

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

**JUNE 30, 1999**

**COUNTY OF EL DORADO  
FOR THE YEAR ENDED JUNE 30, 1999**

**TABLE OF CONTENTS**

	<i><u>Page</u></i>
INDEPENDENT AUDITORS' REPORT	1
GENERAL PURPOSE FINANCIAL STATEMENTS:	
Combined Balance Sheet--All Fund Types and Account Groups	3
Combined Statement of Revenues, Expenditures and Changes in Fund Balances--All Governmental Fund Types	5
Statement of Revenues, Expenditures and Changes in Fund Balance-- Budget and Actual--General Fund	6
Combined Statement of Revenues, Expenditures and Changes in Fund Balances--Budget and Actual--Special Revenue Funds	7
Combined Statement of Revenues, Expenditures and Changes in Fund Balances--Budget and Actual--General and Special Revenue Funds	8
Combined Statement of Revenues, Expenses and Changes in Retained Earnings--All Proprietary Fund Types	9
Combined Statement of Cash Flows--All Proprietary Fund Types	10
Notes to the General Purpose Financial Statements	11
COMBINING STATEMENTS:	
Special Revenue Funds:	
Combining Balance Sheet	27
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	28

**COUNTY OF EL DORADO  
FOR THE YEAR ENDED JUNE 30, 1999**

**TABLE OF CONTENTS (CONTINUED)**

***Page***

**COMBINING STATEMENTS (CONTINUED):**

Special Districts Under the Board of Supervisors:	
Combining Balance Sheet	29
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	30
Enterprise Funds:	
Combining Balance Sheet	31
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	32
Combining Statement of Cash Flows	33
Internal Service Funds:	
Combining Balance Sheet	34
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	35
Combining Statement of Cash Flows	36
Trust and Agency Funds:	
Combining Balance Sheet	37



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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, 1999, 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 64 percent of the assets and 55 percent of the operating revenues of the enterprise funds. Those statements were audited by other auditors 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 auditors.

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, based on our audit and the report of other auditors, 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, 1999, 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, based on our audit of the general purpose financial statements and the report of other auditors, is fairly stated in all material respects when considered in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we also issued reports dated December 29, 1999 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*

December 29, 1999

COUNTY OF EL DORADO  
 COMBINED BALANCE SHEET--ALL FUND TYPES AND ACCOUNT GROUPS  
 JUNE 30, 1999

	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	General		Totals		
										Assets	Debt			
<b>ASSETS &amp; OTHER DEBITS</b>														
Assets:														
Cash and investments	\$ 8,276,011	\$ 16,675,042	\$ 3,093,727	\$ 3,753,966	\$ 1,063,203	\$ 16,210,073	\$ 86,961,809							\$ 136,033,831
Cash with fiscal agents		45,005	3,300,221			95,602	1,983,965							5,424,793
Accounts receivable	400,649	143,063	14,790		41,587	78,713								678,802
Taxes receivable							6,080,503							6,080,503
Special assessments receivable			6,606,377											6,606,377
Notes receivable	356,948	5,078,593				727,568								5,435,541
Due from other funds	595,719	334,180		137,941		8,097								4,219,268
Due from other governments	8,982,957	4,009,390		34,183		17,367								13,410,505
Inventories		444,775				27,715								473,227
Prepaid expenses	178,876	113,706				480,979								403,397
Land														20,245,343
Structures & improvements														73,293,972
Equipment														35,082,908
Construction in progress						5,372,339								532,919
Accumulated depreciation						3,340,049								(6,843,619)
Other Debits:						(3,832,517)								
Amount available in debt service funds														6,408,738
Amount to be provided for retirement of long-term debt														34,960,049
	<u>\$ 18,791,160</u>	<u>\$ 26,843,754</u>	<u>\$ 13,015,115</u>	<u>\$ 3,926,090</u>	<u>\$ 6,880,318</u>	<u>\$ 21,676,210</u>	<u>\$ 97,430,137</u>	<u>\$ 112,494,983</u>	<u>\$ 41,368,787</u>					<u>\$ 342,446,554</u>

See accompanying notes to the general purpose financial statements.

COUNTY OF EL DORADO  
COMBINED BALANCE SHEET--ALL FUND TYPES AND ACCOUNT GROUPS  
JUNE 30, 1999

	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			
<b>LIABILITIES, EQUITY &amp; OTHER CREDITS</b>												
<b>Liabilities:</b>												
Accounts payable	\$ 2,105,778	\$ 3,037,448		\$ 140,191	\$ 293,791	\$ 347,115	\$ 1,384,443					\$ 7,308,766
Salaries & benefits payable	1,882,099	609,015			42,838	14,918	328,866					2,877,756
Compensated absences	294,672				113,812	101,917						8,354,067
Due to other funds	144,363	1,558,695		160	68,809		2,447,241			\$ 7,843,666		4,219,268
Due to other governments	125,054	64,002										189,056
Deferred revenue	356,948	5,828,238	\$ 6,606,377		19,674							12,811,237
Notes payable-current					22,871							22,871
Capital leases-current					46,711							46,711
Liability for self-insurance						11,766,779						11,766,779
Liability for landfill closure & postclosure		841,679										5,141,250
Bonds payable												5,982,929
Notes payable-non-current		356,948			188,421							26,340,000
Capital lease obligations-non-current					278,584							678,701
Other agency obligations							92,714,652					2,189,123
<b>Total liabilities</b>	<b>4,908,914</b>	<b>12,296,025</b>	<b>6,606,377</b>	<b>140,351</b>	<b>1,075,531</b>	<b>12,230,729</b>	<b>96,875,202</b>		<b>41,368,787</b>			<b>175,501,916</b>
<b>Fund Equity &amp; Other Credits:</b>												
Investment in general fixed assets								\$ 112,494,983				112,494,983
Contributed capital												7,685,359
Retained earnings:												
Reserved												63,976
Unreserved												7,500,933
Fund balances:												
Reserved for debt service							3,300,221					3,300,221
Reserved for encumbrances	601,804	1,148,582										1,816,034
Reserved for inventories		444,775										444,775
Reserved for imprest cash	25,590	10,665										36,255
Reserved for family support programs	430,408										574,935	1,005,343
Unreserved:												
Designated for capital projects												3,720,091
Designated for debt service												3,108,517
Designated for contingencies	3,635,869											3,635,869
Undesignated	9,188,575	12,943,707										22,132,282
<b>Total fund equity and other credits</b>	<b>13,882,246</b>	<b>14,547,729</b>	<b>6,408,738</b>	<b>3,785,739</b>	<b>5,804,787</b>	<b>9,445,481</b>	<b>574,935</b>	<b>112,494,983</b>	<b>41,368,787</b>			<b>166,944,638</b>
	\$ 18,791,160	\$ 26,843,754	\$ 13,015,115	\$ 3,926,090	\$ 6,880,318	\$ 21,676,210	\$ 97,450,137	\$ 112,494,983	\$ 41,368,787			\$ 342,446,554

