

**COUNTY OF EL DORADO
GENERAL PURPOSE
FINANCIAL STATEMENTS**

JUNE 30, 1997

**COUNTY OF EL DORADO
FOR THE YEAR ENDED JUNE 30, 1997**

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**COUNTY OF EL DORADO
FOR THE YEAR ENDED JUNE 30, 1997**

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

Board of Supervisors
County of El Dorado

We have audited the accompanying general purpose financial statements of the County of El Dorado (County), as of and for the year ended June 30, 1997, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the El Dorado County Transit Authority, which statements represent 43 percent of the assets and 57 percent of the operating revenues of the enterprise funds. Those statements were audited by another auditor whose report has been furnished to us and our opinion, insofar as it relates to the amounts included for the El Dorado County Transit Authority, is based solely on the report of the other auditor.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the County of El Dorado, California as of June 30, 1997, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has

been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we will also issue reports on our consideration of the County of El Dorado's internal control over financial reporting and our tests of its compliance with certain laws, contracts and grants.

Smith, Maloney & Gilles

January 20, 1998

COUNTY OF EL DORADO
 COMBINED BALANCE SHEET--ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 1997

	Governmental Fund Types				Proprietary Fund Types				Fiduciary Fund Types			Account Groups			Totals (Memorandum Only)
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Enterprise Funds	Internal Services Funds	Trust and Agency Funds	General Fixed Assets	General Fixed Assets	Long-Term Debt	Totals		Totals (Memorandum Only)		
											General	Debt			
ASSETS & OTHER DEBITS															
Cash and investments	\$ 4,067,842	\$ 14,718,105	\$ 2,782,164	\$ 3,976,518	\$ 541,795	\$ 13,926,021	\$ 67,796,146								\$ 107,808,591
Cash with fiscal agents			3,317,123			33,945	21,123,743								24,494,811
Accounts receivable	403,809	139,346	27,700		217,976										788,831
Taxes receivable							8,222,523								8,222,523
Special assessments receivable				8,033,054											8,033,054
Notes receivable	1,142,832	5,841,999													6,984,831
Due from other funds	2,498,914	443,681			13,483	990,387	80,955								3,967,420
Due from other governments	6,124,779	4,252,925				15,443									10,393,147
Inventories and prepaid expenses	41,915	572,478			31,565	21,769									667,727
Land					273,927										273,927
Structures & improvements					4,032,671	224,263									4,256,934
Equipment					2,939,224	5,646,608									8,585,832
Construction in progress					(2,985,844)	(2,222,670)									(5,208,514)
Accumulated depreciation															458,297
Other Debits:															
Amount available in debt service funds										\$ 6,126,987					6,126,987
Amount to be provided for retirement of long-term debt															29,473,477
	\$ 14,280,091	\$ 25,968,534	\$ 14,160,041	\$ 3,976,518	\$ 5,064,797	\$ 18,595,766	\$ 97,223,367	\$ 109,844,277	\$ 35,600,464						\$ 324,713,855

See accompanying notes to the general purpose financial statements.

COUNTY OF EL DORADO
 COMBINED BALANCE SHEET--ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 1997

	Governmental Fund Types				Proprietary Fund Types			Fiduciary Fund Types			Account Groups			Totals (Memorandum Only)
	General Fund	Special Revenue Funds		Debt Service Funds	Capital Projects Funds	Enterprise Funds		Internal Service Funds	Trust and Agency Funds	General Fixed Assets	Long-Term Debt			
LIABILITIES, EQUITY & OTHER CREDITS														
Liabilities:														
Accounts payable	\$ 1,378,321	\$ 3,721,815	\$ 69,624	\$ 185,066	\$ 320,302	\$ 2,582,071	\$ 8,257,199							\$ 8,257,199
Salaries & benefits payable	1,359,493	578,273		29,309	9,162	253,198	2,229,435							2,229,435
Compensated absences	276,740			91,693	44,433		6,848,968							6,848,968
Due to other funds	346,653	2,368,373		71,000		1,181,394	3,967,420							3,967,420
Due to other governments	100,706	548,235					648,941							648,941
Deferred revenue	1,142,832	5,401,784	\$ 8,033,054	121,626			14,699,296							14,699,296
Notes payable-current				22,862			22,862							22,862
Capital leases-current				16,975			16,975							16,975
Liability for self-insurance					10,668,890		10,668,890							10,668,890
Liability for landfill closure & postclosure		2,425,967					2,425,967							2,425,967
Bonds payable														
Notes payable-non-current		1,542,832		235,542			28,195,000							1,778,374
Capital lease obligations-non-current				4,098			973,460							973,460
Deferred compensation payable							19,009,334							19,009,334
Other agency obligations							74,197,370							74,197,370
Total liabilities	4,604,745	16,587,279	8,033,054	778,171	11,042,787	97,223,367	173,939,491							173,939,491
Fund Equity & Other Credits:														
Investment in general fixed assets														
Contributed capital														
Retained earnings:														
Reserved:														
Unreserved														
Fund balances:														
Reserved for debt service	1,209,589	531,677												
Reserved for encumbrances		483,398												
Reserved for inventories		4,140												
Reserved for imprest cash	54,535													
Reserved for family support programs	293,868													
Unreserved:														
Designated for capital projects														
Designated for debt service														
Designated for contingencies	3,635,869	1,978,014												
Undesignated	4,481,485	6,384,026												
Total fund equity and other credits	9,675,346	9,381,255	6,126,987	4,286,626	7,552,979	97,223,367	109,844,277							150,774,364
	\$ 14,280,091	\$ 25,968,534	\$ 14,160,041	\$ 3,976,518	\$ 5,064,797	\$ 18,595,766	\$ 109,844,277							\$ 324,713,855

See accompanying notes to the general purpose financial statements.

COUNTY OF EL DORADO
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1997

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Totals (Memorandum Only)
REVENUES					
Taxes and assessments	\$ 32,487,325	\$ 9,167,941	\$ 1,434,171	\$ 490,821	\$ 43,580,258
Licenses, permits and franchises	4,006,162	1,154,820			5,160,982
Intergovernmental revenues	46,537,777	26,392,045		41,437	72,971,259
Use of money and property	1,495,687	689,934	2,470,793	207,129	4,863,543
Charges for services	8,034,025	14,126,351			22,160,376
Fines, forfeits and penalties	101,863	507,100		212,126	821,089
Other revenues	6,153,907	944,217		1,175	7,099,299
Total revenues	<u>98,816,746</u>	<u>52,982,408</u>	<u>3,904,964</u>	<u>952,688</u>	<u>156,656,806</u>
EXPENDITURES					
Current:					
General government	17,414,925	151,707			17,566,632
Public protection	38,842,880	14,373,153			53,216,033
Public ways and facilities	588,627	20,434,723			21,023,350
Health and sanitation	998,292	19,356,167			20,354,459
Public assistance	27,345,682	3,643,078			30,988,760
Education	820,979	670,508			1,491,487
Recreation and culture	593,114				593,114
Interest	619,363	146,321			765,684
Debt service:					
Principal			2,364,889		2,364,889
Interest			2,134,190		2,134,190
Capital outlay	2,656,087	1,636,038		1,335,746	5,627,871
Total expenditures	<u>89,879,949</u>	<u>60,411,695</u>	<u>4,499,079</u>	<u>1,335,746</u>	<u>156,126,469</u>
Excess of revenues over (under) expenditures	<u>8,936,797</u>	<u>(7,429,287)</u>	<u>(594,115)</u>	<u>(383,058)</u>	<u>530,337</u>
Other financing sources (uses):					
Operating transfers in	41,205	8,320,726	695,450	12,310	9,069,691
Operating transfers out	(8,791,564)	(372,431)		(42,892)	(9,206,887)
Total other financing sources (uses)	<u>(8,750,359)</u>	<u>7,948,295</u>	<u>695,450</u>	<u>(30,582)</u>	<u>(137,196)</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	186,438	519,008	101,335	(413,640)	393,141
Fund balances, July 1, 1996	9,736,539	8,879,445	6,025,652	4,320,534	28,962,170
Residual equity transfers	(247,631)	(17,198)			(264,829)
Fund balances, June 30, 1997	<u>\$ 9,675,346</u>	<u>\$ 9,381,255</u>	<u>\$ 6,126,987</u>	<u>\$ 3,906,894</u>	<u>\$29,090,482</u>

See accompanying notes to the general purpose financial statements.

