds of employee contributions	(35,540,665)	(33,891,226)	(30,670,813)	(29,352,908)	(27,100,337)	(25,473,913)
Net change in total pension liability	35,762,889	21,688,499	65,669,941	37,021,266	15,439,123	25,758,080
Total pension liability - beginning	699,205,500	677,517,001	611,847,060	574,825,794	559,386,671	533,628,591
Total pension liability - ending (a)	\$ 734,968,389	\$ 699,205,500	\$ 677,517,001	\$ 611,847,060	\$ 574,825,794	\$ 559,386,671
PLAN FIDUCIARY NET POSITION						
Contributions - employer	\$ 20,095,711	\$ 17,626,714	\$ 16,577,036	\$ 15,708,862	\$ 13,708,979	\$ 11,938,552
Contributions - employee	6,627,077	6,262,153	6,205,211	6,021,392	6,127,135	5,440,632
Net investment income	31,899,887	38,887,824	47,314,474	2,206,776	9,597,580	64,244,763
Benefit payments, including refunds of employee contributions	(35,540,665)	(33,891,226)	(30,670,813)	(29,352,908)	(27,100,337)	(25,473,913)
Net plan to plan resource movement	297,504	(345,983)	(640,517)	-	-	-
Administrative expense	(349,141)	(721,176)	(626,961)	(262,260)	(484,087)	-
* Other miscellaneous income	1,136	(1,369,528)	-	-	-	-
Net change in plan fiduciary net position	23,031,509	26,448,778	38,158,430	(5,678,138)	1,849,270	56,150,034
Plan fiduciary net position - beginning	489,253,293	462,804,515	424,646,085	430,324,223	428,474,953	372,324,919
Plan fiduciary net position - ending (b)	\$ 512,284,802	\$ 489,253,293	\$ 462,804,515	\$ 424,646,085	\$ 430,324,223	\$ 428,474,953
Plan net pension liability (asset) - ending (a) - (b)	\$ 222,683,587	\$ 209,952,207	\$ 214,712,486	\$ 187,200,975	\$ 144,501,571	\$ 130,911,718
Plan fiduciary net position as a percentage of the total pension liability	69.70%	69.97%	68.31%	69.40%	74.86%	76.60%
*** Covered payroll	\$ 90,920,794	\$ 89,965,916	\$ 88,269,627	\$ 86,583,597	\$ 82,336,210	\$ 76,231,096
Plan net pension liability as a percentage of covered payroll	244.92%	233.37%	243.25%	216.21%	175.50%	171.73%

* During Fiscal Year 2017-2018, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75. Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-2018, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

** Includes any beginning of year adjustment.

*** Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-19; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule For the Year Ended June 30, 2020:

Benefit changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2018 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of assumptions: None in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

GASB Statement No. 68 was first implemented during the year ended June 30, 2015.

**COUNTY OF EL DORADO
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2020**

SCHEDULE OF PLAN CONTRIBUTIONS - MISCELLANEOUS PLAN

Fiscal year	(restated)						
	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Actuarially determined contribution	\$ 22,865,161	\$ 20,095,711	\$ 17,626,714	\$ 16,577,036	\$ 15,708,862	\$ 13,708,979	\$ 11,938,552
Contributions in relation to the actuarially determined contribution	(22,865,161)	(20,095,711)	(17,626,714)	(16,577,036)	(15,708,862)	(13,708,979)	(11,938,552)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 91,924,740	\$ 90,920,794	\$ 89,965,916	\$ 88,269,627	\$ 86,583,597	\$ 82,336,210	\$ 76,231,096
Contributions as a percentage of covered payroll	24.874%	22.102%	19.593%	18.780%	18.143%	16.650%	15.661%

Notes to Schedule For the Year Ended June 30, 2020:

Actuarially determined contribution rates are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported.

Valuation date: 6/30/2017

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll
Asset valuation method	Market Value
Inflation	2.625%
Salary increases	Varies by entry age and service
Payroll growth	2.875%
Investment rate of return	7.25%, net of pension plan investment and administrative expenses; including inflation
Retirement age	The probabilities of retirement are based on the CalPERS experience study.
Mortality	The probabilities of retirement are based on the CalPERS experience study. Post-retirement mortality rates include 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.

GASB Statement No. 68 was first implemented during the year ended June 30, 2015.

**COUNTY OF EL DORADO
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2020**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - SAFETY PLAN

Last 10 Fiscal Years

Measurement period	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
TOTAL PENSION LIABILITY						
Service cost	\$ 8,778,029	\$ 8,809,579	\$ 8,491,956	\$ 7,236,448	\$ 7,200,973	\$ 7,156,945
Interest	26,430,233	24,988,667	23,650,313	22,782,825	21,518,049	20,468,275
Changes of benefit terms	-	-	-	-	-	-
Changes of assumptions	-	(1,194,377)	20,302,919	-	(5,396,169)	-
Differences between expected and actual experience	3,544,191	3,624,469	(2,828,359)	2,171,978	(373,791)	-
Benefit payments, including refunds of employee contributions	(17,870,378)	(16,459,423)	(15,566,486)	(14,758,855)	(13,992,567)	(13,019,302)
Net change in total pension liability	<u>20,882,075</u>	<u>19,768,915</u>	<u>34,050,343</u>	<u>17,432,396</u>	<u>8,956,495</u>	<u>14,605,918</u>
Total pension liability - beginning	<u>370,655,585</u>	<u>350,886,670</u>	<u>316,836,327</u>	<u>299,403,931</u>	<u>290,447,436</u>	<u>275,841,518</u>
Total pension liability - ending (a)	<u>\$ 391,537,660</u>	<u>\$ 370,655,585</u>	<u>\$ 350,886,670</u>	<u>\$ 316,836,327</u>	<u>\$ 299,403,931</u>	<u>\$ 290,447,436</u>
PLAN FIDUCIARY NET POSITION						
Contributions - employer	\$ 13,055,406	\$ 11,747,848	\$ 11,063,176	\$ 9,978,939	\$ 9,161,922	\$ 8,185,724
Contributions - employee	3,141,935	2,976,981	3,157,738	2,976,868	2,655,620	2,581,344
Net investment income	15,456,819	18,533,469	22,262,639	986,537	4,431,631	29,611,782
Benefit payments, including refunds of employee contributions	(17,870,378)	(16,459,423)	(15,566,486)	(14,758,855)	(13,992,567)	(13,019,302)
Net plan to plan resource movement	(316,494)	(547)	-	(23,001)	23,897	-
Administrative expense	(168,583)	(343,496)	(295,008)	(122,361)	(225,994)	-
* Other miscellaneous income	547	(652,305)	-	-	-	-
Net change in plan fiduciary net position	<u>13,299,252</u>	<u>15,802,527</u>	<u>20,622,059</u>	<u>(961,873)</u>	<u>2,054,509</u>	<u>27,359,548</u>
** Plan fiduciary net position - beginning	<u>236,236,068</u>	<u>220,433,541</u>	<u>199,811,482</u>	<u>200,773,355</u>	<u>198,718,846</u>	<u>171,359,298</u>
Plan fiduciary net position - ending (b)	<u>\$ 249,535,320</u>	<u>\$ 236,236,068</u>	<u>\$ 220,433,541</u>	<u>\$ 199,811,482</u>	<u>\$ 200,773,355</u>	<u>\$ 198,718,846</u>
Plan net pension liability (asset) - ending (a) - (b)	<u>\$ 142,002,340</u>	<u>\$ 134,419,517</u>	<u>\$ 130,453,129</u>	<u>\$ 117,024,845</u>	<u>\$ 98,630,576</u>	<u>\$ 91,728,590</u>
Plan fiduciary net position as a percentage of the total pension liability	63.73%	63.73%	62.82%	63.06%	67.06%	68.42%
*** Covered payroll	\$ 31,621,802	\$ 31,072,925	\$ 30,429,287	\$ 29,868,120	\$ 28,517,826	\$ 27,344,994
Plan net pension liability as a percentage of covered payroll	449.06%	432.59%	428.71%	391.81%	345.86%	335.45%