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, 1999**

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Totals (Memorandum Only)
<b>REVENUES</b>					
Taxes and assessments	\$ 34,382,466	\$ 9,509,622	\$ 1,346,786	\$ 543,275	\$ 45,782,149
Licenses, permits and franchises	4,537,580	1,148,432			5,686,012
Intergovernmental revenues	47,709,924	22,547,118		46,342	70,303,384
Use of money and property	1,789,452	667,282	607,491	165,862	3,230,087
Charges for services	11,107,517	17,253,021			28,360,538
Fines, forfeits and penalties	1,100,558	450,536		382,881	1,933,975
Other revenues	5,924,172	1,041,343		137,866	7,103,381
Total revenues	<u>106,551,669</u>	<u>52,617,354</u>	<u>1,954,277</u>	<u>1,276,226</u>	<u>162,399,526</u>
<b>EXPENDITURES</b>					
Current:					
General government	16,326,125		30,311		16,356,436
Public protection	47,945,475	7,102,908			55,048,383
Public ways and facilities	1,084,567	21,496,683			22,581,250
Health and sanitation	1,123,172	20,063,334			21,186,506
Public assistance	25,057,295	4,328,018			29,385,313
Education	1,722,153				1,722,153
Recreation and culture	586,364				586,364
Interest	862,774	172,328			1,035,102
Debt service:					
Principal			2,060,000		2,060,000
Interest and fees			1,567,865		1,567,865
Capital outlay	2,202,897	2,022,840		1,627,276	5,853,013
Total expenditures	<u>96,910,822</u>	<u>55,186,111</u>	<u>3,658,176</u>	<u>1,627,276</u>	<u>157,382,385</u>
Excess of revenues over (under) expenditures	<u>9,640,847</u>	<u>(2,568,757)</u>	<u>(1,703,899)</u>	<u>(351,050)</u>	<u>5,017,141</u>
Other financing sources (uses):					
Operating transfers in	1,824,224	6,218,399	1,445,502	318,635	9,806,760
Operating transfers out	(7,703,332)	(2,140,619)			(9,843,951)
Proceeds from capital leases		391,909			391,909
Total other financing sources (uses)	<u>(5,879,108)</u>	<u>4,469,689</u>	<u>1,445,502</u>	<u>318,635</u>	<u>354,718</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	3,761,739	1,900,932	(258,397)	(32,415)	5,371,859
Fund balances, July 1, 1998	10,778,934	12,646,797	6,667,135	3,818,154	33,911,020
Residual equity transfers	(658,427)				(658,427)
Fund balances, June 30, 1999	<u>\$ 13,882,246</u>	<u>\$ 14,547,729</u>	<u>\$ 6,408,738</u>	<u>\$ 3,785,739</u>	<u>\$ 38,624,452</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, 1999**

	<u>Actual</u>	<u>Budget</u>	Variance-- Favorable (Unfavorable)
<b>REVENUES</b>			
Taxes	\$ 34,382,466	\$ 34,493,166	\$ (110,700)
Licenses, permits and franchises	4,537,580	4,365,596	171,984
Intergovernmental revenues	47,709,924	50,713,912	(3,003,988)
Use of money and property	1,789,452	1,370,142	419,310
Charges for services	11,107,517	11,433,016	(325,499)
Fines, forfeits and penalties	1,100,558	1,143,373	(42,815)
Other revenues	<u>5,924,172</u>	<u>6,113,625</u>	<u>(189,453)</u>
Total revenues	<u>106,551,669</u>	<u>109,632,830</u>	<u>(3,081,161)</u>
<b>EXPENDITURES</b>			
Current:			
General government	16,326,125	18,234,156	1,908,031
Public protection	47,945,475	49,307,279	1,361,804
Public ways and facilities	1,084,567	1,186,156	101,589
Health and sanitation	1,123,172	1,247,887	124,715
Public assistance	25,057,295	28,959,273	3,901,978
Education	1,722,153	1,901,113	178,960
Recreation and culture	586,364	614,212	27,848
Interest	862,774	955,306	92,532
Capital outlay	<u>2,202,897</u>	<u>3,100,659</u>	<u>897,762</u>
Total expenditures	<u>96,910,822</u>	<u>105,506,041</u>	<u>8,595,219</u>
Excess of revenues over expenditures	<u>9,640,847</u>	<u>4,126,789</u>	<u>5,514,058</u>
Other financing sources (uses):			
Operating transfers in	1,824,224	2,489,420	(665,196)
Operating transfers out	<u>(7,703,332)</u>	<u>(9,862,595)</u>	<u>2,159,263</u>
Total other financing sources (uses)	<u>(5,879,108)</u>	<u>(7,373,175)</u>	<u>1,494,067</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	3,761,739	<u>\$ (3,246,386)</u>	<u>\$ 7,008,125</u>
Fund balance, July 1, 1998	10,778,934		
Residual equity transfers	<u>(658,427)</u>		
Fund balance, June 30, 1999	<u>\$ 13,882,246</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, 1999**

	<u>Actual</u>	<u>Budget</u>	Variance-- Favorable <u>(Unfavorable)</u>
<b>REVENUES</b>			
Taxes and assessments	\$ 9,509,622	\$ 9,700,232	\$ (190,610)
Licenses, permits and franchises	1,148,432	1,054,246	94,186
Intergovernmental revenues	22,547,118	23,590,674	(1,043,556)
Use of money and property	667,282	367,956	299,326
Charges for services	17,253,021	21,170,028	(3,917,007)
Fines, forfeits and penalties	450,536	552,395	(101,859)
Other revenues	1,041,343	2,370,629	(1,329,286)
Total revenues	<u>52,617,354</u>	<u>58,806,160</u>	<u>(6,188,806)</u>
<b>EXPENDITURES</b>			
Current:			
Public protection	7,102,908	7,524,323	421,415
Public ways and facilities	21,496,683	29,586,399	8,089,716
Health and sanitation	20,063,334	22,996,712	2,933,378
Public assistance	4,328,018	5,150,908	822,890
Interest	172,328	188,822	16,494
Capital outlay	2,022,840	2,336,823	313,983
Total expenditures	<u>55,186,111</u>	<u>67,783,987</u>	<u>12,597,876</u>
Excess of revenues over (under) expenditures	<u>(2,568,757)</u>	<u>(8,977,827)</u>	<u>6,409,070</u>
Other financing sources (uses):			
Operating transfers in	6,218,399	6,271,135	(52,736)
Operating transfers out	(2,140,619)	(2,934,037)	793,418
Proceeds from capital leases	391,909		391,909
Total other financing sources	<u>4,469,689</u>	<u>3,337,098</u>	<u>1,132,591</u>
Excess of revenues and other financing sources over (under) expenditures	1,900,932	<u>(\$5,640,729)</u>	<u>\$ 7,541,661</u>
Fund balances, July 1, 1998	12,646,797		
Fund balance, June 30, 1999	<u>\$ 14,547,729</u>		