COUNTY OF EL DORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL--GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 1997

	<u>Actual</u>	<u>Budget</u>	Variance-- Favorable <u>(Unfavorable)</u>
REVENUES			
Taxes	\$ 32,487,325	\$ 31,919,827	\$ 567,498
Licenses, permits and franchises	4,006,162	3,795,928	210,234
Intergovernmental revenues	46,537,777	46,308,829	228,948
Use of money and property	1,495,687	872,564	623,123
Charges for services	8,034,025	7,909,127	124,898
Fines, forfeits and penalties	101,863	92,869	8,994
Other revenues	6,153,907	7,372,576	(1,218,669)
Total revenues	<u>98,816,746</u>	<u>98,271,720</u>	<u>545,026</u>
EXPENDITURES			
Current:			
General government	17,414,925	18,300,416	885,491
Public protection	38,842,880	39,121,018	278,138
Public ways and facilities	588,627	853,166	264,539
Health and sanitation	998,292	1,249,917	251,625
Public assistance	27,345,682	28,702,366	1,356,684
Education	820,979	831,379	10,400
Recreation and culture	593,114	643,384	50,270
Interest	619,363	619,364	1
Capital outlay	2,656,087	3,885,588	1,229,501
Total expenditures	<u>89,879,949</u>	<u>94,206,598</u>	<u>4,326,649</u>
Excess of revenues over expenditures	<u>8,936,797</u>	<u>4,065,122</u>	<u>4,871,675</u>
Other financing sources (uses):			
Operating transfers in	41,205	1,238,958	(1,197,753)
Operating transfers out	(8,791,564)	(9,031,674)	240,110
Total other financing sources (uses)	<u>(8,750,359)</u>	<u>(7,792,716)</u>	<u>(957,643)</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	186,438	<u>\$ (3,727,594)</u>	<u>\$ 3,914,032</u>
Fund balance, July 1, 1996	9,736,539		
Residual equity transfers	<u>(247,631)</u>		
Fund balance, June 30, 1997	<u>\$ 9,675,346</u>		

See accompanying notes to the general purpose financial statements.

COUNTY OF EL DORADO
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL--SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1997

	Actual	Budget	Variance-- Favorable (Unfavorable)
REVENUES			
Taxes and assessments	\$ 9,167,941	\$ 8,927,746	\$ 240,195
Licenses, permits and franchises	1,154,820	1,109,365	45,455
Intergovernmental revenues	26,392,045	28,512,876	(2,120,831)
Use of money and property	689,934	433,950	255,984
Charges for services	14,126,351	16,959,606	(2,833,255)
Fines, forfeits and penalties	507,100	509,941	(2,841)
Other revenues	944,217	834,516	109,701
Total revenues	52,982,408	57,288,000	(4,305,592)
EXPENDITURES			
Current:			
General government	151,707	262,867	111,160
Public protection	14,373,153	17,538,739	3,165,586
Public ways and facilities	20,434,723	26,373,682	5,938,959
Health and sanitation	19,356,167	23,866,835	4,510,668
Public assistance	3,643,078	4,124,090	481,012
Education	670,508	777,888	107,380
Interest	146,321	161,552	15,231
Capital outlay	1,636,038	2,436,364	800,326
Total expenditures	60,411,695	75,542,017	15,130,322
Excess of revenues over (under) expenditures	(7,429,287)	(18,254,017)	10,824,730
Other financing sources (uses):			
Operating transfers in	8,320,726	12,126,702	(3,805,976)
Operating transfers out	(372,431)	(910,681)	538,250
Total other financing sources (uses)	7,948,295	11,216,021	(3,267,726)
Excess of revenues and other financing sources over (under) expenditures	519,008	(\$7,037,996)	\$ 7,557,004
Fund balances, July 1, 1996	8,879,445		
Residual equity transfers	(17,198)		
Fund balance, June 30, 1997	\$ 9,381,255		

See accompanying notes to the general purpose financial statements.

COUNTY OF EL DORADO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL--GENERAL & SPECIAL REVENUE FUNDS

(MEMORANDUM ONLY)

FOR THE YEAR ENDED JUNE 30, 1997

	<u>Actual</u>	<u>Budget</u>	Variance-- Favorable (Unfavorable)
REVENUES			
Taxes and assessments	\$ 41,655,266	\$ 40,847,573	\$ 807,693
Licenses, permits and franchises	5,160,982	4,905,293	255,689
Intergovernmental revenues	72,929,822	74,821,705	(1,891,883)
Use of money and property	2,185,621	1,306,514	879,107 *
Charges for services	22,160,376	24,868,733	(2,708,357)
Fines, forfeits and penalties	608,963	602,810	6,153
Other revenues	<u>7,098,124</u>	<u>8,207,092</u>	<u>(1,108,968)</u>
Total revenues	<u>151,799,154</u>	<u>155,559,720</u>	<u>(3,760,566)</u>
EXPENDITURES			
Current:			
General government	17,566,632	18,563,283	996,651
Public protection	53,216,033	56,659,757	3,443,724
Public ways and facilities	21,023,350	27,226,848	6,203,498
Health and sanitation	20,354,459	25,116,752	4,762,293
Public assistance	30,988,760	32,826,456	1,837,696
Education	1,491,487	1,609,267	117,780
Recreation and culture	593,114	643,384	50,270
Interest	765,684	780,916	15,232
Capital outlay	<u>4,292,125</u>	<u>6,321,952</u>	<u>2,029,827</u>
Total expenditures	<u>150,291,644</u>	<u>169,748,615</u>	<u>19,456,971</u>
Excess of revenues over (under) expenditures	<u>1,507,510</u>	<u>(14,188,895)</u>	<u>15,696,405</u>
Other financing sources (uses):			
Operating transfers in	8,361,931	13,365,660	(5,003,729)
Operating transfers out	<u>(9,163,995)</u>	<u>(9,942,355)</u>	<u>778,360</u>
Total other financing sources (uses)	<u>(802,064)</u>	<u>3,423,305</u>	<u>(4,225,369)</u>
Excess of revenues and other financing sources over (under) expenditures	705,446	<u>(\$10,765,590)</u>	<u>\$ 11,471,036</u>
Fund balance, July 1, 1996	18,615,984		
Residual equity transfers	<u>(264,829)</u>		
Fund balance, June 30, 1997	<u>\$ 19,056,601</u>		

See accompanying notes to the general purpose financial statements.

COUNTY OF EL DORADO
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS—ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1997

	Enterprise Funds	Internal Service Funds	Totals (Memorandum Only)
OPERATING REVENUES			
Fare box collections	\$ 459,992		\$ 459,992
Service fees	138,536	\$ 12,761,216	12,899,752
Fuel sales	204,169	246,863	451,032
Total operating revenues	<u>802,697</u>	<u>13,008,079</u>	<u>13,810,776</u>
OPERATING EXPENSES			
Salaries and benefits	1,235,103	394,216	1,629,319
Services and supplies	1,088,475	11,384,999	12,473,474
Depreciation	394,561	730,357	1,124,918
Total operating expenses	<u>2,718,139</u>	<u>12,509,572</u>	<u>15,227,711</u>
Net operating income (loss)	<u>(1,915,442)</u>	<u>498,507</u>	<u>(1,416,935)</u>
Non-operating revenues (expenses):			
Intergovernmental revenue	1,445,146		1,445,146
Interest income	9,524	665,129	674,653
Interest expense	(45,926)		(45,926)
Gain on sale of assets	178,515	63,777	242,292
Transfers from other funds	83,130	11,174	94,304
Other	11,412	91,554	102,966
Net non-operating revenues (expenses)	<u>1,681,801</u>	<u>831,634</u>	<u>2,513,435</u>
Net income (loss)	(233,641)	1,330,141	1,096,500
Retained earnings, July 1, 1996	1,925,361	3,499,861	5,425,222
Transfer of depreciation to contributed capital	176,271		176,271
Retained earnings, June 30, 1997	<u>\$ 1,867,991</u>	<u>\$ 4,830,002</u>	<u>\$ 6,697,993</u>

See accompanying notes to the general purpose financial statements.

