

COUNTY OF EL DORADO
GENERAL PURPOSE
FINANCIAL STATEMENTS AND
SUPPLEMENTAL COMBINING STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2001

COUNTY OF EL DORADO
FOR THE YEAR ENDED JUNE 30, 2001

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
GENERAL PURPOSE FINANCIAL STATEMENTS	
Combined Balance Sheet-All Fund Types and Account Groups	2
Combined Statement of Revenues, Expenditures and Changes in Fund Balances-All Governmental Fund Types	4
Statement of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual-General Fund.	5
Combined Statement of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual-Special Revenue Funds.	6
Combined Statement of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual-General and Special Revenue Funds	7
Combined Statement of Revenues, Expenses and Changes in Retained Earnings-All Proprietary Fund Types.	8
Combined Statement of Cash Flows-All Proprietary Fund Types	9
Notes to the General Purpose Financial Statements.	10
SUPPLEMENTAL COMBINING STATEMENTS	
SPECIAL REVENUE FUNDS	
Combining Balance Sheet.	29
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.	30
SPECIAL DISTRICTS UNDER THE BOARD OF SUPERVISORS	
Combining Balance Sheet	31
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	32

COUNTY OF EL DORADO
FOR THE YEAR ENDED JUNE 30, 2001

TABLE OF CONTENTS-CONTINUED

	<u>Page</u>
SUPPLEMENTAL COMBINING STATEMENTS-CONTINUED	
ENTERPRISE FUNDS	
Combining Balance Sheet	33
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	34
Combining Statement of Cash Flows	35
INTERNAL SERVICE FUNDS	
Combining Balance Sheet	36
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	37
Combining Statement of Cash Flows	38
TRUST AND AGENCY FUNDS	
Combining Balance Sheet	39

COUNTY OF EL DORADO
TRUST & AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001

	<u>Trust Funds</u>	<u>Agency Funds</u>	<u>Totals</u>
ASSETS			
Current assets			
Cash and investments	\$ 48,024,703	\$ 86,728,820	\$ 134,753,523
Cash with fiscal agents	12,820,957		12,820,957
Accounts receivable	65,694		65,694
Taxes receivable	16,816,790		16,816,790
Due from other funds	740,926		740,926
	<u>\$ 78,469,070</u>	<u>\$ 86,728,820</u>	<u>\$ 165,197,890</u>
 LIABILITIES & FUND BALANCES			
Liabilities			
Accounts payable	\$ 1,410,344	\$ 2,218,166	\$ 3,628,510
Salaries and benefits payable		692,831	692,831
Due to other funds	1,536,995		1,536,995
Due to other governments	448,530		448,530
Other agency obligations	75,073,201	83,817,823	158,891,024
TOTAL LIABILITIES	<u>\$ 78,469,070</u>	<u>\$ 86,728,820</u>	<u>\$ 165,197,890</u>

See accompanying notes to the general purpose financial statements.

JOHN F. WARDEN, JR.

Certified Public Accountant
Disabled Veteran Business Enterprise "DVBE"

3461 ROBIN LANE, SUITE #3
CAMERON PARK, CALIFORNIA 95682
(530) 677-4441 • FAX (530) 677-2960
TOLL FREE (888) 677-4441

INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
County of El Dorado

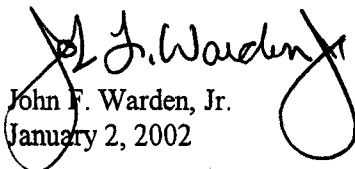
I have audited the accompanying general purpose financial statements of the County of El Dorado (County), as of and for the year ended June 30, 2001, as listed in the table of contents. These financial statements are the responsibility of the County's management. My responsibility is to express an opinion on these financial statements based on my audit. I did not audit the financial statements of the El Dorado County Transit Authority, which statements represent seventy-two percent (72%) of the assets and fifty-seven percent (57%) of the operating revenues of the enterprise funds. Those statements are audited by other auditors whose report has been furnished to us and in my 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.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, based on my 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, 2001, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America applied on a basis consistent with that of the preceding year.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental 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 my opinion, based on my 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, I also issued reports dated January 02, 2002 on my consideration of the County of El Dorado's internal control over financial reporting and my tests of its compliance with certain laws, contracts and grants.