*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, 1999**

	Actual	Budget	Variance-- Favorable (Unfavorable)
<b>REVENUES</b>			
Taxes and assessments	\$ 43,892,088	\$ 44,193,398	\$ (301,310)
Licenses, permits and franchises	5,686,012	5,419,842	266,170
Intergovernmental revenues	70,257,042	74,304,586	(4,047,544)
Use of money and property	2,456,734	1,738,098	718,636
Charges for services	28,360,538	32,603,044	(4,242,506)
Fines, forfeits and penalties	1,551,094	1,695,768	(144,674)
Other revenues	6,965,515	8,484,254	(1,518,739)
Total revenues	<u>159,169,023</u>	<u>168,438,990</u>	<u>(9,269,967)</u>
<b>EXPENDITURES</b>			
Current:			
General government	16,326,125	18,234,156	1,908,031
Public protection	55,048,383	56,831,602	1,783,219
Public ways and facilities	22,581,250	30,772,555	8,191,305
Health and sanitation	21,186,506	24,244,599	3,058,093
Public assistance	29,385,313	34,110,181	4,724,868
Education	1,722,153	1,901,113	178,960
Recreation and culture	586,364	614,212	27,848
Interest	1,035,102	1,144,128	109,026
Capital outlay	4,225,737	5,437,482	1,211,745
Total expenditures	<u>152,096,933</u>	<u>173,290,028</u>	<u>21,193,095</u>
Excess of revenues over (under) expenditures	<u>7,072,090</u>	<u>(4,851,038)</u>	<u>11,923,128</u>
Other financing sources (uses):			
Operating transfers in	8,042,623	8,760,555	(717,932)
Operating transfers out	(9,843,951)	(12,796,632)	2,952,681
Proceeds from capital leases	391,909		391,909
Total other financing sources (uses)	<u>(1,409,419)</u>	<u>(4,036,077)</u>	<u>2,626,658</u>
Excess of revenues and other financing sources over (under) expenditures	5,662,671	<u>\$ (8,887,115)</u>	<u>\$ 14,549,786</u>
Fund balance, July 1, 1998	23,425,731		
Residual equity transfers	(658,427)		
Fund balance, June 30, 1999	<u>\$ 28,429,975</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, 1999**

	Enterprise Funds	Internal Service Funds	Totals (Memorandum Only)
<b>OPERATING REVENUES</b>			
Fares	\$ 506,093		\$ 506,093
Service fees	164,313	\$ 13,867,219	14,031,532
Fuel sales	201,513	599,922	801,435
Total operating revenues	<u>871,919</u>	<u>14,467,141</u>	<u>15,339,060</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	1,362,424	492,075	1,854,499
Services and supplies	962,783	14,594,286	15,557,069
Depreciation	489,507	881,357	1,370,864
Total operating expenses	<u>2,814,714</u>	<u>15,967,718</u>	<u>18,782,432</u>
Net operating income (loss)	<u>(1,942,795)</u>	<u>(1,500,577)</u>	<u>(3,443,372)</u>
Non-operating revenues (expenses):			
Intergovernmental revenue	1,859,811		1,859,811
Interest income	28,631	779,368	807,999
Interest expense	(39,072)		(39,072)
Gain on sale of assets	36,390		36,390
Transfers from other funds	37,931	1,500	39,431
Transfers to other funds	(2,240)		(2,240)
Other	36,288		36,288
Net non-operating revenues	<u>1,957,739</u>	<u>780,868</u>	<u>2,738,607</u>
Net income (loss)	14,944	(719,709)	(704,765)
Retained earnings, July 1, 1998	965,209	6,924,798	7,890,007
Transfer of depreciation to contributed capital	379,667		379,667
Retained earnings, June 30, 1999	<u>\$ 1,359,820</u>	<u>\$ 6,205,089</u>	<u>\$ 7,564,909</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, 1999**

	Enterprise Funds	Internal Service Funds	Totals (Memorandum Only)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net operating income (loss)	\$ (1,942,795)	\$ (1,500,577)	\$ (3,443,372)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation	489,507	881,357	1,370,864
(Increase) in receivables	(26,823)	(124,943)	(151,766)
(Increase) decrease in prepaid expenses and inventories	(14,052)	6,286	(7,766)
Increase in payables	95,931	57,396	153,327
Increase in liability for self insurance		1,097,889	1,097,889
Net cash provided (used) by operating activities	<u>(1,398,232)</u>	<u>417,408</u>	<u>(980,824)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income	28,631	779,368	807,999
Purchases of fixed assets	(457,691)	(1,356,646)	(1,814,337)
Payments received on note receivable	8,000		8,000
Net cash used by investing activities	<u>(421,060)</u>	<u>(577,278)</u>	<u>(998,338)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments on long-term debt	(92,400)		(92,400)
Interest expense	(19,123)		(19,123)
Intergovernmental revenue	2,156,771		2,156,771
Capital contributions		297,245	297,245
Other	36,862	1,500	38,362
Net cash provided by financing activities	<u>2,082,110</u>	<u>298,745</u>	<u>2,380,855</u>
Net increase in cash and cash equivalents	262,818	138,875	401,693
Cash and cash equivalents, July 1, 1998	800,385	16,166,800	16,967,185
Cash and cash equivalents, June 30, 1999	<u>\$ 1,063,203</u>	<u>\$ 16,305,675</u>	<u>\$ 17,368,878</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, 1999**

**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 \$1,095,364 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	\$ 136,033,831
Cash with fiscal agents	5,424,793
	<u>\$ 141,458,624</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, 1999, were as follows:

	<u>Cost</u>	<u>Fair Value</u>
Bankers' acceptances	\$ 50,264,925	\$ 50,523,572
U.S. Government securities	6,633,316	6,687,938
Investment in State Treasurer investment pool	30,000,000	30,000,000
Commercial notes	18,377,737	18,471,654
Cash on hand and in banks	35,775,460	35,775,460
	<u>\$141,051,438</u>	<u>\$ 141,458,624</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, 1999:

	<u>Land</u>	<u>Structures &amp; Improvements</u>	<u>Equipment</u>	<u>Construction In Progress</u>	<u>Totals</u>
Balances, July 1, 1998	\$ 17,782,882	\$ 66,396,554	\$ 26,360,327	\$ 868,582	\$ 111,408,345
Additions			4,136,154		4,136,154
Deletions			(4,962,364)		(4,962,364)
Adjustments	1,941,482	960,129	(653,100)	(335,663)	1,912,848
Balances June 30, 1999	<u>\$19,724,364</u>	<u>\$67,356,683</u>	<u>\$24,881,017</u>	<u>\$532,919</u>	<u>\$112,494,983</u>

### Note 4 - General Long-Term Debt

During the year ended June 30, 1999 the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balances, July 1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances June 30, 1999</u>
Compensated absences	\$ 6,753,325	\$ 1,090,341		\$ 7,843,666
Landfill postclosure costs	4,420,500	720,750		5,141,250
Bonds payable	28,400,000		2,060,000	26,340,000
Notes payable	266,666		133,334	133,332
Capital leases	787,555	1,597,020	474,036	1,910,539
Totals	<u>\$ 40,628,046</u>	<u>\$ 3,408,111</u>	<u>\$ 2,667,370</u>	<u>\$ 41,368,787</u>

**Bonds Payable**

Balances at  
June 30, 1999

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. Interest rates range from 6.8 to 7%. \$14,980,000 of these bonds were defeased when refunding bonds of \$16,860,000 were issued on December 1, 1997. The new bonds have interest which range from 4 to 5%. All of these bonds mature in 2009.