COUNTY OF EL DORADO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1997

	Enterprise Funds	Internal Service Funds	Totals (Memorandum Only)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net operating income (loss)	(\$1,915,442)	\$498,507	(\$1,416,935)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation	394,561	730,357	1,124,918
(Increase) decrease in accounts receivable	42,126	90,787	132,913
(Increase) decrease in amounts due from other funds and governments	62,267	(28,141)	34,126
(Increase) decrease in prepaid expenses and inventories	(17,863)	6,639	(11,224)
Increase (decrease) in accounts and salaries payable	(55,503)	(67,000)	(122,503)
Increase (decrease) in liability for self insurance		644,264	644,264
Net cash provided (used) by operating activities	<u>(1,489,854)</u>	<u>1,875,413</u>	<u>385,559</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	9,524	665,129	674,653
Proceeds from disposal of assets	178,515	63,777	242,292
Purchases of fixed assets	(167,791)	(1,286,476)	(1,454,267)
Net cash provided by investing activities	<u>20,248</u>	<u>(557,570)</u>	<u>(537,322)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments on long-term debt	(100,845)		(100,845)
Interest expense	(45,926)		(45,926)
Intergovernmental revenue	1,883,664		1,883,664
Capital contributions		474,043	474,043
Transfers from other funds		11,174	11,174
Other	16,264	91,554	107,818
Net cash provided by financing activities	<u>1,753,157</u>	<u>576,771</u>	<u>2,329,928</u>
Net increase (decrease) in cash and cash equivalents	283,551	1,894,614	2,178,165
Cash and cash equivalents, July 1, 1996	<u>258,244</u>	<u>12,085,352</u>	<u>12,343,596</u>
Cash and cash equivalents, June 30, 1997	<u>\$ 541,795</u>	<u>\$ 13,979,966</u>	<u>\$ 14,521,761</u>

See accompanying notes to the general purpose financial statements.

**COUNTY OF EL DORADO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1997**

Note 1--Organization and Summary of Significant Accounting Policies

Description of the Reporting Entity

The County of El Dorado (the County) is a political subdivision of the State of California. As such, it can exercise the powers specified by the Constitution and statutes of the State. The County is governed by a five member elected Board of Supervisors

Using the criteria of Governmental Accounting Standards Board (GASB) Statement No. 14, the component units discussed in the following paragraphs are included in the County's reporting entity because of their operational and financial relationship with the County.

- The County Service Areas are separate legal entities created to provide services such as water, sewer, lighting and road maintenance throughout the County.
- The County Water Agency is a separate legal entity formed to provide water service within the County.
- 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 Air Pollution Control District was established as a separate legal entity to maintain and improve the County's air quality.
- The El Dorado Redevelopment Agency was created under the Community Redevelopment Law of the State to address blighted areas within the County.
- The El Dorado County Housing Authority was formed to issue certificates and vouchers for Section 8 housing.
- 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 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. Three of five EDCTA board members are appointed by the County Board of Supervisors.

Although the above component units are legally separate from the County, they are reported on a blended basis as part of the primary government because their boards consist either exclusively or with a majority membership of County Supervisors or Board of Supervisors appointees. Financial information on these component units may be obtained from the County Auditor / Controller's office.

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 Board of Supervisors 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 Treasurer) as discussed under "Fiduciary Funds."

Also excluded from the reporting entity are the following joint power authorities (JPA):

- American River Authority. The County participates with Placer County and the Placer County Water Agency in this JPA which was created to facilitate construction of a dam, reservoir and hydroelectric power facilities at the Auburn Dam Site. The costs of operating the JPA are shared equally by the participants. The governing board consists of two members from the County, one member from each of the other participants and a public resident who alternates between El Dorado and Placer 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 costs of operating the JPA are shared equally by the participants. The board is made up of one member from each participant and one public member at large.
- CSAC Excess Insurance Authority. The County participates with fifty other counties in the State for the purpose of acquiring and pooling costs of excess insurance coverage. Costs are allocated to participating members.

Fund Accounting

The accounts of the County are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into three broad fund categories, seven generic fund types and two account groups as follows:

Governmental Funds:

- General Fund--The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.
- Special Revenue Funds--Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes.
- Debt Service Funds--Debt service funds are used to account for the accumulation of resources and payment of general long-term debt principal and interest.
- Capital Projects Funds--Capital projects funds are used to account for financial resources to be used for the acquisition of major capital facilities (other than those financed by proprietary funds).

Proprietary Funds:

- Enterprise Funds--Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs and expenses of providing goods or services to the public on a continuing basis be financed or recovered primarily through user charges.
- Internal Service Funds--Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis.

Fiduciary Funds:

- Trust and Agency Funds--Trust and agency funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments and other funds.

Account Groups:

- General Fixed Assets--The General Fixed Assets Account Group is used to maintain control and cost information on capital assets owned by the County and used in governmental fund type operations. No depreciation has been provided on general fixed assets.
- General Long-Term Debt--The General Long-Term Debt Account Group is used to account for unmatured general long-term indebtedness of the County.

Basis of Accounting

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.

All governmental fund types and trust and agency funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer assessed income, gross receipts and sales taxes are considered "measurable" when in the hands of the intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt, which is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and expenses are recognized when incurred.

Budgets and Budgetary Accounting

The County operates under the laws of the State of California and annually adopts a budget for its General and special revenue funds to be effective July 1 for the ensuing fiscal year. The County also adopts a project length budget which can span a number of years for the capital projects funds. The County does not adopt a budget for the debt service funds. From the effective date of the budget, which is adopted and controlled at the department level, the amounts stated therein as proposed expenditures become appropriations to the various County departments. The Board of Supervisors may amend the budget by resolution during the fiscal year and amounts presented in the financial statements reflect such amendments. Department heads may, upon approval from the County Administrator, make transfers from one object or purpose to another within the same budget unit. All appropriations lapse at year-end. The annual budget is adopted on a basis consistent with generally accepted accounting principles.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, special revenue funds and capital projects funds. Encumbrances outstanding at year-end are reported as restrictions of fund balances since they do not constitute expenditures or liabilities.

Equity in Pooled Cash and Investments

A pooled cash and investment system is used for substantially all funds. The share of each fund in the pooled cash and investment account is separately accounted for and interest is apportioned based on the balances in each fund during the investment period. Investments are stated at cost, which approximates market.

Receivables

Taxes receivable are shown net of an allowance for doubtful accounts of \$1,045,195 in the trust and agency funds.

Special assessments receivable represent the unpaid principal portion of assessments levied on real property to provide for the payment of outstanding special assessment bonds. No allowance for doubtful accounts is included in the financial statements for delinquent assessments as management expects the proceeds from the sales of foreclosed property to be in excess of the outstanding receivable amounts.

Inventories

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 purchased. Reported inventory is equally offset by a fund balance restriction which indicates that it does not constitute "available spendable resources" even though it is a component of net current assets.

Fixed Assets and Depreciation

Governmental Funds--Fixed assets are recorded as expenditures and are capitalized in the General Fixed Assets Account Group for stewardship purposes. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, bridges, curbs, gutters, drainage systems and lighting systems are not capitalized.

Proprietary Funds--Fixed assets are capitalized and depreciated using the straight-line method over the estimated useful lives of the assets; however, the Fleet Management Fund uses the "per mile" depreciation method which approximates the straight-line method.

Property Taxes

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 of California 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	March 1
Second installment	February 1	-----
Delinquent dates:		
First installment	December 10	August 31
Second installment	April 10	-----

Compensated Absences

The County's policy allows employees to accumulate earned but unused vacation, sick leave and compensatory time off, which will be paid to employees upon separation from County service.

Governmental Funds--The estimated current portion of the accrued vacation, sick leave and compensatory time off liability are recorded as an expenditure and related salaries and benefits liability in the General Fund at the end of each year with the non-current portion of the liability recorded in the General Long-Term Debt Account Group. Actual vacation, sick leave and compensatory time off expenditures during the year are charged to the General Fund liability account.