* During Fiscal Year 2017-2018, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75. Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-2018, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

** Includes any beginning of year adjustment.

*** Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-19; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule For the Year Ended June 30, 2020:

Benefit changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2018 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of assumptions: None in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

GASB Statement No. 68 was first implemented during the year ended June 30, 2015.

**COUNTY OF EL DORADO
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2020**

SCHEDULE OF PLAN CONTRIBUTIONS - SAFETY PLAN

Last 10 Fiscal Years

(restated)

Fiscal year	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Actuarially determined contribution	\$ 14,805,499	\$ 13,055,406	\$ 11,747,848	\$ 11,063,176	\$ 9,978,939	\$ 9,161,922	\$ 8,185,724
Contributions in relation to the actuarially determined contribution	(14,805,499)	(13,055,406)	(11,747,848)	(11,063,176)	(9,978,939)	(9,161,922)	(8,185,724)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 31,840,476	\$ 31,621,802	\$ 31,072,925	\$ 30,429,287	\$ 29,868,120	\$ 28,517,826	\$ 27,344,994
Contributions as a percentage of covered payroll	46.499%	41.286%	37.807%	36.357%	33.410%	32.127%	29.935%

Notes to Schedule For the Year Ended June 30, 2020:

Actuarially determined contribution rates are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported.

Valuation date: 6/30/2017

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll
Asset valuation method	Market Value
Inflation	2.625%
Salary increases	Varies by entry age and service
Payroll growth	2.875%
Investment rate of return	7.25%, net of pension plan investment and administrative expenses; including inflation
Retirement age	The probabilities of retirement are based on the CalPERS experience study.
Mortality	The probabilities of retirement are based on the CalPERS experience study. Post-retirement mortality rates include 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.

GASB Statement No. 68 was first implemented during the year ended June 30, 2015.

**COUNTY OF EL DORADO
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2020**

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years		(restated)	(restated)
Measurement period	2018-2019	2017-2018	2016-2017
TOTAL OPEB LIABILITY			
Service cost	\$ 3,982,946	\$ 5,424,074	\$ 6,569,576
Interest	3,262,809	3,679,635	3,131,916
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	(12,167,339)	-
Changes in assumptions or other inputs	4,900,186	(10,801,060)	(12,627,092)
Benefit payments	<u>(3,012,908)</u>	<u>(3,320,971)</u>	<u>(2,754,246)</u>
Net change in total OPEB liability	9,133,033	(17,185,661)	(5,679,846)
Total OPEB liability - beginning	<u>81,833,826</u>	<u>99,019,487</u>	<u>104,699,333</u>
Total OPEB liability - ending (a)	<u><u>\$ 90,966,859</u></u>	<u><u>\$ 81,833,826</u></u>	<u><u>\$ 99,019,487</u></u>
 Covered-employee payroll	 \$ 59,988,545	 \$ 66,221,379	 \$ 69,517,840
 Total OPEB liability as a percentage of covered-employee payroll	 151.640%	 123.576%	 142.438%

Notes to Schedule For the Year Ended June 30, 2020:

There were no changes of benefit terms.

Changes of assumptions and other inputs: Changes of assumptions include the reflection of the effects of changes in the discount rate each period. The following are the discount rates used in each measurement period:

2018-2019	3.50%
2017-2018	3.87%
2016-2017	3.58%
2015-2016	2.85%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

GASB Statement No. 75 was first implemented during the year ended June 30, 2018.