John F. Warden, Jr.
January 2, 2002

COUNTY OF EL DORADO
COMBINED BALANCE SHEET-ALL FUND TYPES AND ACCOUNT GROUPS

JUNE 30, 2001

	Governmental Fund Types			Proprietary Fund Types			Fiduciary Fund Types			Account Groups			Totals (Memorandum Only)
	General Fund	Debt Service Funds		Capital Projects Funds	Enterprise Funds	Internal Service Funds	Trust and Agency Funds	Fixed Assets	General	Long-Term Debt			
		Special Revenue Funds	Debt Service Funds										
ASSETS AND OTHER DEBITS													
Assets													
Cash and investments	\$ 24,598,885	\$ 2,786,314	\$ 4,218,104	\$ 129,273	\$ 16,536,582	\$ 134,753,523							\$ 212,359,338
Cash with fiscal agents		3,473,362		1,388,627	105,032	12,820,957							17,787,978
Accounts receivable	965,998	14,939	185	41,357	90	65,694							4,346,140
Taxes receivable						16,816,790							16,816,790
Special assessments receivable		162,262											5,883,957
Notes receivable		3,960,101											3,960,101
Due from other funds	670,070	199,940											1,996,368
Due from other governments	8,023,128	3,212,073	19,112	536,483	385,432	740,926							11,791,493
Inventories		465,078		17,467	39,000								521,545
Prepaid expenses				70,428	235,188								654,077
Land	189,432	159,029		614,627	40,000								20,515,436
Structures and improvements				5,489,853	599,572								77,652,594
Equipment				4,347,356	8,084,429								35,954,265
Construction in progress				(4,766,355)	(4,034,003)								1,959,308
Accumulated depreciation													(8,800,358)
Other Debits													
Amount available in debt service funds									6,274,615				6,274,615
Amount to be provided for retirement of long-term debt													
TOTAL ASSETS AND OTHER DEBITS	\$ 34,447,513	\$ 40,753,217	\$ 4,237,401	\$ 7,869,116	\$ 21,992,019	\$ 165,197,890		\$ 116,905,766	\$ 38,230,329	\$ 31,955,714			\$ 441,629,561

See accompanying notes to the general purpose financial statements.

COUNTY OF EL DORADO
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2001

	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	General Long-Term Debt			
LIABILITIES, EQUITY AND OTHER CREDITS												
Liabilities												
Accounts payable	\$ 2,389,173	\$ 2,088,046	\$ -	\$ 242,810	\$ 408,141	\$ 327,034	\$ 3,628,510	\$ -	\$ -	\$ -	\$ 9,083,714	
Salaries and benefits payable	3,051,760	982,841			60,181	31,651	692,831				4,819,264	
Compensated absences	376,906				104,373	125,388				9,494,031	10,100,698	
Due to other funds	334,117	16,585		40,868	67,803		1,536,995				1,996,368	
Due to other governments	580,787	257,173					448,530				1,286,490	
Deferred revenue	15,114	10,098,389	5,721,695	6,139	127,538						15,968,875	
Notes payable-current					25,650						25,650	
Capital leases-current					59,089	11,942,000					59,089	
Liability for landfill closure and postclosure		922,982									11,942,000	
Bonds payable											6,094,382	
Notes payable-non-current					138,510					5,171,400	11,942,000	
Capital lease obligations-non-current					229,207					22,240,000	22,240,000	
Other agency obligations										1,324,898	138,510	
											1,554,105	
											158,891,024	
TOTAL LIABILITIES	6,747,857	14,366,016	5,721,695	289,817	1,220,492	12,426,073	165,197,890		38,230,329		244,200,169	
Fund Equity and Other Credits												
Investment in general fixed assets												
Contributed capital												
Retained earnings												
Reserved												
Unreserved												
Fund balance												
Reserved for debt service			3,473,362									
Reserved for encumbrances	2,668,148	2,467,916	3,000	138,364	4,707,949	7,102,533					116,905,766	
Reserved for inventories		463,078			75,366	1,109,668					1,185,034	
Reserved for imprest cash	36,040	9,815			1,865,309	1,353,745					3,219,054	
Reserved for family support programs												
Unreserved												
Designated for capital projects												
Designated for debt service												
Designated for contingencies	3,635,869											
Undesignated	21,359,599	23,444,392										
TOTAL FUND EQUITY	27,699,656	26,387,201	6,274,615	3,947,584	6,648,624	9,565,946		116,905,766			197,429,392	
AND OTHER CREDITS												
TOTAL LIABILITIES, EQUITY	\$ 34,447,513	\$ 40,753,217	\$ 11,996,310	\$ 4,237,401	\$ 7,869,116	\$ 21,992,019	\$ 165,197,890	\$ 116,905,766	\$ 38,230,329		\$ 441,629,561	
AND OTHER CREDITS												