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

Interfund Transactions

Following is a description of the four basic types of interfund transactions made during the year and the related accounting policies:

- Quasi-external (charges for current services)--Transactions for services rendered or facilities provided. These transactions are recorded as revenues in the receiving fund and expenditures in the disbursing fund.
- Reimbursements (expenditure transfers)--Transactions to reimburse a fund for specific expenditures incurred for the benefit of another fund. These transactions are recorded as expenditures in the disbursing fund and a reduction of expenditures in the receiving fund.
- Residual equity transfers--Transactions recording equity contributions between funds. The receiving fund records such transactions as an addition to fund balance, if it is a governmental fund, or a capital contribution if it is a proprietary fund. The disbursing fund records the transfer as a reduction of fund balance or retained earnings.

- Operating transfers--All other interfund transfers which allocate resources from one fund to another. These transactions are recorded as operating transfers in and out.

Self-Insurance

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

Statement of Cash Flows

For purposes of the statement of cash flows, cash and cash equivalents have been defined as all highly liquid investments (including restricted amounts) with a maturity of three months or less and pooled cash.

Totals (Memorandum Only)

The accompanying general purpose financial statements include total columns labeled "Memorandum Only." The "Memorandum Only" totals do not represent consolidated financial information because the individual fund types included in the totals are prepared on different bases of accounting and not all necessary eliminating entries have been made. These totals are not necessary for a fair presentation of the financial statements, but are presented as additional analytical data.

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 expenses during the reporting period. Actual results could differ from these estimates, and the differences may be material.

Note 2--Equity in Pooled Cash and Investments

The County follows the practice of pooling cash and investments of all funds except for bond funds required to be held by outside fiscal agents under the provisions of bond indentures, funds in its deferred compensation plan, and certain imprest checking accounts. Cash and investments shown on the financial statements are comprised of the following:

Cash and investments	\$ 107,808,591
Cash with fiscal agents	24,494,811
	<u>\$ 132,303,402</u>

The County maintains written investment policies which address a wide variety of investment practices, including primary investment objectives, investment authority, allowable investment vehicles, investment maturity terms, eligible financial institutions, capital preservation and cash flow management. The County prioritizes investment objectives in the following order: safety, liquidity and yield.

The following provides additional information regarding deposits and investments held by the County and its fiscal agents:

Cash in Banks--State statutes require financial institutions to secure a local governmental agency's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of

an agency's deposits. California law also allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of 150% of an agency's total deposits. The agency may waive collateral requirements for deposits which are fully insured up to \$100,000 by federal depository insurance.

Investments— The County is authorized to invest in obligations of the U.S. Treasury, agencies, and instrumentalities; prime commercial paper as rated by Standard and Poor's Corporation or Moody's Commercial Paper Record; bankers' acceptances; guaranteed investment contracts; repurchase and reverse repurchase agreements; negotiable certificates of deposit; obligations of the State of California; and obligations of local agencies within California.

The County's investments at June 30, 1997, were as follows:

U.S. government securities	\$ 25,054,107
Bankers' acceptances	39,582,523
Investment in State Treasurer investment pool	20,000,000
Commercial notes	16,757,836
Cash on hand and in banks	11,899,602
Deferred compensation funds	19,009,334
Total cash and investments	<u>\$ 132,303,402</u>

Note 3 - Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group during the year ended June 30, 1997:

	<u>Land</u>	<u>Structures And Improvements</u>	<u>Equipment</u>	<u>Construction In Progress</u>	<u>Totals</u>
Balance, July 1, 1996	\$ 16,248,259	\$63,518,707	\$ 23,688,397	\$ 2,068,526	\$ 105,523,889
Additions	1,233,245	21,427	2,967,749		4,222,421
Deletions			(2,398,135)		(2,398,135)
Adjustments		2,206,625	1,899,706	(1,610,229)	2,496,102
Balance, June 30, 1997	<u>\$ 17,481,504</u>	<u>\$65,746,759</u>	<u>\$ 26,157,717</u>	<u>\$ 458,297</u>	<u>\$ 109,844,277</u>

Note 4 - General Long-Term Debt

During the year ended June 30, 1997 the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balances July 1, 1996</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances June 30, 1997</u>
Compensated absences	\$ 5,440,310	\$ 995,792		\$ 6,436,102
Bonds payable	29,950,000		1,755,000	28,195,000
Capital lease obligations	662,086	917,165	609,889	969,362
Totals	<u>\$ 36,052,396</u>	<u>\$ 1,912,957</u>	<u>\$ 2,364,889</u>	<u>\$ 35,600,464</u>

Bonds Payable

Balances at
June 30, 1997

Bond Authority

On February 13, 1990, the County as an agent of the El Dorado County Bond Authority, a joint powers agency by and between the County and its Redevelopment Agency, issued \$22,325,000 El Dorado County Bond Authority Lease Revenue Bonds, Series 1990. The bonds were issued to acquire and construct various capital facilities. Interest rates range from 6.5 to 7.4% and the bonds mature in 2009. Payments of principal and interest are funded by the General Fund of the County.

\$ 20,010,000

1915 Act Bonds

1915 Act Bonds have been issued for facilities and improvements constructed by special districts and financed by bond issues authorized under the Improvement Bond Act of 1915. Funds to pay principal and interest on these bonds are provided by assessments against the property parcels benefitting from the projects. Failure to pay such assessments results in foreclosure and sale of the property involved. The County is obligated to the extent that proceeds from foreclosure are not sufficient to retire the debt.

El Dorado Hills Business Park I and II

Interest rates range from 6.75% to 8% and maturities extend to 2006

8,185,000

Total bonds payable

\$ 28,195,000

Future minimum debt service payments for bonds payable at June 30, 1997 are as follows:

<u>Year Ending June 30,</u>	
1998	\$ 3,742,880
1999	3,781,810
2000	3,752,020
2001	3,338,570
2002	3,434,370
Thereafter	25,430,860
	<u>43,480,510</u>
Less amount representing interest	15,285,510
Principal	<u>\$ 28,195,000</u>

Capital Lease Obligations

The County accounts for capital leases in the governmental fund types in accordance with the provisions of NCGA Statement No. 5. Under this statement, when a capital lease represents the acquisition or construction of a general fixed asset, the acquisition or construction will be recorded both as a capital expenditure and as an other financing source. Subsequent lease payments are accounted for in a manner consistent with the accounting treatment for payments of general obligation debt.

The County has entered into various lease agreements for equipment which qualifies as capital leases. The underlying costs of these assets are as follows:

Computer equipment	\$ 5,865,428
Emergency medical equipment	981,841
Road equipment	1,535,602
Total	<u>\$ 8,382,871</u>

These assets are recorded as part of the General Fixed Assets account Group and are not depreciated. Future minimum lease payments relating to these assets are as follows:

<u>Year Ending June 30,</u>	
1998	\$ 534,615
1999	205,797
2000	205,797
2001	87,705
2002	43,853
	<u>1,077,767</u>
Less amount representing interest	108,405
Present value of future lease payments	<u>\$ 969,362</u>

Note 5--Proprietary Long-Term Debt

Notes Payable

Notes payable recorded in the Airport Enterprise Fund at June 30, 1997 are comprised of the following state loans to provide matching funds for Federal Airport Improvement Program grants:

Loan #ED-1-85-L-1, 8.0257% installment note, payable annually through 2010	\$ 40,873
Loan #ED-1-86-L-2, 6.9435% installment note, payable annually through 2011	23,656
Loan #ED-5-86-L-1, 6.9435% installment note, payable annually through 2011	15,902
Loan #ED-1-87-L-3, 6.9435% installment note, payable annually through 2012	14,881
Loan #ED-5-88-L-2, 7.0408% installment note, payable annually through 2009	35,716
Loan #ED-1-90-L-4, 6.7317% installment note, payable annually through 1999	2,365
Loan #ED-5-90-L-3, 6.7317% installment note, payable annually through 1999	3,173
Loan #ED-1-94-L-5, 5.8957% installment note, payable annually through 2004	121,838
Total State Loans	<u>258,404</u>
Less principal due within one year	22,862
Long-term portion	<u>\$ 235,542</u>

The annual requirements to amortize the notes payable as of June 30, 1997 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
1998	\$ 22,862	\$ 17,131	\$ 39,993
1999	24,251	15,626	39,877
2000	22,871	14,040	36,911
2001	24,261	12,558	36,819
2002	25,650	10,994	36,644
Thereafter	138,509	37,180	175,689
	<u>\$ 258,404</u>	<u>\$ 107,529</u>	<u>\$ 365,933</u>

Capital Lease Obligations

El Dorado Transit Enterprise Fund has entered into lease agreements for the acquisition of equipment. These agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of inception. The total cost of equipment leased

under capital leases as of June 30, 1997 is \$285,228. Future minimum lease payments relating to these leases are as follows:

<u>Year Ending June 30,</u>	
1998	\$ 18,165
1999	4,294
Total	<u>22,459</u>
Less amount representing interest	1,386
Present value of future lease payments	<u>\$ 21,073</u>

Note 6--Liability for Closure and Postclosure Costs

State and federal laws and regulations require the County to place a final cover on its Union Mine landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expenditure in each period based on landfill capacity used each year. The \$2,425,967 liability at June 30, 1997 represents the cumulative amount reported to date. The County will recognize the remaining estimated cost of closure and postclosure care of \$6,693,101 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 1997. The County expects to close the landfill in the year 2032. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to make periodic contributions to a trust to finance closure care. The County has designated \$1.36 million of cash deposits as funding for closure costs. In addition, the County has pledged future revenues from benefit assessments, development fees and tipping fee surcharges to fund postclosure costs. The County expects that future inflation costs will be paid from interest earnings on these contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined, these costs may need to be covered by charges to future landfill users or from future tax revenues.