\$19,855,000

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 benefiting 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

6,485,000

Total bonds payable

\$26,340,000

In 1997, the County issued \$16,860,000 in lease revenue refunding bonds with interest rates ranging between 4% and 5%. The County issued the bonds to advance refund \$14,980,000 of the outstanding series 1990 lease revenue bonds with interest rates ranging between 6.5% and 7.4%. The net proceeds were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the 1990 series bonds. As a result, that portion of the 1990 series bonds is considered defeased, and the County has removed the liability from its accounts. The outstanding principal of the defeased bonds is \$14,980,000 at June 30, 1999.

Future minimum debt service payments for bonds payable at June 30, 1999  
are as follows:

	<u>Year Ending June 30,</u>	
	2000	\$3,625,410
	2001	3,210,960
	2002	3,306,560
	2003	3,421,673
	2004	3,345,200
	Thereafter	<u>17,635,572</u>
Total debt service payments for bonds		34,545,375
Less amount representing interest		<u>8,205,375</u>
Total bond principal payable		<u><u>\$26,340,000</u></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	\$6,368,530
Road equipment	2,959,777
Emergency medical equipment	<u>981,841</u>
Total	<u><u>\$10,310,148</u></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>	
	2000	\$ 662,065
	2001	506,659
	2002	338,579
	2003	241,166
	2004	228,123
	2005	<u>215,079</u>
Total minimum lease payments		2,191,671
Less amount representing interest		<u>281,132</u>
Present value of future lease payments		<u><u>\$ 1,910,539</u></u>

## Note 5--Proprietary Long-Term Debt

### Notes Payable

Notes payable recorded in the Airport Enterprise Fund at June 30, 1999 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 2011	\$ 35,034
Loan #ED-1-86-L-2, 6.9435% installment note, payable annually through 2012	20,502
Loan #ED-5-86-L-1, 6.9435% installment note, payable annually through 2012	13,782
Loan #ED-1-87-L-3, 6.9435% installment note, payable annually through 2012	13,021
Loan #ED-5-88-L-2, 7.0408% installment note, payable annually through 2009	29,764
Loan #ED-1-94-L-5, 5.8957% installment note, payable annually through 2005	99,189
Total State Loans	<u>211,292</u>
Less principal due within one year	<u>22,871</u>
Long-term portion	<u><u>\$188,421</u></u>

The annual requirements to amortize the notes payable as of June 30, 1999 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2000	\$22,871	\$14,040	\$36,911
2001	24,261	12,558	36,819
2002	25,650	10,994	36,644
2003	27,039	9,348	36,387
2004	28,428	7,620	36,048
Thereafter	<u>83,043</u>	<u>20,212</u>	<u>103,255</u>
	<u><u>\$211,292</u></u>	<u><u>\$74,772</u></u>	<u><u>\$286,064</u></u>

### Capital Lease Obligations

El Dorado County Transit Authority Enterprise Fund has entered into lease agreements for the acquisition of building improvements and 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 property leased under capital leases as of June 30, 1999 is \$338,240. Future minimum lease payments relating to these leases are as shown on the following page:

<u>Year Ending June 30,</u>	
2000	\$ 65,067
2001	65,067
2002	65,067
2003	65,067
2004	65,067
Thereafter	<u>65,069</u>
Total minimum lease payments	390,404
Less amount representing interest	<u>65,109</u>
Present value of future lease payments	<u><u>\$ 325,295</u></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. The County ceased accepting waste during 1997. County staff estimated the closure cost to be \$841,679 and the postclosure costs to approximate \$171,375 per year. Estimated closure costs are reported in the operating fund and postclosure costs in the general long term debt account group.

The California Integrated Waste Management Board also requires that landfill operators estimate the costs "reasonably foreseeable" in the event landfill contaminants were to leak into ground water supplies. An engineering study conducted during 1998 estimated that the thirty-year cost of such a contingency would approximate \$1,564,200.

**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.

There was a change in the Internal Revenue Code recently which caused the Governmental Accounting Standards Board to revisit its reporting requirements for Section 457 plans. The accumulated funds in these plans are now considered to belong to the individual employees in the plan if the employer has placed the assets into a trust fund for the exclusive benefit of the participating employees. These assets are no longer subject to the claims of the County's general creditors. Therefore, the Governmental Accounting Standards Board has now determined that the assets and related liabilities of deferred compensation plans are not to be reported in the financial statements of the employer.

**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, 1999 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 1,824,224	\$ 7,703,332
Special Revenue Funds	6,218,399	2,140,619
Debt Service Funds	1,445,502	
Capital Projects Funds	318,635	
Enterprise Funds	37,931	2,240
Internal Service Funds	1,500	
	<u>\$ 9,846,191</u>	<u>\$ 9,846,191</u>



**Note 9—Interfund Receivables and Payables**

As of June 30, 1999, 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	\$ 595,719	\$ 144,363
Special Revenue Funds	334,180	1,558,695
Capital Projects Funds	137,941	160
Enterprise Funds		68,809
Internal Service Funds	727,568	
Trust Funds	2,423,860	2,447,241
	<u>\$ 4,219,268</u>	<u>\$ 4,219,268</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. Copies of PERS' annual financial report may be obtained from their executive office at 400 P Street in Sacramento.

The County's payroll for employees covered by PERS for the year ended June 30, 1999 was \$57,341,000 and total payroll was \$61,659,869.

Funding Policy

Safety employees are required to contribute 9% of their covered compensation and other employees are required to contribute 7%. The County makes the contributions required of its employees on their behalf and for their account. The County is required to contribute at an actuarially determined rate; the current rate is 0 percent for both non-safety employees and for safety employees. The contribution requirements of plan members and the County are established and may be amended by PERS.

Annual Pension Cost

For the year ending June 30, 2000, the County's annual pension cost calculated by PERS is net of amortization of prior years' overfundings and actuarial gains. The required contribution was determined as part of the June 30, 1997, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions used included (a) 8.25% net investment rate of return and (b) projected annual salary increases that vary by duration of service. Both (a) and (b) included an inflation component of 3.5%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. The PERS overfunded excess assets balance is being amortized as a level percentage of projected payroll.

Trend Information and Funding Progress

Four-Year Trend Information (\$ Amounts in Thousands)

<u>Year Ended June 30,</u>	<u>Annual Pension Contribution</u>	
	<u>Required *</u>	<u>Paid</u>
1994	\$ 4,309	\$ 7,260
1995	4,303	7,096
1996	4,418	7,107
1997	3,974	6,991

\* Before amortization of prior years' overfunding.