**COUNTY OF EL DORADO
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Budgetary fund balances, July 1	\$ 23,122,039	\$ 20,634,041	\$ 20,634,041	\$ -
Resources (inflows):				
Taxes and assessments	118,039,933	118,204,933	120,626,321	2,421,388
Licenses, permits and franchises	10,833,934	11,111,634	11,498,455	386,821
Fines, forfeitures and penalties	782,844	874,844	2,279,950	1,405,106
Revenue from use of money and property	1,017,400	1,017,400	1,440,614	423,214
Intergovernmental revenues-State	50,585,161	52,331,146	30,686,709	(21,644,437)
Intergovernmental revenues-Federal	32,530,020	35,489,807	29,294,385	(6,195,422)
Revenue other governmental agencies	8,896,343	8,896,343	8,817,547	(78,796)
Charges for services	20,939,643	21,358,488	19,866,789	(1,491,699)
Miscellaneous revenues	2,354,292	2,468,194	1,997,840	(470,354)
Other financing sources	43,560,104	46,464,696	39,538,007	(6,926,689)
	<u>289,539,674</u>	<u>298,217,485</u>	<u>266,046,617</u>	<u>(32,170,868)</u>
Amounts available for appropriations	<u>312,661,713</u>	<u>318,851,526</u>	<u>286,680,658</u>	<u>(32,170,868)</u>
Charges to appropriations (outflows):				
<u>General Government</u>				
Board of Supervisors				
Salaries and employee benefits	1,530,286	1,530,286	1,403,703	126,583
Services and supplies	177,474	177,474	155,562	21,912
Intrafund transfers	37,004	37,004	19,258	17,746
	<u>1,744,764</u>	<u>1,744,764</u>	<u>1,578,523</u>	<u>166,241</u>
County Administrative Office				
Salaries and employee benefits	1,984,868	1,984,868	1,937,000	47,868
Services and supplies	268,932	268,932	219,997	48,935
Intrafund transfers	59,790	59,790	55,514	4,276
Intrafund abatement	(41,524)	(41,524)	(93,619)	52,095
	<u>2,272,066</u>	<u>2,272,066</u>	<u>2,118,892</u>	<u>153,174</u>
Annual Audit				
Services and supplies	80,000	80,000	68,750	11,250
	<u>80,000</u>	<u>80,000</u>	<u>68,750</u>	<u>11,250</u>
Auditor-Controller				
Salaries and employee benefits	4,003,691	3,991,187	3,845,098	146,089
Services and supplies	116,912	129,416	108,413	21,003
Intrafund transfers	7,275	7,275	7,042	233
Intrafund abatement	(48,050)	(48,050)	(57,535)	9,485
	<u>4,079,828</u>	<u>4,079,828</u>	<u>3,903,018</u>	<u>176,810</u>

**COUNTY OF EL DORADO
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Treasurer/Tax Collector				
Salaries and employee benefits	2,475,939	2,475,939	2,376,882	99,057
Services and supplies	517,313	517,313	445,013	72,300
Fixed assets	5,247	5,247	-	5,247
Other financing uses	3,600	3,600	2,376	1,224
Intrafund transfers	113,324	113,324	81,923	31,401
Intrafund abatement	(22,900)	(22,900)	(17,150)	(5,750)
	<u>3,092,523</u>	<u>3,092,523</u>	<u>2,889,044</u>	<u>203,479</u>
Assessor				
Salaries and employee benefits	4,361,705	4,361,705	4,174,155	187,550
Services and supplies	138,522	138,022	129,782	8,240
Other charges	500	500	-	500
Intrafund transfers	9,133	9,633	9,293	340
	<u>4,509,860</u>	<u>4,509,860</u>	<u>4,313,230</u>	<u>196,630</u>
Purchasing				
Salaries and employee benefits	1,403,098	1,351,098	1,081,596	269,502
Services and supplies	22,751	22,751	18,827	3,924
Intrafund transfers	99,909	109,909	106,650	3,259
	<u>1,525,758</u>	<u>1,483,758</u>	<u>1,207,073</u>	<u>276,685</u>
Revenue Recovery				
Salaries and employee benefits	39,210	39,210	32,980	6,230
Services and supplies	5,457	5,457	5,374	83
Intrafund abatement	(2,950)	(2,950)	(10,124)	7,174
	<u>41,717</u>	<u>41,717</u>	<u>28,230</u>	<u>13,487</u>
County Counsel				
Salaries and employee benefits	3,140,008	3,133,008	3,015,054	117,954
Services and supplies	374,226	380,951	349,441	31,510
Intrafund transfers	4,003	4,278	4,225	53
Intrafund abatement	-	-	(86,266)	86,266
	<u>3,518,237</u>	<u>3,518,237</u>	<u>3,282,454</u>	<u>235,783</u>
Personnel				
Salaries and employee benefits	1,942,518	1,912,518	1,533,540	378,978
Services and supplies	382,916	392,916	310,184	82,732
Intrafund transfers	67,534	87,534	73,212	14,322
	<u>2,392,968</u>	<u>2,392,968</u>	<u>1,916,936</u>	<u>476,032</u>
Elections				
Salaries and employee benefits	888,617	913,281	913,223	58
Services and supplies	1,369,570	2,140,230	1,264,009	876,221
Other charges	-	1,532	118	1,414
Fixed assets	-	943,268	784,180	159,088
Other financing uses	757,000	25,565	25,565	-
Intrafund transfers	23,384	23,384	15,509	7,875
Intrafund abatement	-	-	(17,711)	17,711
	<u>3,038,571</u>	<u>4,047,260</u>	<u>2,984,893</u>	<u>1,062,367</u>

**COUNTY OF EL DORADO
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Courier and Messenger				
Salaries and employee benefits	129,424	129,424	133,684	(4,260)
Services and supplies	313,562	313,562	201,984	111,578
Services and supplies abatements	(277,960)	(277,960)	(178,466)	(99,494)
Intrafund transfers	3,943	3,943	5,488	(1,545)
Intrafund abatement	(109,557)	(109,557)	(109,555)	(2)
	<u>59,412</u>	<u>59,412</u>	<u>53,135</u>	<u>6,277</u>
Building and Grounds				
Salaries and employee benefits	3,519,952	3,519,952	3,440,920	79,032
Services and supplies	2,602,129	2,759,629	2,688,835	70,794
Other charges	12,000	12,000	16,552	(4,552)
Fixed assets	-	42,000	37,009	4,991
Intrafund transfers	335,399	335,399	375,714	(40,315)
Intrafund abatement	(363,489)	(445,989)	(332,051)	(113,938)
	<u>6,105,991</u>	<u>6,222,991</u>	<u>6,226,979</u>	<u>(3,988)</u>
County Promotion				
Salaries and employee benefits	512,703	589,203	503,765	85,438
Services and supplies	1,554,615	1,478,115	808,283	669,832
Other charges	25,207	25,207	-	25,207
Intrafund transfers	166,575	166,575	59,713	106,862
Intrafund abatement	-	-	(11,725)	11,725
	<u>2,259,100</u>	<u>2,259,100</u>	<u>1,360,036</u>	<u>899,064</u>
Information Services & Support				
Salaries and employee benefits	6,068,159	6,050,159	5,205,470	844,689
Services and supplies	4,010,244	3,957,567	3,504,903	452,664
Fixed assets	159,250	211,927	114,561	97,366
Intrafund transfers	125,636	143,636	137,784	5,852
Intrafund abatement	(258,640)	(258,640)	(138,037)	(120,603)
	<u>10,104,649</u>	<u>10,104,649</u>	<u>8,824,681</u>	<u>1,279,968</u>
Surveyor				
Salaries and employee benefits	1,617,055	1,616,855	1,514,274	102,581
Services and supplies	87,405	95,405	56,691	38,714
Other charges	-	200	185	15
Intrafund transfers	33,009	33,009	20,161	12,848
Intrafund abatement	(19,000)	(27,000)	(26,501)	(499)
	<u>1,718,469</u>	<u>1,718,469</u>	<u>1,564,810</u>	<u>153,659</u>
Central Service Fiscal				
Salaries and employee benefits	1,624,176	1,682,520	1,556,848	125,672
Services and supplies	19,513	19,513	17,838	1,675
Intrafund transfers	2,333	2,333	2,475	(142)
Intrafund abatement	(1,177,878)	(1,177,878)	(1,313,355)	135,477
	<u>468,144</u>	<u>526,488</u>	<u>263,806</u>	<u>262,682</u>
Engineer				
Salaries and employee benefits	-	150,000	143,573	6,427
Services and supplies	450,000	379,000	218,779	160,221
Other charges	1,392,143	1,242,143	1,078,051	164,092
Intrafund transfers	-	71,000	54,383	16,617
	<u>1,842,143</u>	<u>1,842,143</u>	<u>1,494,786</u>	<u>347,357</u>
Contributions to Other Funds				
Other financing uses	720,702	720,702	720,702	-
	<u>720,702</u>	<u>720,702</u>	<u>720,702</u>	<u>-</u>