Note 7--Deferred Compensation Plan

The County has a deferred compensation plan available to all County employees and certain contractors. This plan qualifies under Internal Revenue Code Section 457, and participants are permitted to defer a portion of their compensation to future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the County (without being restricted to the provisions of benefits under the plan), subject only to the claims of the County's general creditors. Participants' rights under the plan are equal to those of general creditors of the County in an amount equal to the fair market value of the deferred account for each participant.

The County has no liability for losses under the plan but does have the duty of due care that would be required by an ordinary prudent investor. The County believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

Note 8--Interfund Transfers

Funds are transferred from one fund to support expenditures of other funds in accordance with the authority established for the individual fund. Operating transfers between funds during the year ended June 30, 1997 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 41,205	\$ 8,791,564
Special Revenue Funds	8,320,726	372,431
Debt Service Funds	695,450	
Capital Projects Funds	12,310	42,892
Enterprise Funds	83,130	
Internal Service Funds	11,174	
Trust Funds	42,892	
	<u>\$ 9,206,887</u>	<u>\$ 9,206,887</u>

As of June 30, 1997, interfund receivables and payables that resulted from various interfund transfers were as follows:

	<u>Due From</u> <u>Other Funds</u>	<u>Due To</u> <u>Other Funds</u>
General Fund	\$ 2,498,914	\$ 346,653
Special Revenue Funds	443,681	2,368,373
Enterprise Funds	13,483	71,000
Internal Service Funds	930,387	
Trust Funds	80,955	1,181,394
	<u>\$ 3,967,420</u>	<u>\$ 3,967,420</u>

Note 10--Pension Plan

The County contributes to the California Public Employees' Retirement System (PERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California.

The County's payroll for employees covered by PERS for the year ended June 30, 1997 was \$50,660,328 and total payroll was \$57,792,464.

All full-time County employees are eligible to participate in PERS. Benefits vest after five years of service. Employees who retire at or after age 50 with 5 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1.092 percent of their average allowable salary, for each year of credited service. This payout percentage increases to a maximum of 2.418 percent at age 63. PERS also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Employees and Employer Contribution Obligations

Employee contribution rates are as follows:

Local miscellaneous members	7%
Local safety members with benefits described under Article:	
21362 and 21363	9%
21369	7%
21366	

Rates based on entry age

For employees who are covered by formulas modified to coordinate with Social Security, a rate of 4.67% is charged for the first \$400 of wages per month. Also, there is an additional charge for employees covered by the 1959 Survivor Benefit of \$2.00 per covered member per month.

The County is required to contribute the remaining amounts necessary to fund the benefits for its members, using the actuarial basis adopted by the PERS Board of Administration.

Funding Status and Progress

In order for users of governmental financial reports to assess progress made in accumulating sufficient assets to pay benefits when due and to make comparisons among employers, GASB Statement No. 5 requires disclosure of a standardized measure called the pension benefit obligation (PBO). This measure is independent of the actuarial funding method used to determine employer contributions. The PBO is the portion of the actuarial present value of projected pension benefits (including projected future salary increases) estimated to be payable in the future as a result of employees' service to date.

The PBO is calculated as of June 30, 1996. The total assets in excess of the PBO applicable to the employees was \$32,569,700 at June 30, 1996 and is calculated as follows:

Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 64,670,811
Current employees:	
Accumulated employee contributions including allocated investment earnings	42,250,808
Employer financed--vested	30,857,527
Employer financed--non-vested	1,812,195
Total pension benefit obligation	<u>139,591,341</u>
Net assets available for benefits at actuarial value (market value \$184,883,742)	<u>172,161,041</u>
Pension benefit assets in excess of obligation	<u>\$ 32,569,700</u>

Actuarial assumptions used to calculate the above PBO include an investment return of 8.5% per annum and an inflation rate of 4.50%.

Contributions Required and Contributions Made

PERS uses the Entry Age Normal Actuarial Cost Method, which is a projected benefit cost method. That is, it takes into account those benefits that are expected to be earned in the future as well as those already accrued. According to this cost method, the normal cost for an employee is the level amount which would fund the projected benefit if it were paid annually from date of employment until retirement. PERS uses a modification of the Entry Age Cost Method in which the employer's total normal cost is expressed as a level percentage of payroll. PERS also uses the level percentage of payroll method to amortize any unfunded actuarial liabilities. The amortization period of the unfunded actuarial liability ends on June 30, 2000.

The significant actuarial assumptions used to compute the actuarially determined contribution requirement are the same as those used to compute the PBO, as previously described.

The \$6,991,434 contribution to PERS for the year ended June 30, 1997 was made in accordance with actuarially determined requirements computed through an actuarial valuation performed June 30, 1996.

The County has a surplus asset account for both the Miscellaneous category and the Safety category as a result of prior year actuarial gains. The County reduced its employer share of retirement contributions by the permitted usage of \$1,475,293 of the surplus assets.

Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. County of El Dorado trend information for the past seven years is as follows (in millions):

<u>Year ended June 30</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>
Net assets available for benefits	\$ 86.4	\$ 92.2	\$ 101.3	\$ 113.0	\$ 139.0	\$ 151.6	\$172.1
Pension benefit obligation	\$ 81.1	\$ 89.9	\$ 100.1	\$ 109.6	\$116.1	\$130.9	\$139.5
Percentage funded	106.6%	102.6%	101.2%	103.1%	119.7%	115.8%	123.3%
Assets in excess of pension							
benefit obligation	\$ 5.4	\$ 2.4	\$ 1.3	\$ 3.4	\$ 22.9	\$ 20.8	\$ 32.6
Annual covered payroll	\$ 38.0	\$ 45.9	\$ 50.2	\$ 46.7	\$ 46.7	\$ 47.6	\$ 48.2
Assets in excess of pension benefit							
obligation as a percentage of							
covered payroll	14.0%	5.1%	2.5%	7.2%	49.2%	43.7%	67.6%
Percentage of annual covered payroll							
contributed to the system by the							
County in accordance with actuarially							
determined requirements	n.a.	9.4%	8.1%	8.2%	8.2%	7.6%	7.0%

Note 11--Segment Information on Enterprise Operations

The County maintains three enterprise funds which provide transit and airport services. Segment information as of and for the year ended June 30, 1997, is as follows:

	El Dorado	South Lake		Totals
	<u>Transit</u>	<u>Tahoe Transit</u>	<u>Airports</u>	
Operating revenues	\$ 459,992		\$ 342,705	\$ 802,697
Depreciation	211,519		183,042	394,561
Operating losses	1,514,628	\$ 173,964	226,850	1,915,442
Intergovernmental revenues	1,270,516	171,680	2,950	1,445,146
Net losses	206,526	3,333	23,782	233,641
Net working capital	228,139	6,791	31,358	266,288
Total assets	2,235,082	18,287	2,811,428	5,064,797
Long-term debt	4,098		235,542	239,640
Total equity	1,839,839	6,791	2,439,996	4,286,626

12--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. Under this program, the Risk Management Fund provides coverage for up to a maximum of \$250,000 for each workers compensation claim, \$1,000,000 for each general liability claim, and \$50,000 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.