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, 2001

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Totals (Memorandum Only)
REVENUES					
Taxes and assessments	\$ 41,034,490	\$ 11,104,683	\$ 990,803	\$ 621,563	\$ 53,751,539
Licenses, permits and franchises	6,969,791	1,302,405			8,272,196
Intergovernmental revenues	61,772,651	27,577,837		123,699	89,474,187
Use of money and property	2,548,881	932,010	236,399	165,807	3,883,097
Charges for services	13,014,339	17,913,528		85,682	31,013,549
Fines, forfeits and penalties	1,318,199	296,315	4,533	219,115	1,838,162
Other revenues	1,432,168	1,056,586	8,000	19,659	2,516,413
TOTAL REVENUES	128,090,519	60,183,364	1,239,735	1,235,525	190,749,143
EXPENDITURES					
Current					
General government	20,825,773		42,261	270,197	21,138,231
Public protection	53,150,054	7,821,669			60,971,723
Public ways and facilities	1,592,575	22,088,341			23,680,916
Health and sanitation	2,176,657	21,969,890			24,146,547
Public assistance	26,949,842	5,983,451			32,933,293
Education	2,303,192				2,303,192
Interest	710,171	65,628			775,799
Debt service					
Principal			1,920,000		1,920,000
Interest and fees			1,267,710		1,267,710
Capital outlay	1,844,111	2,242,433		1,515,235	5,601,779
TOTAL EXPENDITURES	109,552,375	60,171,412	3,229,971	1,785,432	174,739,190
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	18,538,144	11,952	(1,990,236)	(549,907)	16,009,953
OTHER FINANCING SOURCES (USES)					
Operating transfers in	880,557	8,386,898	2,123,155	458,866	11,849,476
Operating transfers out	(10,728,623)	(968,390)		(320,000)	(12,017,013)
TOTAL OTHER FINANCING SOURCES (USES)	(9,848,066)	7,418,508	2,123,155	138,866	(167,537)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	8,690,078	7,430,460	132,919	(411,041)	15,842,416
FUND BALANCES, JULY 1, 2000	18,960,372	18,539,974	6,088,726	4,358,625	47,947,697
RESIDUAL EQUITY TRANSFERS	49,206	416,767	52,970		518,943
FUND BALANCES, JUNE 30, 2001	\$ 27,699,656	\$ 26,387,201	\$ 6,274,615	\$ 3,947,584	\$ 64,309,056