Schedule of Funding Progress (\$ Amounts in Thousands)

<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>Actuarial</u> <u>Value of</u> <u>Assets</u>	<u>AAL</u> <u>Actuarial</u> <u>Accrued</u> <u>Liability</u>	<u>OAAL</u> <u>Overfunded</u> <u>Accrued</u> <u>Liability</u>	<u>Funded</u> <u>Ratio</u>	<u>Covered</u> <u>Payroll</u>	<u>OAAL as</u> <u>% of</u> <u>Covered</u> <u>Payroll</u>
<b>6/30/94:</b>						
Misc.	\$96,792	\$94,397	\$2,395	102.5%	\$44,414	5.4%
Safety	38,255	36,915	1,340	103.6%	8,135	16.5%
Total	135,047	131,312	3,735	102.8%	52,549	7.1%
<b>6/30/95:</b>						
Misc.	106,699	102,820	3,879	103.8%	43,567	8.9%
Safety	41,651	40,539	1,112	102.7%	8,670	12.8%
Total	148,350	143,359	4,991	103.5%	52,237	9.6%
<b>6/30/96:</b>						
Misc.	123,432	113,614	9,818	108.6%	39,342	25.0%
Safety	47,326	47,155	171	100.4%	8,900	1.9%
Total	170,758	160,769	9,989	106.2%	48,242	20.7%
<b>6/30/97:</b>						
Misc.	144,646	117,621	27,025	123.0%	42,495	63.6%
Safety	56,124	48,838	7,286	114.9%	9,447	77.1%
Total	200,770	166,459	34,311	120.6%	51,942	66.1%

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, 1999, is as follows:

	<u>El Dorado</u> <u>Transit</u>	<u>South Lake</u> <u>Tahoe Transit</u>	<u>Airports</u>	<u>Totals</u>
Operating revenues	\$ 481,093	\$ 25,000	\$ 365,826	\$ 871,919
Depreciation	291,183	15,786	182,538	489,507
Operating losses	1,542,539	183,200	217,056	1,942,795
Intergovernmental revenues	1,666,507	173,304	20,000	1,859,811
Net income (loss)	198,052	(12,010)	(171,098)	14,944
Net working capital	907,635	8,594	(5,287)	910,942
Total assets	4,395,106	69,695	2,415,517	6,880,318
Long-term debt	278,584		188,421	467,005
Total equity	3,665,779	56,116	2,082,892	5,804,787

## 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 \$11,766,779 reported in the Risk Management Fund at June 30, 1999 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 seven fiscal years are as follows:

	<u>Beginning</u>	<u>Claims and</u>	<u>Claims</u>	<u>Ending</u>
	<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
1998	10,668,890	7,504,896	7,504,896	10,668,890
1999	10,668,890	10,401,987	9,304,098	11,766,779

### 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.

In November of 1994, the County entered into a contract with Serrano Associates, LLC (Serrano). The "Agreement for Reimbursement of Road Improvement Costs" requires the County to disburse a percentage of road impact fees collected by the County from property owners in the El Dorado Hills/Salmon Falls area to Serrano as compensation for certain road improvements constructed by Serrano. At June 30, 1999, \$666,572 was contingently owed by the County to Serrano for road improvements under this agreement. The County's obligation to repay Serrano is contingent on the future collection of road impact fees in the El Dorado Hills/Salmon Falls area.

### Note 14—Accounting for Trial Court Operations

New Government Code Section 68073 shifted the responsibility for funding court operations from the counties to the state during the previous fiscal year. Accordingly, the State has directed county auditors to account for the fiscal operations of its courts in agency funds, rather than in special revenue funds, as in the past. Accordingly, the County reported such operations in an agency fund beginning with the 1998-99 fiscal year.

**Note 15—Subsequent Event**

On September 24, 1999, the Governor signed three major child support bills which will significantly restructure the way in which California's child support enforcement program is administered. One of the provisions of the new law requires that counties return to the State any unencumbered child support enforcement program "Excess Incentive Revenues" that existed as of September 1, 1999. At June 30, 1999, County held \$1,005,343 of these "Excess Incentive Revenues". As of September 1, 1999, \$500,156 of these funds remained unencumbered and, accordingly, must be returned to the State.

**SUPPLEMENTAL INFORMATION**

**COMBINING FINANCIAL STATEMENTS**

COUNTY OF EL DORADO  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 1999

	Erosion Control	County Roads	Road District	Special Aviation	Fish & Game	Community Services	Social Services	Public Health	Mental Health	LAFCO	Special Districts Under The Board	Totals
Cash and investments	\$ 446,807	\$ 2,051,914	\$ 1,235,853	\$ 413	\$ 16,541	\$ 514,527		\$ 585,238	\$ 10,608	\$ 39,999	\$ 11,773,142	\$ 16,675,042
Cash with fiscal agents												45,005
Accounts receivable		88,058				13,097		3,832	37,676		400	143,063
Due from other funds		134,845						140,854	58,481			334,180
Due from other governments	290,929	1,392,673				394,896		1,298,985	558,354		46,000	4,009,390
Inventories		424,113				20,662						444,775
Notes receivable						700,233					4,378,360	5,078,593
Prepaid expenses		9,143				104,563						113,706
	\$ 737,736	\$ 4,100,746	\$ 1,235,853	\$ 413	\$ 16,541	\$ 1,747,978	\$ 27,553	\$ 2,028,909	\$ 665,119	\$ 39,999	\$ 16,242,907	\$ 26,843,754

**LIABILITIES & FUND BALANCES**

Liabilities:												
Accounts payable	\$ 2,636	\$ 762,017	\$ 15,436			\$ 160,090	\$ 1,900	\$ 1,405,139	\$ 87,299	\$ 12,219	\$ 590,712	\$ 3,037,448
Salaries and benefits payable		217,958				69,677	5,939	130,586	133,416	3,275	48,164	609,015
Due to other funds		863,396					19,935		160,000		515,364	1,558,695
Due to other governments		16,775				11,360		35,867				64,002
Notes payable											356,948	356,948
Deferred revenue	616,357	14,925				973,639		201,905			4,021,412	5,828,238
Liability for landfill closure costs											841,679	841,679
Total liabilities	618,993	1,875,071	15,436			1,214,766	27,774	1,773,497	380,715	15,494	6,374,279	12,296,025
Fund balances:												
Reserved:												
Encumbrances		8,853				9,353		488	273,096		856,792	1,148,582
Inventories		424,113				20,662						444,775
Imprest cash		3,300				560		1,400	5,040	20	345	10,665
Unreserved:												
Undesignated	118,743	1,789,409	1,220,417	413	\$ 16,541	\$ 502,637	(221)	255,524	6,268	24,485	9,011,491	12,943,707
Total fund balances	118,743	2,225,675	1,220,417	413	16,541	533,212	(221)	255,412	284,404	24,505	9,868,628	14,547,729
	\$ 737,736	\$ 4,100,746	\$ 1,235,853	\$ 413	\$ 16,541	\$ 1,747,978	\$ 27,553	\$ 2,028,909	\$ 665,119	\$ 39,999	\$ 16,242,907	\$ 26,843,754