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 \$10,668,890 reported in the Risk Management Fund at June 30, 1997 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 Risk Management Fund's claims liability amount for the past five fiscal years are as follows:

	Beginning	Claims and	Claims	Ending
	<u>Liability</u>	<u>Changes in</u>	<u>Paid</u>	<u>Liability</u>
		<u>Estimates</u>		
<u>For The Year Ended June 30,</u>				
1993	\$ 7,295,999	\$ 6,627,038	\$ 7,128,864	\$ 6,794,173
1994	6,794,173	9,118,464	7,156,136	8,756,501
1995	8,756,501	10,202,946	8,174,896	10,784,551
1996	10,784,551	6,281,275	7,041,200	10,024,626
1997	10,024,626	8,052,145	7,407,881	10,668,890

Note 13--Contingencies

Under the terms of federal and state grants, audits may be required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to requests for reimbursement to the grantor agencies. County management believes disallowances, if any, will be immaterial.

SUPPLEMENTAL INFORMATION

COMBINING FINANCIAL STATEMENTS

COUNTY OF EL DORADO
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1997

	ASSETS										Totals	
	Senior Services	Erosion Control	Roads	Road District	Health	Mental Health	Trial Court Operations	Special Aviation	Fish and Game	Community Programs		Special Districts Under The Board
Cash and investments	\$ 141,062	\$ 174,819	\$ 1,638,720	\$ 616,819	\$ 1,40,984	\$ 5,539	\$ 49,799	\$ 373	\$ 19,659	\$ 522,201	\$ 11,408,130	\$ 14,718,105
Accounts receivable	928		7,033		95,460		1,501				34,424	139,346
Due from other funds	562		69,470		158,767	185,655				1,669	27,558	443,681
Due from other governments	13,249	49,806	933,787		1,975,962	728,291	267,214			176,029	108,387	4,252,925
Notes receivable										449,244	5,392,755	5,841,999
Prepaid expenses			1,420				550			87,053	57	89,080
Inventories	5,597		470,199							7,602		483,398
	\$ 161,398	\$ 224,625	\$ 3,120,629	\$ 616,819	\$ 2,371,173	\$ 919,485	\$ 319,064	\$ 373	\$ 19,659	\$ 1,243,798	\$ 16,971,511	\$ 25,968,534

LIABILITIES & FUND BALANCES

Accounts payable	\$ 35,968	\$ 45,734	\$ 1,000,250		\$ 92,654	\$ 117,102			\$ 99,410	\$ 594,304	\$ 3,721,815	
Salaries and benefits payable	15,856		176,342		122,680	97,439	90,415		27,907	47,634	578,273	
Due to other funds					682,000	581,000				1,105,373	2,368,373	
Due to other governments	4,422	470	451,821		4,511		87,011				548,235	
Notes payable			400,000								1,142,832	
Deferred revenue	75,459	348,709	112,406						615,287		1,542,832	
Liability for landfill closure and postclosure costs											4,249,923	
Total liabilities	131,705	394,913	2,140,819		2,545,384	771,093	294,528		742,604	2,425,967	16,587,279	
Fund balances:											9,566,033	
Reserved:												
Encumbrances	55				85,000	25,454	6,150		54,482		360,536	531,677
Inventories	5,597		470,199						7,602			483,398
Imprest cash	560		3,200								380	4,140
Unreserved:												
Designated for contingencies											16,310	1,978,014
Undesignated	23,481	(170,288)	506,411	43,283	(259,411)	122,938	18,386	373	439,110		5,126,141	6,384,026
Total fund balances	29,693	(170,288)	979,810	616,819	(174,411)	148,392	24,536	373	501,194		7,405,478	9,381,255
	\$ 161,398	\$ 224,625	\$ 3,120,629	\$ 616,819	\$ 2,371,173	\$ 919,485	\$ 319,064	\$ 373	\$ 19,659	\$ 1,243,798	\$ 16,971,511	\$ 25,968,534

COUNTY OF EL DORADO
SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1997

	Senior Services	Erosion Control	Roads	Road District	Health	Mental Health	Trial Court Operations	Special Aviation	Fish and Game	Community Programs	Special Districts Under The Board	Totals
REVENUES												
Taxes and assessments		\$ 3,890	\$ 64,521	\$ 1,459,369							\$ 7,640,161	\$ 9,167,941
Licenses, permits and franchises			610,271		\$ 155,448						389,101	1,154,820
Intergovernmental revenues	\$ 656,026	1,895,206	10,305,691	35,903	5,400,185	\$ 2,943,051	\$ 2,378,012	\$ 32,000		\$ 1,885,089	860,882	26,392,045
Use of money and property	2,687	(3,011)	114,886	11,841			21,149	18	\$ 1,193	63,311	477,860	689,934
Charges for services	225,696		4,524,482		1,647,674	1,863,235	798,330			237,168	4,899,766	14,126,351
Fines, forfeits and penalties					274,880		221,864		3,281		7,075	507,100
Other revenues	67,461	13,888	177,583		488,114		39,448			28,034	179,689	944,217
Total revenues	951,870	1,909,973	15,297,434	1,507,113	7,916,301	4,806,286	3,388,803	32,018	4,474	2,213,602	14,454,534	52,982,408
EXPENDITURES												
Current:												
General government											151,707	151,707
Public protection											6,909,111	14,373,153
Public ways and facilities			17,937,048	1,029,106			5,559,368		7,748		1,468,569	20,434,723
Health and sanitation					12,445,606	4,887,768					2,022,793	19,356,167
Public assistance	1,227,832									2,415,246		3,643,078
Education											670,508	670,508
Interest											109,854	146,321
Capital outlay	19,819		369,048		15,360	21,107					1,081,028	1,636,038
Total expenditures	1,247,651	1,896,926	18,306,096	1,029,106	12,537,951	4,986,650	5,562,957		7,748	2,423,040	12,413,570	60,411,695
Excess of revenues over (under) expenditures	(295,781)	13,047	(2,508,662)	478,007	(4,621,650)	(180,364)	(2,174,154)	32,018	(3,274)	(209,438)	2,040,964	(7,429,287)
Other financing sources (uses):												
Operating transfers in	312,160		890,641		4,447,239	328,756	2,180,494			131,936	29,500	8,300,726
Operating transfers out			(43,853)	(10,076)				(32,000)			(286,502)	(372,431)
Total other financing sources (uses)	312,160		846,788	(10,076)	4,447,239	328,756	2,180,494	(32,000)		131,936	(257,002)	7,948,295
Excess of revenues and other financing sources over (under) expenditures												
Fund balances, July 1, 1996	16,379	13,047	(1,661,874)	467,931	(174,411)	148,392	6,340	18	(3,274)	(77,502)	1,783,962	519,008
Residual equity transfers to Fleet Mgt. Fund	13,314	(183,335)	2,658,882	148,888			18,196	355	22,933	578,696	5,621,516	8,879,445
Fund balances, June 30, 1997	\$ 29,693	\$ (170,288)	\$ 979,810	\$ 616,819	\$ (174,411)	\$ 148,392	\$ 24,536	\$ 373	\$ 19,659	\$ 501,194	\$ 7,405,478	\$ 9,381,255