**COUNTY OF EL DORADO
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Contributions to Other Agencies				
Other charges	163,296	250,346	207,453	42,893
	<u>163,296</u>	<u>250,346</u>	<u>207,453</u>	<u>42,893</u>
Other General				
Salaries and employee benefits	11,313,491	11,082,491	9,212,079	1,870,412
Services and supplies	3,442,672	3,957,238	1,984,601	1,972,637
Services and supplies abatements	(860,000)	(860,000)	(514,710)	(345,290)
Other charges	-	367,983	281,198	86,785
Fixed assets	-	5,441	5,441	-
Other financing uses	-	270,674	265,739	4,935
Intrafund transfers	831,222	2,045,100	1,969,775	75,325
Intrafund abatement	(12,936,133)	(13,026,133)	(11,912,078)	(1,114,055)
	<u>1,791,252</u>	<u>3,842,794</u>	<u>1,292,045</u>	<u>2,550,749</u>
Other General - SR Fund				
Services and supplies	116,100	342,700	361,634	(18,934)
Other charges	3,132,133	3,154,676	3,034,676	120,000
Other financing uses	11,429,618	14,962,218	8,203,203	6,759,015
Intrafund transfers	-	-	25	(25)
	<u>14,677,851</u>	<u>18,459,594</u>	<u>11,599,538</u>	<u>6,860,056</u>
General Government	<u>66,207,301</u>	<u>73,269,669</u>	<u>57,899,014</u>	<u>15,370,655</u>
<u>Public Protection</u>				
Superior Court				
Services and supplies	1,135,079	1,200,029	1,173,648	26,381
Other charges	1,099,000	1,149,000	1,144,043	4,957
Intrafund transfers	-	30,050	23,059	6,991
	<u>2,234,079</u>	<u>2,379,079</u>	<u>2,340,750</u>	<u>38,329</u>
Grand Jury				
Services and supplies	81,278	78,528	40,417	38,111
Intrafund transfers	1,527	4,277	3,097	1,180
	<u>82,805</u>	<u>82,805</u>	<u>43,514</u>	<u>39,291</u>
District Attorney				
Salaries and employee benefits	10,813,565	10,897,001	10,587,737	309,264
Services and supplies	1,333,074	1,564,394	1,376,730	187,664
Other charges	7,000	15,000	10,930	4,070
Fixed assets	-	190,100	148,732	41,368
Other financing uses	62,856	31,428	29,790	1,638
Intrafund transfers	300,661	345,661	314,733	30,928
Intrafund abatement	(372,715)	(372,715)	(357,240)	(15,475)
	<u>12,144,441</u>	<u>12,670,869</u>	<u>12,111,412</u>	<u>559,457</u>
Child Support Services				
Salaries and employee benefits	4,115,082	4,115,082	3,681,977	433,105
Services and supplies	641,739	641,739	570,749	70,990
Fixed assets	-	112,500	106,093	6,407
Intrafund transfers	270,581	283,081	263,998	19,083
	<u>5,027,402</u>	<u>5,152,402</u>	<u>4,622,817</u>	<u>529,585</u>
Public Defender				
Salaries and employee benefits	3,656,006	3,604,006	3,318,741	285,265
Services and supplies	463,217	463,217	375,731	87,486
Fixed assets	-	46,050	40,250	5,800
Other financing uses	65,000	65,000	58,137	6,863
Intrafund transfers	90,336	90,336	62,493	27,843
	<u>4,274,559</u>	<u>4,268,609</u>	<u>3,855,352</u>	<u>413,257</u>