COUNTY OF EL DORADO  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 1999

	Erosion Control	County Roads	Road District	Special Aviation	Fish & Game	Community Services	Social Services	Public Health	Mental Health	LAPCO	Special Districts Under The Board	Totals
<b>REVENUES</b>												
Taxes and assessments		\$ 449,198	\$ 1,668,098								\$ 7,392,326	\$ 9,509,622
Licenses, permits and franchises		666,226						\$ 159,588			322,618	1,148,432
Intergovernmental revenues	\$ 1,012,375	7,966,620	37,506			\$ 3,601,596	91,938	5,376,503	\$ 3,449,053		1,011,527	22,547,118
Use of money and property	27,452	58,769	19,842	\$ 17	\$ 936	44,053		1,645,103	1,868,667		516,213	667,282
Charges for services	218,863	8,565,527			2,514	447,832		413,061			34,961	17,253,021
Fines, forfeits and penalties		100,245				222,253		434,299			284,546	450,536
Other revenues		17,806,585	1,723,446	17	3,450	4,315,734	91,938	8,028,554	5,317,720		14,069,220	1,041,343
Total revenues	1,238,690	17,806,585	1,723,446	17	3,450	4,315,734	91,938	8,028,554	5,317,720		14,069,220	52,617,354
<b>EXPENDITURES</b>												
Current:												
Public protection					5,367					\$ 147,157	6,950,384	7,102,908
Public ways and facilities	1,262,582	17,368,834	621,849								2,243,418	21,496,683
Health and sanitation								12,240,734	5,454,302		2,368,298	20,063,334
Public assistance						4,236,077	91,941				65,941	4,328,018
Interest		22,905					218	52,148	31,116		998,600	172,328
Capital outlay		395,003				498,441		93,216	33,856	3,724		2,022,840
Total expenditures	1,262,582	17,786,742	621,849		5,367	4,734,518	92,159	12,386,098	5,519,274	150,881	12,626,641	55,186,111
Excess of revenues over (under) expenditures	(3,892)	19,843	1,103,597	17	(1,917)	(418,784)	(221)	(4,357,544)	(201,554)	(150,881)	1,442,579	(2,568,757)
Other financing sources (uses):												
Operating transfers in		(160,456)				533,980		5,020,159	406,274	175,386	82,600	6,218,399
Operating transfers out		391,909									(1,980,183)	(2,140,619)
Proceeds from capital leases		231,473									(1,897,583)	391,909
Total other financing sources (uses)												4,469,689
Excess of revenues and other financing sources over (under) expenditures	(3,892)	251,316	1,103,597	17	(1,917)	115,196	(221)	662,615	204,720	24,505	(455,004)	1,900,932
Fund balances, July 1, 1998	122,635	1,974,359	116,820	396	18,458	418,016		(407,203)	79,684		10,323,632	12,646,797
Residual equity transfers												
Fund balances, June 30, 1999	\$ 118,743	\$ 2,225,675	\$ 1,220,417	\$ 413	\$ 16,541	\$ 533,212	\$ (221)	\$ 255,412	\$ 284,404	\$ 24,505	\$ 9,868,628	\$ 14,547,729

**COUNTY OF ELDORADO**  
**SPECIAL DISTRICTS UNDER THE BOARD OF SUPERVISORS**  
**COMBINING BALANCE SHEET**

JUNE 30, 1999

	County Water Agency		Air Pollution Control	CSA #9	CSA #10	CSA #2	CSA #3	CSA #5	CSA #7	County Redevelopment Agency	Totals
<b>ASSETS</b>											
Cash and investments	\$ 881,501	\$ 552,170	\$ 1,578,059	\$ 4,824,386	\$ 58,333	\$ 1,804,050	\$ 228,759	\$ 1,845,884	\$ -	\$ -	\$ 11,773,142
Cash with fiscal agents				45,005							45,005
Accounts receivable			400								400
Due from other governments	4,378,360	46,000									46,000
Note receivable--E.I.D.	\$ 5,259,861	\$ 598,170	\$ 1,578,459	\$ 4,869,391	\$ 58,333	\$ 1,804,050	\$ 228,759	\$ 1,845,884	\$ -	\$ -	4,378,360
											\$ 16,242,907
	\$ 74,936	\$ 78,878	\$ 13,022	\$ 152,100	\$ 3,990	\$ 251,157	\$ -	\$ 16,629	\$ -	\$ -	\$ 590,712
Accounts payable	4,955	11,475		18,772		6,692		6,270			48,164
Salaries and benefits payable			137,941	357,164					\$ 20,259		515,364
Due to other funds	356,948										356,948
Note payable	4,021,412										4,021,412
Deferred revenue				841,679							841,679
Liability for landfill closure costs											
Total liabilities	4,458,251	90,353	150,963	1,369,715	3,990	257,849		22,899	20,259		6,374,279
Fund balances:											
Resarved:											
Encumbrances	272,456	219,428	52,444	300,256	54,343	12,011				197	856,792
Imprest cash	100			120		100			25		345
Unresarved:											
Undesignated	529,054	288,389	1,375,052	3,199,300	54,343	1,534,090	\$ 228,759	\$ 1,822,960	(20,456)		9,011,491
Total fund balances	801,610	507,817	1,427,496	3,499,676	54,343	1,546,201	228,759	1,822,985	(20,259)		9,868,628
	\$ 5,259,861	\$ 598,170	\$ 1,578,459	\$ 4,869,391	\$ 58,333	\$ 1,804,050	\$ 228,759	\$ 1,845,884	\$ -	\$ -	\$ 16,242,907

**LIABILITIES & FUND BALANCES**

**Liabilities:**

Accounts payable  
 Salaries and benefits payable  
 Due to other funds  
 Note payable  
 Deferred revenue  
 Liability for landfill closure costs  
 Total liabilities