COUNTY OF EL DORADO
SPECIAL DISTRICTS UNDER THE BOARD OF SUPERVISORS
COMBINING BALANCE SHEET

JUNE 30, 1997

		County Redevel. Agency	County Water Agency	Air Pollution Control	CSA #2	CSA #3	CSA #5	CSA #7	CSA #9	CSA #10	El Dorado Hills Business Park	Totals
ASSETS												
Cash and investments	\$ (16,487)	\$ 1,533,048	\$ 401,471	\$ 27,375	\$ 1,630,483	\$ 186,908	\$ 852,176	\$ 1,571,871	\$ 5,210,527	\$ 10,758	\$ 11,408,130	
Accounts receivable									34,424		34,424	
Due from other funds					27,558						27,558	
Due from other governments			42,000						66,587		108,587	
Prepaid expenses									57		57	
Note receivable-E.I.D.		5,392,755									5,392,755	
	\$ (16,487)	\$ 6,925,803	\$ 443,471	\$ 27,375	\$ 1,658,041	\$ 186,908	\$ 852,176	\$ 1,571,871	\$ 5,311,595	\$ 10,758	\$ 16,971,511	
LIABILITIES & FUND BALANCES												
Liabilities:												
Accounts payable	\$ 24,249	\$ 12,512	\$ 2,985	\$ 265,026	\$ 17,116	\$ 10,351	\$ 262,065	\$ 594,304			\$ 594,304	
Salaries and benefits payable		5,831	8,648	5,631	3,314		24,210	47,634			47,634	
Due to other funds			14,034	130,143	27,558		933,638	1,105,373			1,105,373	
Note payable		1,142,832						1,142,832			1,142,832	
Deferred revenue		4,249,923						4,249,923			4,249,923	
Liability for landfill closure and postclosure costs								2,425,967			2,425,967	
Total liabilities	24,249	5,411,098	25,667	400,800	47,988	10,351	3,645,880	9,566,033			9,566,033	
Fund balances:												
Reserved:												
Encumbrances		97,044	234,216		1,275			28,001			360,536	
Imprest cash		100			25			50			380	
Unreserved:												
Designated for contingencies		557,403		334,194			560,229	63,012		403,583	1,918,421	
Undesignated	(40,736)	860,158	183,588	27,375	922,947	186,908	242,659	1,498,458		1,234,026	5,126,141	
Total fund balances	(40,736)	1,514,705	417,804	27,375	1,257,241	186,908	804,188	1,561,520		1,665,715	7,405,478	
	\$ (16,487)	\$ 6,925,803	\$ 443,471	\$ 27,375	\$ 1,658,041	\$ 186,908	\$ 852,176	\$ 1,571,871	\$ 5,311,595	\$ 10,758	\$ 16,971,511	

COUNTY OF EL DORADO

SPECIAL DISTRICTS UNDER THE BOARD OF SUPERVISORS

COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 1997

	County Redevel Agency	County Water Agency	Air Pollution Control	CSA #2	CSA #3	CSA #5	CSA #7	CSA #9	CSA #10	El Dorado Hills		Totals
										Business	Park	
REVENUES												
Taxes and assessments		\$ 929,117	\$ 68,974	\$ 81,916	\$ 1,294,196	\$ 13,083	\$ 2,240,531	\$ 526,357	\$ 2,551,082	\$ 3,879	\$ 7,640,161	
Licenses, permits and franchises								200	319,927		389,101	
Intergovernmental revenue	\$ 1,511	25,854	590,305	278	31,082	315	23,612	3,767	185,669		860,882	
Use of money and property		63,795	13,012	392	58,944	8,699	58,640	69,623	202,903	341	477,860	
Charges for services		11,650	13,982		763,316		2,557,938	9,378	1,543,502		4,899,766	
Fines, forfeits and penalties			7,075								7,075	
Other revenues	69,934	71,199	2,317		4,263		9,878	9,069	13,029		179,689	
Total revenues	71,445	1,101,615	695,665	82,586	2,151,801	22,097	4,890,599	618,394	4,816,112	4,220	14,454,534	
EXPENDITURES												
Current:												
General government	151,707						5,103,725				151,707	
Public protection			402,849			7,133		419,392		49	6,909,111	
Public ways and facilities		704,385									1,468,569	
Health and sanitation									2,022,793		2,022,793	
Education									670,508		670,508	
Interest											109,854	
Capital outlay		25,732	16,203		24,409		21,748		892,786		1,081,028	
Total expenditures	151,707	730,117	419,052	76,361	1,688,195	7,133	5,271,780	419,392	3,649,784	49	12,413,570	
Excess of revenues over (under) expenditures	(80,262)	371,498	276,613	6,225	463,606	14,964	(381,181)	199,002	1,166,328	4,171	2,940,964	
Other financing sources (uses):												
Operating transfers in	21,500							8,000			29,500	
Operating transfers out							(74,580)	(21,461)			(286,502)	
Total other financing sources (uses)	21,500				(190,461)		(74,580)	(13,461)			(257,002)	
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(58,762)	371,498	276,613	6,225	273,145	14,964	(455,761)	185,541	1,166,328	4,171	1,783,962	
Fund balances, July 1, 1996	18,026	1,143,207	141,191	21,150	984,096	171,944	1,259,949	1,375,979	499,387	6,587	5,621,516	
Fund balances, June 30, 1997	(40,736)	1,514,705	417,804	27,375	1,257,241	186,908	804,188	1,561,520	1,665,715	10,758	7,405,478	

COUNTY OF EL DORADO
ENTERPRISE FUNDS
COMBINING BALANCE SHEET

JUNE 30, 1997

	El Dorado	South Lake	County	Totals
	Transit	Tahoe Transit	Airports	
ASSETS				
Current assets:				
Cash and investments	\$ 391,472	\$ 4,804	\$ 145,519	\$ 541,795
Accounts receivable	217,520		456	217,976
Due from other funds		13,483		13,483
Inventories			21,273	21,273
Prepaid expenses	10,292			10,292
Total current assets	<u>619,284</u>	<u>18,287</u>	<u>167,248</u>	<u>804,819</u>
Fixed assets:				
Land	60,216		213,711	273,927
Structures and improvements	31,304		4,001,367	4,032,671
Equipment	2,913,536		25,688	2,939,224
Accumulated depreciation	(1,389,258)		(1,596,586)	(2,985,844)
Total fixed assets (net of accumulated depreciation)	<u>1,615,798</u>	<u></u>	<u>2,644,180</u>	<u>4,259,978</u>
	<u>\$ 2,235,082</u>	<u>\$ 18,287</u>	<u>\$ 2,811,428</u>	<u>\$ 5,064,797</u>
LIABILITIES & FUND EQUITY				
Current liabilities:				
Accounts payable	\$ 170,401	\$ 11,496	\$ 3,169	\$ 185,066
Salaries and benefits payable	25,099		4,210	29,309
Compensated absences	57,044		34,649	91,693
Due to other funds			71,000	71,000
Deferred income	121,626			121,626
Notes payable-current portion			22,862	22,862
Capital leases-current portion	16,975			16,975
Total current liabilities	<u>391,145</u>	<u>11,496</u>	<u>135,890</u>	<u>538,531</u>
Noncurrent liabilities:				
Notes payable-noncurrent			235,542	235,542
Capital leases-noncurrent	4,098			4,098
Total liabilities	<u>395,243</u>	<u>11,496</u>	<u>371,432</u>	<u>778,171</u>
Fund equity:				
Contributed capital	1,365,125		1,053,510	2,418,635
Retained earnings:				
Reserved			100	100
Unreserved	474,714	6,791	1,386,386	1,867,891
Total fund equity	<u>1,839,839</u>	<u>6,791</u>	<u>2,439,996</u>	<u>4,286,626</u>
	<u>\$ 2,235,082</u>	<u>\$ 18,287</u>	<u>\$ 2,811,428</u>	<u>\$ 5,064,797</u>

COUNTY OF EL DORADO

ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES & CHANGES IN RETAINED EARNINGS

FOR THE YEAR ENDED JUNE 30, 1997

	El Dorado	South Lake Tahoe	County	
	<u>Transit</u>	<u>Transit</u>	<u>Airports</u>	<u>Totals</u>
OPERATING REVENUES				
Fare box collections	\$ 459,992			\$ 459,992
Service fees			\$ 138,536	138,536
Fuel sales			204,169	204,169
Total operating revenues	<u>459,992</u>		<u>342,705</u>	<u>802,697</u>
OPERATING EXPENSES				
Salaries and benefits	1,094,042		141,061	1,235,103
Services and supplies	669,059	173,964	245,452	1,088,475
Depreciation	211,519		183,042	394,561
Total operating expenses	<u>1,974,620</u>	<u>173,964</u>	<u>569,555</u>	<u>2,718,139</u>
Net loss from operations	<u>(1,514,628)</u>	<u>(173,964)</u>	<u>(226,850)</u>	<u>(1,915,442)</u>
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental revenue	1,270,516	171,680	2,950	1,445,146
Transfers from other funds			83,130	83,130
Interest income	5,307		4,217	9,524
Interest expense	(4,852)	(1,049)	(40,025)	(45,926)
Gain on disposition of assets	25,719			25,719
Timber sales			152,796	152,796
Other	11,412			11,412
Net nonoperating revenues	<u>1,308,102</u>	<u>170,631</u>	<u>203,068</u>	<u>1,681,801</u>
Net income (loss)	<u>(206,526)</u>	<u>(3,333)</u>	<u>(23,782)</u>	<u>(233,641)</u>
Retained earnings, July 1, 1996	504,969	10,124	1,410,268	1,925,361
Depreciation applied to contributed capital	176,271			176,271
Retained earnings, June 30, 1997	<u>\$ 474,714</u>	<u>\$ 6,791</u>	<u>\$ 1,386,486</u>	<u>\$ 1,867,991</u>