**COUNTY OF EL DORADO
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Sheriff - Bailiff				
Salaries and employee benefits	2,984,646	2,984,646	2,837,375	147,271
Services and supplies	23,361	23,361	23,920	(559)
Other charges	-	-	300	(300)
	<u>3,008,007</u>	<u>3,008,007</u>	<u>2,861,595</u>	<u>146,412</u>
Sheriff				
Salaries and employee benefits	40,972,702	40,972,702	38,511,958	2,460,744
Services and supplies	6,636,892	6,724,365	5,453,580	1,270,785
Other charges	238,330	238,330	71,795	166,535
Fixed assets	1,659,900	1,707,800	1,218,252	489,548
Other financing uses	156,864	542,264	172,134	370,130
Intrafund transfers	48,973	48,973	139,844	(90,871)
Intrafund abatement	(35,200)	(35,200)	(389,522)	354,322
	<u>49,678,461</u>	<u>50,199,234</u>	<u>45,178,041</u>	<u>5,021,193</u>
Central Dispatch				
Salaries and employee benefits	445,557	445,557	458,992	(13,435)
Services and supplies	175,665	210,665	226,525	(15,860)
Fixed assets	293,000	404,000	387,335	16,665
Intrafund abatement	(3,000)	(3,000)	(1,210)	(1,790)
	<u>911,222</u>	<u>1,057,222</u>	<u>1,071,642</u>	<u>(14,420)</u>
Jail				
Salaries and employee benefits	14,660,009	14,660,009	14,215,462	444,547
Services and supplies	2,534,885	2,549,885	2,029,293	520,592
Other charges	1,700	1,700	4,288	(2,588)
Fixed assets	319,000	319,000	-	319,000
Other financing uses	18,667,635	18,667,635	457,293	18,210,342
Intrafund transfers	142,490	142,490	36,767	105,723
	<u>36,325,719</u>	<u>36,340,719</u>	<u>16,743,103</u>	<u>19,597,616</u>
Juvenile Hall				
Salaries and employee benefits	3,988,207	3,988,207	4,072,708	(84,501)
Services and supplies	695,766	694,741	662,793	31,948
Other charges	500	500	21,160	(20,660)
Fixed assets	19,000	19,000	-	19,000
Intrafund transfers	62,021	69,661	7,581	62,080
Intrafund abatement	-	-	(4,935)	4,935
	<u>4,765,494</u>	<u>4,772,109</u>	<u>4,759,307</u>	<u>12,802</u>
Probation				
Salaries and employee benefits	10,681,598	10,681,598	10,505,965	175,633
Services and supplies	2,687,870	2,606,861	1,872,530	734,331
Other charges	100,125	180,375	148,358	32,017
Fixed assets	101,700	125,054	148,955	(23,901)
Other financing uses	-	7,500	6,814	686
Intrafund transfers	35,348	35,348	22,323	13,025
	<u>13,606,641</u>	<u>13,636,736</u>	<u>12,704,945</u>	<u>931,791</u>
Agricultural Commissioner				
Salaries and employee benefits	1,242,554	1,242,554	1,223,658	18,896
Services and supplies	290,460	290,261	187,204	103,057
Other charges	3,000	3,199	3,198	1
Fixed assets	9,983	42,294	32,311	9,983
Intrafund transfers	3,048	3,048	2,394	654
	<u>1,549,045</u>	<u>1,581,356</u>	<u>1,448,765</u>	<u>132,591</u>

**COUNTY OF EL DORADO
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Building Inspector				
Salaries and employee benefits	5,604,492	5,745,914	5,199,410	546,504
Services and supplies	956,171	1,275,198	602,263	672,935
Other charges	-	-	408	(408)
Fixed assets	47,000	12,000	11,738	262
Other financing uses	-	35,000	29,790	5,210
Intrafund transfers	2,725,363	2,745,363	1,795,590	949,773
Intrafund abatement	(1,645,059)	(1,645,059)	(21,571)	(1,623,488)
	<u>7,687,967</u>	<u>8,168,416</u>	<u>7,617,628</u>	<u>550,788</u>
Coroner				
Salaries and employee benefits	1,191,104	1,191,104	1,409,429	(218,325)
Services and supplies	858,387	792,187	591,515	200,672
Fixed assets	-	66,200	64,288	1,912
Intrafund transfers	-	-	693	(693)
	<u>2,049,491</u>	<u>2,049,491</u>	<u>2,065,925</u>	<u>(16,434)</u>
Emergency Services				
Salaries and employee benefits	947,569	947,569	883,863	63,706
Services and supplies	136,957	356,957	122,747	234,210
Other charges	1,200	1,200	300	900
Fixed assets	850,000	850,000	54,388	795,612
Other financing uses	-	343,490	-	343,490
Intrafund transfers	-	-	6,944	(6,944)
	<u>1,935,726</u>	<u>2,499,216</u>	<u>1,068,242</u>	<u>1,430,974</u>
Recorder - Clerk				
Salaries and employee benefits	1,313,911	1,313,211	1,158,979	154,232
Services and supplies	345,863	255,863	207,148	48,715
Fixed assets	-	310,409	77,484	232,925
Other financing uses	-	250,000	218,362	31,638
Intrafund transfers	17,237	7,937	7,863	74
	<u>1,677,011</u>	<u>2,137,420</u>	<u>1,669,836</u>	<u>467,584</u>
Planning and Zoning				
Salaries and employee benefits	2,932,166	3,274,761	2,884,577	390,184
Services and supplies	2,832,951	3,172,934	1,400,603	1,772,331
Other charges	204,479	258,199	210,730	47,469
Intrafund transfers	807,193	807,193	330,907	476,286
Intrafund abatement	-	(70,000)	(55,057)	(14,943)
	<u>6,776,789</u>	<u>7,443,087</u>	<u>4,771,760</u>	<u>2,671,327</u>
Animal Control				
Salaries and employee benefits	1,958,424	1,958,424	1,623,878	334,546
Services and supplies	548,422	548,422	469,791	78,631
Other charges	111,814	111,814	109,122	2,692
Fixed assets	40,000	40,000	-	40,000
Intrafund transfers	1,134,146	1,134,146	990,194	143,952
	<u>3,792,806</u>	<u>3,792,806</u>	<u>3,192,985</u>	<u>599,821</u>
Public Guardian				
Salaries and employee benefits	1,255,461	1,255,461	1,064,837	190,624
Services and supplies	163,182	163,182	101,701	61,481
Other charges	50,000	50,000	688	49,312
Intrafund transfers	475,021	475,021	387,753	87,268
	<u>1,943,664</u>	<u>1,943,664</u>	<u>1,554,979</u>	<u>388,685</u>
Cemeteries				
Salaries and employee benefits	149,166	138,066	114,418	23,648
Services and supplies	124,898	148,898	44,268	104,630
Other charges	240	240	-	240
Intrafund transfers	26,219	26,219	36,867	(10,648)
	<u>300,523</u>	<u>313,423</u>	<u>195,553</u>	<u>117,870</u>
Public Protection	<u>159,771,852</u>	<u>163,496,670</u>	<u>129,878,151</u>	<u>33,618,519</u>