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, 2001

	Actual	Budget	Variance-- Favorable (Unfavorable)
REVENUES			
Taxes	\$ 41,034,490	\$ 38,912,866	\$ 2,121,624
Licenses, permits and franchises	6,969,791	5,715,384	1,254,407
Intergovernmental revenues	61,772,651	62,388,979	(616,328)
Use of money and property	2,548,881	1,510,523	1,038,358
Charges for services	13,014,339	13,907,075	(892,736)
Fines, forfeits and penalties	1,318,199	1,003,837	314,362
Other revenues	1,432,168	1,464,533	(32,365)
TOTAL REVENUES	128,090,519	124,903,197	3,187,322
EXPENDITURES			
Current			
General government	20,825,773	26,317,637	5,491,864
Public protection	53,150,054	56,582,396	3,432,342
Public ways and facilities	1,592,575	1,462,765	(129,810)
Health and sanitation	2,176,657	2,428,951	252,294
Public assistance	26,949,842	29,815,036	2,865,194
Education	2,026,530	2,259,261	232,731
Recreation and culture	276,662	325,270	48,608
Interest	710,171	734,360	24,189
Capital outlay	1,844,111	10,618,177	8,774,066
TOTAL EXPENDITURES	109,552,375	130,543,853	20,991,478
Excess of revenues over expenditures	18,538,144	(5,640,656)	24,178,800
Other financing sources (uses)			
Operating transfers in	880,557	1,063,201	(182,644)
Operating transfers out	(10,728,623)	(10,906,789)	178,166
TOTAL OTHER FINANCIANG SOURCES (USES)	(9,848,066)	(9,843,588)	(4,478)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	8,690,078	\$ (15,484,244)	\$ 24,174,322
FUND BALANCE, JULY 1, 2000	18,960,372		
RESIDUAL EQUITY TRANSFERS	49,206		
FUND BALANCE, JUNE 30, 2001	\$ 27,699,656		

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, 2001

	Actual	Budget	Variance-- Favorable (Unfavorable)
REVENUES			
Taxes and assessments	\$ 11,104,683	\$ 13,765,243	\$ (2,660,560)
Licenses, permits and franchises	1,302,405	1,161,618	140,787
Intergovernmental revenues	27,577,837	34,829,274	(7,251,437)
Use of money and property	932,010	768,824	163,186
Charges for services	17,913,528	23,728,156	(5,814,628)
Fines, forfeits and penalties	296,315	429,192	(132,877)
Other revenues	1,056,586	2,495,003	(1,438,417)
TOTAL REVENUES	60,183,364	77,177,310	(16,993,946)
EXPENDITURES			
Current			
Public protection	7,821,669	15,532,201	7,710,532
Public ways and facilities	22,088,341	37,031,269	14,942,928
Health and sanitation	21,969,890	28,399,753	6,429,863
Public assistance	5,983,451	8,240,255	2,256,804
Interest	65,628	59,331	(6,297)
Capital outlay	2,242,433	3,425,490	1,183,057
TOTAL EXPENDITURES	60,171,412	92,688,299	32,516,887
Excess of revenues over (under) expenditures	11,952	(15,510,989)	15,522,941
Other financing sources (uses):			
Operating transfers in	8,386,898	7,625,438	761,460
Operating transfers out	(968,390)	(1,771,062)	802,672
TOTAL OTHER FINANCING SOURCES	7,418,508	5,854,376	1,564,132
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	7,430,460	\$ (9,656,613)	\$ 17,087,073
FUND BALANCES, JULY 1, 2000	18,539,974		
RESIDUAL EQUITY TRANSFERS	416,767		
FUND BALANCE, JUNE 30, 2001	\$ 26,387,201		

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 AND SPECIAL REVENUE FUNDS
(MEMORANDUM ONLY)
FOR THE YEAR ENDED JUNE 30, 2001

	<u>Actual</u>	<u>Budget</u>	Variance-- Favorable (Unfavorable)
REVENUES			
Taxes and assessments	\$ 52,139,173	\$ 52,678,109	\$ (538,936)
Licenses, permits and franchises	8,272,196	6,877,002	1,395,194
Intergovernmental revenues	89,350,488	97,218,253	(7,867,765)
Use of money and property	3,480,891	2,279,347	1,201,544
Charges for services	30,927,867	37,635,231	(6,707,364)
Fines, forfeits and penalties	1,614,514	1,433,029	181,485
Other revenues	2,488,754	3,959,536	(1,470,782)
TOTAL REVENUES	<u>188,273,883</u>	<u>202,080,507</u>	<u>(13,806,624)</u>
EXPENDITURES			
Current			
General government	20,825,773	26,317,637	5,491,864
Public protection	60,971,723	72,114,597	11,142,874
Public ways and facilities	23,680,916	38,494,034	14,813,118
Health and sanitation	24,146,547	30,828,704	6,682,157
Public assistance	32,933,293	38,055,291	5,121,998
Education	2,303,192	2,584,531	281,339
Interest	775,799	793,691	17,892
Capital outlay	4,086,544	14,043,667	9,957,123
TOTAL EXPENDITURES	<u>169,723,787</u>	<u>223,232,152</u>	<u>53,508,365</u>
Excess of revenues over (under) expenditures	<u>18,550,096</u>	<u>(21,151,645)</u>	<u>39,701,741</u>
Other financing sources (uses)			
Operating transfers in	9,267,455	8,688,639	578,816
Operating transfers out	(11,697,013)	(12,677,851)	980,838
Proceeds from capital leases			
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,429,558)</u>	<u>(3,989,212)</u>	<u>1,559,654</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>16,120,538</u>	<u>\$ (25,140,857)</u>	<u>\$ 41,261,395</u>
FUND BALANCE, JULY 1, 2000	37,500,346		
RESIDUAL EQUITY TRANSFERS	465,973		
FUND BALANCE, JUNE 30, 2001	<u>\$ 54,086,857</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, 2001