**Fund balances:**

Resarved:  
 Encumbrances  
 Imprest cash  
 Unresarved:  
 Undesignated

Total fund balances



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, 1999

	County Water Agency	Air Pollution Control	CSA #9	CSA #10	CSA #2	CSA #3	CSA #5	CSA #7	County Redevelopment Agency	Totals
<b>REVENUES</b>										
Taxes and assessments	\$ 1,012,923	\$ 45,320	\$ 381,301	\$ 2,630,929	\$ 77,155	\$ 922,810	\$ 15,092	\$ 2,352,116		\$ 7,392,326
Licenses, permits and franchises				277,298						322,618
Intergovernmental revenue	22,826	675,738	1,471	282,680	232	3,506	334	24,740		1,011,527
Use of money and property	34,744	25,071	74,066	234,221	1,681	74,280	10,447	61,185	\$ 518	516,213
Charges for services	76,526	1,000	182,972	578,618		1,093,355		2,574,558		4,507,029
Fines, forfeits and penalties		13,820	2,160	9,857	280	4,542		4,302		34,961
Other revenues	135,236	1,155	5,000	28,030		4,927		3,398	106,800	284,546
Total revenues	1,282,255	762,104	646,970	4,041,633	79,348	2,103,420	25,873	5,020,299	107,318	14,069,220
<b>EXPENDITURES</b>										
Current:										
Public protection	1,321,203	709,738	492,838		60,664	1,454,839	3,066	4,785,807	101,765	6,950,384
Public ways and facilities				2,368,298		263,882				2,243,418
Health and sanitation				37,234		11,314				2,368,298
Interest				611,875		149,602				65,941
Capital outlay				3,017,407		1,879,637				998,600
Total expenditures	1,321,203	709,738	492,838	3,017,407	60,664	1,879,637	3,066	5,040,323	101,765	12,626,641
Excess of revenues over (under) expenditures	(38,948)	52,366	154,132	1,024,226	18,684	223,783	22,807	(20,024)	5,553	1,442,579
Other financing sources (uses):										
Operating transfers in			8,000			39,000			35,600	82,600
Operating transfers out	(643,000)		(232,941)	(979,548)		(124,694)				(1,980,183)
Total other financing sources (uses)	(643,000)		(224,941)	(979,548)		(85,694)			35,600	(1,897,583)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(681,948)	52,366	(70,809)	44,678	18,684	138,089	22,807	(20,024)	41,153	(455,004)
Fund balances, July 1, 1998	1,483,558	455,451	1,498,305	3,454,998	35,659	1,408,112	205,952	1,843,009	(61,412)	10,323,652
Fund balances, June 30, 1999	\$ 801,610	\$ 507,817	\$ 1,427,496	\$ 3,499,676	\$ 54,343	\$ 1,546,201	\$ 228,759	\$ 1,822,985	\$ (20,259)	\$ 9,868,628

**COUNTY OF EL DORADO**  
**ENTERPRISE FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 1999**

	El Dorado County Transit Auth.	South Lake Tahoe Transit	County Airports	Totals
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 929,460	\$ 16,365	\$ 117,378	\$ 1,063,203
Due from other governments	370,070	5,808		375,878
Accounts receivable	31,133		10,454	41,587
Inventories			11,085	11,085
Prepaid expenses	27,715			27,715
Total current assets	<u>1,358,378</u>	<u>22,173</u>	<u>138,917</u>	<u>1,519,468</u>
Fixed assets:				
Land	267,268		213,711	480,979
Structures and improvements	1,370,972		4,001,367	5,372,339
Equipment	3,264,044	63,308	12,697	3,340,049
Accumulated depreciation	(1,865,556)	(15,786)	(1,951,175)	(3,832,517)
Total fixed assets (net of accumulated depreciation)	<u>3,036,728</u>	<u>47,522</u>	<u>2,276,600</u>	<u>5,360,850</u>
	<u>\$ 4,395,106</u>	<u>\$ 69,695</u>	<u>\$ 2,415,517</u>	<u>\$ 6,880,318</u>
<b>LIABILITIES &amp; FUND EQUITY</b>				
Current liabilities:				
Accounts payable	\$ 277,997	\$ 13,579	\$ 2,215	\$ 293,791
Salaries and benefits payable	37,756		5,102	42,858
Compensated absences	68,605		45,207	113,812
Due to other funds			68,809	68,809
Deferred income	19,674			19,674
Notes payable-current portion			22,871	22,871
Capital leases-current portion	46,711			46,711
Total current liabilities	<u>450,743</u>	<u>13,579</u>	<u>144,204</u>	<u>608,526</u>
Noncurrent liabilities:				
Notes payable-noncurrent			188,421	188,421
Capital leases-noncurrent	278,584			278,584
Total liabilities	<u>729,327</u>	<u>13,579</u>	<u>332,625</u>	<u>1,075,531</u>
Fund equity:				
Contributed capital	2,550,217		1,894,750	4,444,967
Retained earnings:				
Unreserved	1,115,562	56,116	188,142	1,359,820
Total fund equity	<u>3,665,779</u>	<u>56,116</u>	<u>2,082,892</u>	<u>5,804,787</u>
	<u>\$ 4,395,106</u>	<u>\$ 69,695</u>	<u>\$ 2,415,517</u>	<u>\$ 6,880,318</u>

**COUNTY OF EL DORADO**  
**ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES & CHANGES IN RETAINED EARNINGS**  
**FOR THE YEAR ENDED JUNE 30, 1999**

	El Dorado Transit Authority	South Lake Tahoe Transit	County Airports	Totals
<b>OPERATING REVENUES</b>				
Fares	\$ 481,093	\$ 25,000		\$ 506,093
Service fees			\$ 164,313	164,313
Fuel sales			201,513	201,513
Total operating revenues	<u>481,093</u>	<u>25,000</u>	<u>365,826</u>	<u>871,919</u>
<b>OPERATING EXPENSES</b>				
Salaries and benefits	1,211,969		150,455	1,362,424
Services and supplies	520,480	192,414	249,889	962,783
Depreciation	291,183	15,786	182,538	489,507
Total operating expenses	<u>2,023,632</u>	<u>208,200</u>	<u>582,882</u>	<u>2,814,714</u>
Net loss from operations	<u>(1,542,539)</u>	<u>(183,200)</u>	<u>(217,056)</u>	<u>(1,942,795)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Intergovernmental revenue	1,666,507	173,304	20,000	1,859,811
Transfers (to) other funds		(2,240)		(2,240)
Transfers from other funds			37,931	37,931
Interest income	21,355	126	7,150	28,631
Interest expense	(19,949)		(19,123)	(39,072)
Gain on disposition of assets	36,390			36,390
Other	36,288			36,288
Net nonoperating revenues	<u>1,740,591</u>	<u>171,190</u>	<u>45,958</u>	<u>1,957,739</u>
Net income (loss)	198,052	(12,010)	(171,098)	14,944
Retained earnings, July 1, 1998	694,197	68,126	202,886	965,209
Depreciation applied to contributed capital	223,313		156,354	379,667
Retained earnings, June 30, 1999	<u>\$ 1,115,562</u>	<u>\$ 56,116</u>	<u>\$ 188,142</u>	<u>\$ 1,359,820</u>