**COUNTY OF EL DORADO
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Health and Sanitation</u>				
Public Health				
Salaries and employee benefits	-	692,325	369,023	323,302
Services and supplies	-	242,103	39,328	202,775
Other charges	-	93,825	93,825	-
Intrafund transfers	-	182,622	157,783	24,839
Intrafund abatement	-	(61,239)	(53,739)	(7,500)
	<u>-</u>	<u>1,149,636</u>	<u>606,220</u>	<u>543,416</u>
Environmental Management				
Salaries and employee benefits	2,030,074	2,030,074	2,004,854	25,220
Services and supplies	180,299	180,299	139,900	40,399
Other charges	300	300	124	176
Intrafund transfers	344,626	344,626	252,669	91,957
Intrafund abatement	(148,113)	(148,113)	(56,536)	(91,577)
	<u>2,407,186</u>	<u>2,407,186</u>	<u>2,341,011</u>	<u>66,175</u>
Health and Sanitation	<u>2,407,186</u>	<u>3,556,822</u>	<u>2,947,231</u>	<u>609,591</u>
<u>Public Assistance</u>				
Welfare Administration				
Salaries and employee benefits	22,814,889	23,574,796	22,203,121	1,371,675
Services and supplies	2,075,344	2,945,344	2,341,480	603,864
Other charges	2,910,669	2,518,054	2,140,931	377,123
Other financing uses	-	100,000	-	100,000
Intrafund transfers	8,465,950	7,465,950	6,987,257	478,693
	<u>36,266,852</u>	<u>36,604,144</u>	<u>33,672,789</u>	<u>2,931,355</u>
Social Services Programs				
Salaries and employee benefits	95,160	95,160	35,362	59,798
Services and supplies	6,093	6,093	14,651	(8,558)
Other charges	2,853,343	2,853,343	3,027,618	(174,275)
Intrafund transfers	92,400	92,400	86,373	6,027
	<u>3,046,996</u>	<u>3,046,996</u>	<u>3,164,004</u>	<u>(117,008)</u>
Categorical Aids				
Other charges	23,521,884	23,791,210	22,730,264	1,060,946
	<u>23,521,884</u>	<u>23,791,210</u>	<u>22,730,264</u>	<u>1,060,946</u>
Aid to Indigents				
Services and supplies	5,600	5,600	3,782	1,818
Other charges	201,100	201,100	228,838	(27,738)
	<u>206,700</u>	<u>206,700</u>	<u>232,620</u>	<u>(25,920)</u>
Veterans' Services				
Salaries and employee benefits	399,074	411,374	405,721	5,653
Services and supplies	92,608	92,608	71,732	20,876
Fixed assets	-	15,000	-	15,000
Intrafund transfers	113,014	101,714	74,980	26,734
	<u>604,696</u>	<u>620,696</u>	<u>552,433</u>	<u>68,263</u>
Public Assistance	<u>63,647,128</u>	<u>64,269,746</u>	<u>60,352,110</u>	<u>3,917,636</u>

**COUNTY OF EL DORADO
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Education</u>				
County Library				
Salaries and employee benefits	2,902,561	2,888,109	2,817,234	70,875
Services and supplies	825,428	866,002	755,997	110,005
Other charges	2,000	2,000	530	1,470
Other financing uses	60,000	-	-	-
Intrafund transfers	24,222	89,222	63,455	25,767
Intrafund abatement	-	-	(9,746)	9,746
	<u>3,814,211</u>	<u>3,845,333</u>	<u>3,627,470</u>	<u>217,863</u>
Education	<u>3,814,211</u>	<u>3,845,333</u>	<u>3,627,470</u>	<u>217,863</u>
<u>Recreation and Cultural Services</u>				
Recreation				
Salaries and employee benefits	615,427	633,511	494,806	138,705
Services and supplies	359,132	1,032,632	534,815	497,817
Other charges	687,500	859,439	257,896	601,543
Fixed assets	-	40,500	25,000	15,500
Intrafund transfers	59,631	67,631	25,856	41,775
Intrafund abatement	-	-	(3,981)	3,981
	<u>1,721,690</u>	<u>2,633,713</u>	<u>1,334,392</u>	<u>1,299,321</u>
Historical Museum				
Salaries and employee benefits	119,133	119,133	120,634	(1,501)
Services and supplies	50,904	81,552	56,290	25,262
Intrafund transfers	1,000	1,000	238	762
Intrafund abatement	-	-	(204)	204
	<u>171,037</u>	<u>201,685</u>	<u>176,958</u>	<u>24,727</u>
Recreation and Cultural Services	<u>1,892,727</u>	<u>2,835,398</u>	<u>1,511,350</u>	<u>1,324,048</u>
<u>Contingency</u>				
Contingency				
Appropriation for contingencies	14,921,308	7,577,888	-	7,577,888
	<u>14,921,308</u>	<u>7,577,888</u>	<u>-</u>	<u>7,577,888</u>
Contingency	<u>14,921,308</u>	<u>7,577,888</u>	<u>-</u>	<u>7,577,888</u>
Total charges to appropriations	<u>312,661,713</u>	<u>318,851,526</u>	<u>256,215,326</u>	<u>62,636,200</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,465,332</u>	<u>\$ 30,465,332</u>

**COUNTY OF EL DORADO
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2020**

An explanation of the differences between budgetary inflows and outflows, and GAAP revenues and expenditures:

Sources/inflows of resources:

Actual amount (budgetary basis) "available for appropriations" from the budgetary comparison schedule	\$	286,680,658
Difference budget to GAAP		
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes		(20,634,041)
Transfers in from other funds are inflows of budgetary resources, but are not revenues for financial reporting purposes		(39,160,244)
Interfund revenues from other governmental funds are inflows of budgetary resources, but are eliminated for financial reporting purposes		(9,392,843)
Proceeds from the software licensing agreements are not revenues for financial reporting purposes		(125,600)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance governmental funds	\$	217,367,930

Uses/outflows of resources:

Actual amount (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$	256,215,326
Difference budget to GAAP		
Transfers out to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes		(10,189,905)
Interfund expenditures to other governmental funds are outflows of budgetary resources, but are eliminated for financial reporting purposes		(9,392,843)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance governmental funds	\$	236,632,578