	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>Totals (Memorandum Only)</u>
OPERATING REVENUES			
Fares	\$ 693,642	\$ -	\$ 693,642
Service fees	171,982	16,561,851	16,733,833
Fuel sales	261,022	94,506	355,528
TOTAL OPERATING REVENUES	<u>1,126,646</u>	<u>16,656,357</u>	<u>17,783,003</u>
OPERATING EXPENSES			
Salaries and benefits	1,615,703	580,944	2,196,647
Services and supplies	1,195,585	16,245,302	17,440,887
Depreciation	554,547	795,385	1,349,932
Other	59,545		59,545
TOTAL OPERATING EXPENSES	<u>3,425,380</u>	<u>17,621,631</u>	<u>21,047,011</u>
NET OPERATING INCOME (LOSS)	<u>(2,298,734)</u>	<u>(965,274)</u>	<u>(3,264,008)</u>
Non-operating revenues (expenses)			
Intergovernmental revenue	1,843,186		1,843,186
Interest income	75,142	638,526	713,668
Interest expense	(33,123)		(33,123)
Proceeds from sale of assets	6,345	11,997	18,342
Operating transfers in	166,036	1,500	167,536
Other	44,365	353,556	397,921
NET NON-OPERATING REVENUES	<u>2,101,951</u>	<u>1,005,579</u>	<u>3,107,530</u>
NET INCOME (LOSS)	(196,783)	40,305	(156,478)
RETAINED EARNINGS, JULY 1, 2000	1,533,558	3,880,387	5,413,945
CHANGE IN CONTRIBUTED CAPITAL	589,824	(584)	589,240
CHANGE IN COMPENSATED ABSENCES	14,076	1,305	15,381
CHANGE IN RESERVES		<u>(1,458,000)</u>	<u>(1,458,000)</u>
RETAINED EARNINGS, JUNE 30, 2001	<u>\$ 1,940,675</u>	<u>\$ 2,463,413</u>	<u>\$ 4,404,088</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, 2001

	Enterprise Funds	Internal Service Funds	Totals (Memorandum Only)
CASH FLOWS FROM OPERATING ACTIVITIES			
NET OPERATING INCOME (LOSS)	\$ (2,298,734)	\$ (965,274)	\$ (3,264,008)
Adjustments to reconcile operating loss to net cash provided by operating activities			
Depreciation	554,547	795,385	1,349,932
(Increase) decrease in accounts receivable	(9,994)	85,585	75,591
(Increase) decrease in amounts due from other funds and governments	172	(206,751)	(206,579)
(Increase) decrease in prepaid expenses and inventories	68,920	(140,444)	(71,524)
Increase (decrease) in accounts and salaries payable	324,597	18,755	343,352
Increase (decrease) in due to other funds and governments			
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(1,360,492)</u>	<u>(412,744)</u>	<u>(1,773,236)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	59,795	638,526	698,321
Proceeds from disposal of assets	6,345	11,997	18,342
Purchases of fixed assets	(945,270)	(749,536)	(1,694,806)
Other income and expenses	51,111	353,556	404,667
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(828,019)</u>	<u>254,543</u>	<u>(573,476)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan proceeds	573,956		573,956
Transfers from other funds	166,036	1,500	167,536
Payments on long-term debt	(73,882)		(73,882)
Interest expense	(33,123)		(33,123)
Intergovernmental revenue	1,928,130		1,928,130
Capital contributions		267,354	267,354
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>2,561,117</u>	<u>268,854</u>	<u>2,829,971</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	372,606	110,653	483,259
CASH AND CASH EQUIVALENTS, JULY 1, 2000	<u>1,145,294</u>	<u>16,530,961</u>	<u>17,676,255</u>
CASH AND CASH EQUIVALENTS, JUNE 30, 2001	<u>\$ 1,517,900</u>	<u>\$ 16,641,614</u>	<u>\$ 18,159,514</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, 2001