**COUNTY OF EL DORADO**  
**ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 1999**

	El Dorado Transit Authority	South Lake Tahoe Transit	County Airports	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net operating income (loss)	\$ (1,542,539)	\$ (183,200)	\$ (217,056)	\$ (1,942,795)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Depreciation	291,183	15,786	182,538	489,507
(Increase) in accounts receivable	(19,356)	(4,598)	(2,869)	(26,823)
(Increase) decrease in prepaid expenses and inventories	(15,740)		1,688	(14,052)
Increase (decrease) in accounts and salaries payable	151,562	(64,874)	9,243	95,931
Net cash used by operating activities	<u>(1,134,890)</u>	<u>(236,886)</u>	<u>(26,456)</u>	<u>(1,398,232)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest income	21,355	126	7,150	28,631
Purchases of fixed assets	(457,691)			(457,691)
Payments received on note receivable	8,000			8,000
Net cash provided (used) by investing activities	<u>(428,336)</u>	<u>126</u>	<u>7,150</u>	<u>(421,060)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from disposal of assets	574			574
Payments on long-term debt	(68,141)		(24,259)	(92,400)
Interest expense			(19,123)	(19,123)
Intergovernmental revenue	1,927,776	171,064	57,931	2,156,771
Other income & expenses	36,288			36,288
Net cash provided by financing activities	<u>1,896,497</u>	<u>171,064</u>	<u>14,549</u>	<u>2,082,110</u>
Net increase (decrease) in cash and cash equivalents	333,271	(65,696)	(4,757)	262,818
Cash and cash equivalents, July 1, 1998	596,189	82,061	122,135	800,385
Cash and cash equivalents, June 30, 1999	<u>\$ 929,460</u>	<u>\$ 16,365</u>	<u>\$ 117,378</u>	<u>\$ 1,063,203</u>

**COUNTY OF EL DORADO**  
**INTERNAL SERVICE FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 1999**

	Fleet Management	Risk Management Authority	Totals
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 2,066,370	\$ 14,143,703	\$ 16,210,073
Cash with fiscal agent		95,602	95,602
Accounts receivable	78,713		78,713
Due from other governments	8,097		8,097
Due from other funds	113,239	614,329	727,568
Inventories	17,367		17,367
Prepaid Expenses		83,100	83,100
Total current assets	<u>2,283,786</u>	<u>14,936,734</u>	<u>17,220,520</u>
Fixed assets:			
Land	40,000		40,000
Structures and improvements	564,950		564,950
Equipment	6,823,542	38,300	6,861,842
Accumulated depreciation	<u>(2,981,297)</u>	<u>(29,805)</u>	<u>(3,011,102)</u>
Total fixed assets (net of accumulated depreciation)	<u>4,447,195</u>	<u>8,495</u>	<u>4,455,690</u>
	<u>\$ 6,730,981</u>	<u>\$ 14,945,229</u>	<u>\$ 21,676,210</u>
<b>LIABILITIES &amp; FUND EQUITY</b>			
Current liabilities:			
Accounts payable	\$ 114,766	\$ 232,349	\$ 347,115
Salaries and benefits payable	3,894	11,024	14,918
Compensated absences	22,044	79,873	101,917
Total current liabilities	<u>140,704</u>	<u>323,246</u>	<u>463,950</u>
Noncurrent liabilities:			
Liability for self-insurance		11,766,779	11,766,779
Total liabilities	<u>140,704</u>	<u>12,090,025</u>	<u>12,230,729</u>
Fund equity:			
Contributed capital	3,240,392		3,240,392
Retained earnings:			
Reserved	17,142	46,834	63,976
Unreserved	<u>3,332,743</u>	<u>2,808,370</u>	<u>6,141,113</u>
Total fund equity	<u>6,590,277</u>	<u>2,855,204</u>	<u>9,445,481</u>
	<u>\$ 6,730,981</u>	<u>\$ 14,945,229</u>	<u>\$ 21,676,210</u>

**COUNTY OF EL DORADO**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES & CHANGES IN RETAINED EARNINGS**  
**FOR THE YEAR ENDED JUNE 30, 1999**

	Fleet Management	Risk Management Authority	Totals
<b>OPERATING REVENUES</b>			
Service fees	\$ 1,758,862	\$ 12,108,357	\$ 13,867,219
Sale of fuel	599,922		599,922
Total operating revenues	<u>2,358,784</u>	<u>12,108,357</u>	<u>14,467,141</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	132,472	359,603	492,075
Services and supplies	1,209,280	13,385,006	14,594,286
Depreciation	875,480	5,877	881,357
Total operating expenses	<u>2,217,232</u>	<u>13,750,486</u>	<u>15,967,718</u>
Net income (loss) from operations	<u>141,552</u>	<u>(1,642,129)</u>	<u>(1,500,577)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Transfers from other funds		1,500	1,500
Interest income	93,972	685,396	779,368
Net nonoperating revenues	<u>93,972</u>	<u>686,896</u>	<u>780,868</u>
Net income (loss)	235,524	(955,233)	(719,709)
Retained earnings, July 1, 1998	3,114,361	3,810,437	6,924,798
Retained earnings, June 30, 1999	<u>\$ 3,349,885</u>	<u>\$ 2,855,204</u>	<u>\$ 6,205,089</u>

**COUNTY OF EL DORADO**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 1999**

	Fleet Management	Risk Management Authority	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net operating income (loss)	\$ 141,552	\$ (1,642,129)	\$ (1,500,577)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation	875,480	5,877	881,357
(Increase) in receivables	(59,053)	(65,890)	(124,943)
Decrease in prepaid expenses and inventories	5,911	375	6,286
Increase in payables	32,751	24,645	57,396
Increase in liability for self insurance		1,097,889	1,097,889
Net cash provided by operating activities	<u>996,641</u>	<u>(579,233)</u>	<u>417,408</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income	93,972	685,396	779,368
Purchases of fixed assets	<u>(1,356,646)</u>		<u>(1,356,646)</u>
Net cash provided (used) by investing activities	<u>(1,262,674)</u>	<u>685,396</u>	<u>(577,278)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Transfers from other funds		1,500	1,500
Capital contributions	<u>297,245</u>		<u>297,245</u>
Net cash provided by financing activities	<u>297,245</u>	<u>1,500</u>	<u>298,745</u>
Net increase in cash and cash equivalents	31,212	107,663	138,875
Cash and cash equivalents, July 1, 1998	<u>2,035,158</u>	<u>14,131,642</u>	<u>16,166,800</u>
Cash and cash equivalents, June 30, 1999	<u>\$ 2,066,370</u>	<u>\$ 14,239,305</u>	<u>\$ 16,305,675</u>

**COUNTY OF EL DORADO**  
**TRUST & AGENCY FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 1999**

	<u>Trust Funds</u>	<u>Agency Funds</u>	<u>Totals</u>
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 24,019,852	\$ 62,941,957	\$ 86,961,809
Cash with fiscal agents	1,677,792	306,173	1,983,965
Taxes receivable	6,080,503		6,080,503
Due from other funds	2,423,860		2,423,860
	<u>\$ 34,202,007</u>	<u>\$ 63,248,130</u>	<u>\$ 97,450,137</u>
<b>LIABILITIES &amp; FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 639,435	\$ 745,008	\$ 1,384,443
Salaries and benefits payable		328,866	328,866
Due to other funds	2,447,241		2,447,241
Other agency obligations	31,115,331	62,174,256	93,289,587
Total liabilities	<u>\$ 34,202,007</u>	<u>\$ 63,248,130</u>	<u>\$ 97,450,137</u>