**COUNTY OF EL DORADO
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
ROAD FUND
YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Budgetary fund balances, July 1	\$ 5,269,786	\$ 5,269,786	\$ 5,269,786	\$ -
Resources (inflows):				
Taxes and assessments	10,000	10,000	28,976	18,976
Licenses, permits and franchises	537,500	537,500	1,087,431	549,931
Revenue from use of money and property	24,401	24,401	(178,444)	(202,845)
Intergovernmental revenues-State	16,189,802	17,787,096	19,958,044	2,170,948
Intergovernmental revenues-Federal	30,408,677	37,707,733	17,435,228	(20,272,505)
Charges for services	6,387,227	6,933,240	3,450,490	(3,482,750)
Miscellaneous revenues	3,589,154	3,972,170	650,198	(3,321,972)
Other financing sources	30,632,583	27,146,516	19,930,214	(7,216,302)
	<u>87,779,344</u>	<u>94,118,656</u>	<u>62,362,137</u>	<u>(31,756,519)</u>
Amounts available for appropriations	<u>93,049,130</u>	<u>99,388,442</u>	<u>67,631,923</u>	<u>(31,756,519)</u>
Charges to appropriations (outflows):				
<u>Public ways and facilities</u>				
Salaries and employee benefits	18,664,462	18,664,462	16,993,443	1,671,019
Services and supplies	51,782,488	56,730,903	32,337,190	24,393,713
Other charges	7,666,201	8,300,001	3,841,530	4,458,471
Fixed assets	9,832,655	9,904,655	6,315,107	3,589,548
Other financing uses	895,000	895,000	163,014	731,986
Intrafund transfers	5,643,190	5,643,190	-	5,643,190
Intrafund abatement	(6,704,652)	(6,704,652)	(283,722)	(6,420,930)
Appropriations for contingencies	5,269,786	5,954,883	-	5,954,883
Public ways and facilities	<u>93,049,130</u>	<u>99,388,442</u>	<u>59,366,562</u>	<u>40,021,880</u>
Total charges to appropriations	<u>93,049,130</u>	<u>99,388,442</u>	<u>59,366,562</u>	<u>40,021,880</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,265,361</u>	<u>\$ 8,265,361</u>

**COUNTY OF EL DORADO
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
ROAD FUND
YEAR ENDED JUNE 30, 2020**

An explanation of the differences between budgetary inflows and outflows, and GAAP revenues and expenditures:

Sources/inflows of resources:

Actual amount (budgetary basis) "available for appropriations" from the budgetary comparison schedule	\$	67,631,923
Difference budget to GAAP		
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes		(5,269,786)
Transfers in from other funds are inflows of budgetary resources, but are not revenues for financial reporting purposes		(19,829,839)
Interfund revenues from other governmental funds are inflows of budgetary resources, but are eliminated for financial reporting purposes		<u>(1,871,537)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance governmental funds	\$	<u><u>40,660,761</u></u>

Uses/outflows of resources:

Actual amount (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$	59,366,562
Difference budget to GAAP		
Transfers out to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes		(163,014)
Interfund expenditures to other governmental funds are outflows of budgetary resources, but are eliminated for financial reporting purposes		<u>(1,871,537)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance governmental funds	\$	<u><u>57,332,011</u></u>

**COUNTY OF EL DORADO
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
PUBLIC SAFETY FACILITY LOAN FUND
YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Budgetary fund balances, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Revenue from use of money and property	-	-	238,693	238,693
Other financing sources	30,000,000	30,000,000	16,589,421	(13,410,579)
	<u>30,000,000</u>	<u>30,000,000</u>	<u>16,828,114</u>	<u>(13,171,886)</u>
Amounts available for appropriations	<u>30,000,000</u>	<u>30,000,000</u>	<u>16,828,114</u>	<u>(13,171,886)</u>
Charges to appropriations (outflows):				
<u>General Government</u>				
Other financing uses	30,000,000	30,000,000	16,828,114	13,171,886
Public ways and facilities	30,000,000	30,000,000	16,828,114	13,171,886
Total charges to appropriations	<u>30,000,000</u>	<u>30,000,000</u>	<u>16,828,114</u>	<u>13,171,886</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF EL DORADO
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
PUBLIC SAFETY FACILITY LOAN FUND
YEAR ENDED JUNE 30, 2020**

An explanation of the differences between budgetary inflows and outflows, and GAAP revenues and expenditures:

Sources/inflows of resources:

Actual amount (budgetary basis) "available for appropriations" from the budgetary comparison schedule	\$	16,828,114
Difference budget to GAAP		
Proceeds from the issuance of notes payable are not revenues for financial reporting purposes		(16,589,421)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance governmental funds	\$	238,693

Uses/outflows of resources:

Actual amount (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$	16,828,114
Difference budget to GAAP		
Transfers out to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes		(16,828,114)
	\$	-

**COUNTY OF EL DORADO
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO BUDGETARY COMPARISON SCHEDULES
YEAR ENDED JUNE 30, 2020**

BUDGETARY BASIS OF ACCOUNTING

In accordance with the provisions of Sections 29000 and 29143, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares a budget for each fiscal year on or before October 2. Budgeted expenditures are enacted into law through the passage of an Appropriation Resolution. This resolution mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

An operating budget is adopted each fiscal year for all Governmental Funds. Expenditures are controlled at the object level within budget units for the County. The object level within a budget unit is the level at which expenditures may legally not exceed appropriations. The County Administrator approves any budget amendments transferring appropriation within object categories such as salaries and benefits or services and supplies. In addition, the County Administrator also approves budget amendments transferring appropriations between object categories. The Board of Supervisors approves budget amendments transferring appropriations between budget units, departments, or funds. The Board of Supervisors also approves appropriations from unappropriated reserves and unanticipated revenues received during the year. Budgeted amounts in the budgetary financial schedules are reported as originally adopted and as amended during the fiscal year.

The County uses an encumbrances system as an extension of normal budgetary accounting for the general, special revenue, and debt service funds and to assist in controlling expenditures of the capital projects funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are reported as part of the restricted, committed, or assigned fund balances since they do not constitute expenditures or liabilities. Encumbrances are combined with expenditures for budgetary comparison purposes. Unencumbered appropriation lapse at year-end. Encumbered appropriations are carried forward in the ensuing year's budget.

The budgets for governmental funds may include an object level known as "intrafund transfers" in the charges for appropriations. This object level is an accounting mechanism used by the County to show reimbursements between operations within the same fund (an example would be the General Fund).

The amounts reported in the budgetary basis differ from the basis used to present the basic financial statements in accordance with generally accepted accounting principles (GAAP). Annual budgets are prepared on the modified accrual basis of accounting except that current year encumbrances are budgeted as expenditures.