COUNTY OF EL DORADO
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1997

	El Dorado Transit	South Lake Tahoe Transit	County Airports	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Net operating income (loss)	(\$1,514,628)	(\$173,964)	(\$226,850)	(\$1,915,442)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation	211,519		183,042	394,561
(Increase) decrease in accounts receivable	(7,645)	(13,483)	63,254	42,126
(Increase) in prepaid expenses and inventories	3,410		(21,273)	(17,863)
Increase (decrease) in accounts and salaries payable	18,635	(3,504)	(70,634)	(55,503)
Increase in due to other funds and governments		(8,733)	71,000	62,267
Net cash provided (used) by operating activities	<u>(1,288,709)</u>	<u>(199,684)</u>	<u>(1,461)</u>	<u>(1,489,854)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	5,307		4,217	9,524
Proceeds from disposal of assets	25,719		152,796	178,515
Purchases of fixed assets	<u>(118,215)</u>		<u>(49,576)</u>	<u>(167,791)</u>
Net cash provided (used) by investing activities	<u>(87,189)</u>		<u>107,437</u>	<u>20,248</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments on long-term debt	(79,374)		(21,471)	(100,845)
Interest expense	(4,852)	(1,049)	(40,025)	(45,926)
Intergovernmental revenue	1,625,904	171,680	86,080	1,883,664
Other	16,264			16,264
Net cash provided by financing activities	<u>1,557,942</u>	<u>170,631</u>	<u>24,584</u>	<u>1,753,157</u>
Net increase (decrease) in cash and cash equivalents	182,044	(29,053)	130,560	283,551
Cash and cash equivalents, July 1, 1996	<u>209,428</u>	<u>33,857</u>	<u>14,959</u>	<u>258,244</u>
Cash and cash equivalents, June 30, 1997	<u>\$ 391,472</u>	<u>\$ 4,804</u>	<u>\$ 145,519</u>	<u>\$ 541,795</u>

COUNTY OF EL DORADO
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1997

	<u>Fleet Management</u>	<u>Risk Management Authority</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and investments	\$ 1,754,669	\$ 12,171,352	\$ 13,926,021
Cash with fiscal agent		53,945	53,945
Due from other governments	15,443		15,443
Inventories	21,769		21,769
Total current assets	<u>1,791,881</u>	<u>12,225,297</u>	<u>14,017,178</u>
Fixed assets:			
Structures and improvements	224,263		224,263
Equipment	5,611,201	35,407	5,646,608
Accumulated depreciation	<u>(2,198,988)</u>	<u>(23,682)</u>	<u>(2,222,670)</u>
Total fixed assets (net of accumulated depreciation)	<u>3,636,476</u>	<u>11,725</u>	<u>3,648,201</u>
Other assets:			
Advances to other funds		930,387	930,387
	<u>\$ 5,428,357</u>	<u>\$ 13,167,409</u>	<u>\$ 18,595,766</u>
LIABILITIES & FUND EQUITY			
Current liabilities:			
Accounts payable	\$ 5,172	\$ 315,130	\$ 320,302
Salaries and benefits payable	2,921	6,241	9,162
Compensated absences	7,519	36,914	44,433
Total current liabilities	<u>15,612</u>	<u>358,285</u>	<u>373,897</u>
Noncurrent liabilities:			
Liability for self-insurance		10,668,890	10,668,890
Total liabilities	<u>15,612</u>	<u>11,027,175</u>	<u>11,042,787</u>
Fund equity:			
Contributed capital	2,722,977		2,722,977
Retained earnings:			
Reserved	2,572,794	39,709	2,612,503
Unreserved	116,974	2,100,525	2,217,499
Total fund equity	<u>5,412,745</u>	<u>2,140,234</u>	<u>7,552,979</u>
	<u>\$ 5,428,357</u>	<u>\$ 13,167,409</u>	<u>\$ 18,595,766</u>

COUNTY OF EL DORADO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES & CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED JUNE 30, 1997

	Fleet Management	Risk Management Authority	Totals
OPERATING REVENUES			
Service fees	\$ 1,352,975	\$ 11,408,241	\$ 12,761,216
Profit on sales of fuel	246,863		246,863
Total operating revenues	<u>1,599,838</u>	<u>11,408,241</u>	<u>13,008,079</u>
OPERATING EXPENSES			
Salaries and benefits	114,425	279,791	394,216
Services and supplies	740,978	10,644,021	11,384,999
Depreciation	727,595	2,762	730,357
Total operating expenses	<u>1,582,998</u>	<u>10,926,574</u>	<u>12,509,572</u>
Net income (loss) from operations	<u>16,840</u>	<u>481,667</u>	<u>498,507</u>
NONOPERATING REVENUES (EXPENSES)			
Interest income	72,563	592,566	665,129
Transfers from other funds	11,174		11,174
Gain on sale of equipment	63,777		63,777
Other		91,554	91,554
Net nonoperating revenues	<u>147,514</u>	<u>684,120</u>	<u>831,634</u>
Net income	164,354	1,165,787	1,330,141
Retained earnings, July 1, 1996	2,525,414	974,447	3,499,861
Retained earnings, June 30, 1997	<u>\$ 2,689,768</u>	<u>\$ 2,140,234</u>	<u>\$ 4,830,002</u>

COUNTY OF EL DORADO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1997

	Fleet Management	Risk Management Authority	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Net operating income	\$ 16,840	\$ 481,667	\$ 498,507
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation	727,595	2,762	730,357
Decrease in accounts receivable	90,787		90,787
(Increase) decrease in amounts due from other funds and other governments	35,556	(63,697)	(28,141)
Decrease in inventories	6,639		6,639
Increase (decrease) in accounts and salaries payable	(74,360)	7,360	(67,000)
Increase in liability for self insurance		644,264	644,264
Net cash provided by operating activities	<u>803,057</u>	<u>1,072,356</u>	<u>1,875,413</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	72,563	592,566	665,129
Proceeds from disposal of assets	63,777		63,777
Purchases of fixed assets	<u>(1,281,457)</u>	<u>(5,019)</u>	<u>(1,286,476)</u>
Net cash provided (used) by investing activities	<u>(1,145,117)</u>	<u>587,547</u>	<u>(557,570)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Transfers from other funds	11,174		11,174
Capital contributions	474,043		474,043
Other		91,554	91,554
Net cash provided (used) by financing activities	<u>485,217</u>	<u>91,554</u>	<u>576,771</u>
Net increase (decrease) in cash and cash equivalents	143,157	1,751,457	1,894,614
Cash and cash equivalents, July 1, 1996	<u>1,611,512</u>	<u>10,473,840</u>	<u>12,085,352</u>
Cash and cash equivalents, June 30, 1997	<u>\$ 1,754,669</u>	<u>\$ 12,225,297</u>	<u>\$ 13,979,966</u>

COUNTY OF EL DORADO
TRUST & AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1997

	Trust Funds	Agency Funds	Totals
ASSETS			
Current assets:			
Cash and investments	\$ 14,168,773	\$ 53,627,373	\$ 67,796,146
Cash with fiscal agent	19,408,669	1,715,074	21,123,743
Taxes receivable	8,222,523		8,222,523
Due from other funds	80,955		80,955
	\$ 41,880,920	\$ 55,342,447	\$ 97,223,367
LIABILITIES & FUND BALANCES			
Liabilities:			
Accounts payable	\$ 862,239	\$ 1,719,832	\$ 2,582,071
Salaries and benefits payable		253,198	253,198
Due to other funds	1,181,394		1,181,394
Deferred compensation payable	19,009,334		19,009,334
Other agency obligations	20,827,953	53,369,417	74,197,370
Total liabilities	\$ 41,880,920	\$ 55,342,447	\$ 97,223,367