**COUNTY OF EL DORADO
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2020**

	<u>Fleet Management</u>	<u>Risk Management Authority</u>	<u>Total</u>
Assets			
Current Assets:			
Cash and investments	\$ 2,927,343	\$ 42,504,180	\$ 45,431,523
Accounts receivable	5,987	24,578	30,565
Deposits	-	83,100	83,100
Inventories	31,349	-	31,349
Prepaid expenses	1,315	2,539,936	2,541,251
Total Current Assets	<u>2,965,994</u>	<u>45,151,794</u>	<u>48,117,788</u>
Capital Assets:			
Land	40,000	-	40,000
Structures and improvements	213,088	-	213,088
Equipment	13,853,867	12,016	13,865,883
Accumulated depreciation	<u>(5,937,344)</u>	<u>(10,739)</u>	<u>(5,948,083)</u>
Total Capital Assets, net of accumulated depreciation	<u>8,169,611</u>	<u>1,277</u>	<u>8,170,888</u>
Total Assets	<u>11,135,605</u>	<u>45,153,071</u>	<u>56,288,676</u>
Liabilities			
Current Liabilities:			
Accounts payable	244,551	659,818	904,369
Salaries and benefits payable	8,539	13,330	21,869
Liability for self-insurance	-	3,423,226	3,423,226
Compensated absences - due within one year	2,962	3,709	6,671
Total Current Liabilities	<u>256,052</u>	<u>4,100,083</u>	<u>4,356,135</u>
Long-Term Liabilities:			
Liability for self-insurance	-	13,297,774	13,297,774
Compensated absences - due beyond one year	34,064	42,656	76,720
Total Long-Term Liabilities	<u>34,064</u>	<u>13,340,430</u>	<u>13,374,494</u>
Total Liabilities	<u>290,116</u>	<u>17,440,513</u>	<u>17,730,629</u>
Net Position			
Net investment in capital assets	8,169,611	1,277	8,170,888
Restricted for general government and support programs	2,568,822	-	2,568,822
Unrestricted	107,056	27,711,281	27,818,337
Total Net Position	<u>\$ 10,845,489</u>	<u>\$ 27,712,558</u>	<u>\$ 38,558,047</u>

**COUNTY OF EL DORADO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020**

	<u>Fleet Management</u>	<u>Risk Management Authority</u>	<u>Total</u>
Operating Revenues:			
Service fees	\$ 1,788,542	\$ 39,890,757	\$ 41,679,299
Total Operating Revenues	<u>1,788,542</u>	<u>39,890,757</u>	<u>41,679,299</u>
Operating Expenses:			
Salaries and benefits	354,957	705,968	1,060,925
Services and supplies	693,622	36,719,136	37,412,758
Depreciation	967,276	1,022	968,298
Total Operating Expenses	<u>2,015,855</u>	<u>37,426,126</u>	<u>39,441,981</u>
Operating Income (Loss)	<u>(227,313)</u>	<u>2,464,631</u>	<u>2,237,318</u>
Non-Operating Revenues (Expenses):			
Interest income	44,085	629,349	673,434
Gain (loss) on sale of capital assets	(43,583)	-	(43,583)
Miscellaneous nonoperating revenues	-	687,705	687,705
Total NonOperating Revenues (Expenses)	<u>502</u>	<u>1,317,054</u>	<u>1,317,556</u>
Income (Loss) Before Transfers and Capital Contributions	<u>(226,811)</u>	<u>3,781,685</u>	<u>3,554,874</u>
Transfers In (Out) and Capital Contributions			
Transfers in	334,564	-	334,564
Capital contributions	27,928	-	27,928
Total Transfers and Capital Contributions	<u>362,492</u>	<u>-</u>	<u>362,492</u>
Change in Net Position	135,681	3,781,685	3,917,366
Net Position - Beginning of Year	<u>10,709,808</u>	<u>23,930,873</u>	<u>34,640,681</u>
Net Position - End of Year	<u>\$ 10,845,489</u>	<u>\$ 27,712,558</u>	<u>\$ 38,558,047</u>

**COUNTY OF EL DORADO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020**

	Fleet Management	Risk Management Authority	Total
Cash Flows From Operating Activities:			
Cash receipts from internal fund services provided	\$ 1,784,555	\$ 39,866,179	\$ 41,650,734
Cash paid to suppliers for goods and services	(936,123)	(38,930,913)	(39,867,036)
Cash paid to employees for services	(347,627)	(686,473)	(1,034,100)
Net cash provided (used) by operating activities	500,805	248,793	749,598
Cash Flows From Noncapital Financing Activities:			
Cash received from (paid to) other funds	334,564	(116,000)	218,564
Non operating receipts	-	687,705	687,705
Net cash provided (used) by noncapital financing activities	334,564	571,705	906,269
Cash Flows From Capital and Related Financing Activities:			
Proceeds from sale of capital assets	81,393	-	81,393
Payments related to the acquisition of capital assets	(1,317,079)	-	(1,317,079)
Net cash provided (used) by capital and related financing activities	(1,235,686)	-	(1,235,686)
Cash Flows From investing Activities:			
Interest received	44,085	629,349	673,434
Net cash provided (used) by investing activities	44,085	629,349	673,434
Net Increase (Decrease) in Cash and Cash Equivalents	(356,232)	1,449,847	1,093,615
Cash and Cash Equivalents, Beginning of Year	3,283,575	41,054,333	44,337,908
Cash and Cash Equivalents, End of year	\$ 2,927,343	\$ 42,504,180	\$ 45,431,523

Continued

**COUNTY OF EL DORADO
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020**

	<u>Fleet Management</u>	<u>Risk Management Authority</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (227,313)	\$ 2,464,631	\$ 2,237,318
Adjustments to reconcile operating income (loss) to cash flows from operating activities:			
Depreciation	967,276	1,022	968,298
Changes in assets, liabilities and deferred outflows/inflows:			
(Increase) decrease in:			
Accounts receivable	(3,987)	(24,578)	(28,565)
Inventory	(2,341)	-	(2,341)
Deposits and prepaid expenses	(1,315)	(91,088)	(92,403)
Increase (decrease) in:			
Accounts payable	(238,845)	36,311	(202,534)
Salaries payable	2,525	2,107	4,632
Liability for compensensated absences	4,805	17,388	22,193
Liability for self-insurance	-	(2,157,000)	(2,157,000)
Net Cash Provided (Used) by Operating Activities	<u>\$ 500,805</u>	<u>\$ 248,793</u>	<u>\$ 749,598</u>