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. A five member elected Board of Supervisors governs the County.

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. The County Board of Supervisors appoints three of five EDCTA board members.

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.

COUNTY OF EL DORADO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2001

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 Joint Powers Authority that was created to facilitate construction of a dam, reservoir and hydroelectric power facilities at the Auburn Dam Site. The participants share the costs of operating the JPA equally. The governing board consists of 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 participants share the costs of operating the Joint Powers Authority equally. The board is made up of one member from each participant and one public member at large.
- * 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:

COUNTY OF EL DORADO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001

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.

COUNTY OF EL DORADO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001

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.

Cash and Investments

The County maintains and controls two major cash and investment pools. Each funds of a pool is displayed on its respective balance sheet as "pooled cash and cash equivalents" In addition, non-pooled cash and investments are separately held and reflected in their respective funds as "non-pooled cash and cash equivalents" and "investments."

The County reporting entity considers highly liquid investments with an original maturity of one year or less to be cash equivalents.

COUNTY OF EL DORADO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001

The County has not adopted GASB 31 and reports investments at cost. An adjustment of \$858,144 has been made in order to reflect the investments at fair value. Cash deposits and certificate of deposits are reported at carrying amount which reasonably estimates fair value.

The County's cash and investments as of June 30,2001 consisted of the following:

	<u>Fair Value</u>
Investment in the Local Agency Investment Fund	\$ 30,000,000
Deposits in financial institutions and cash on hand	52,820,465
US Government securities	128,670,587
Unallocated interest income of investments	<u>868,486</u>
TOTAL CASH AND INVESTMENTS	<u>\$212,359,538</u>

Receivables

Taxes receivable are shown including an allowance for doubtful accounts of \$1,273,249 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 that 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.

COUNTY OF EL DORADO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001

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.

COUNTY OF EL DORADO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001

- * 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.

COUNTY OF EL DORADO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001

Note 2: Deposits and Investments

Deposits

It is the County's policy to follow the State statute regarding deposits. This statute requires financial institutions secure a local governmental agency's deposits by pledging government securities as collateral. The market value of pledged securities must be at least 110% of the 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.

The County's pooled and non-pooled cash and investments are categorized to give an indication of the level of risk assumed by the County at fiscal year-end. The categories are described as follows:

- Category 1: Insured or collateralized with securities held by the County or by its agent in the County's name.
- Category 2: Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the County's name.
- Category 3: Uninsured and unregistered, with securities held by the counterparty or by its trust department or by an agent but not in the County's name

As of June 30, 2001, the carrying amount of the County's deposits held by the County Treasurer was \$52,601,556 and the bank balance was \$67,082,859. The difference was due primarily to deposits in transit and warrants (checks) which had not yet been processed by the bank. Of the bank balance, \$100,000 was covered by Federal Depository Insurance and the remainder was collateralized by government securities abiding by State statutes. The collateral is held by State Treasurer of California's Local Agency Pool. In accordance with GASB Statement No. 3, these amounts are considered uncollateralized as the collateral is held in the State Treasurer's name rather than the County's name, thereby being classified as a category three.

In addition, the component unit carrying amount of deposits totaled \$97,499 while the bank balance was \$197,499. Of this amount, \$100,000 is covered by Federal Depository Insurance. The remaining balances were covered by collateral consisting of U.S. government agency securities also following State statutes. The collateral is held by the Bank of California in Western Sierra National Bank's name under a safekeeping agreement. In accordance with GASB Statement No. 3, these amounts are considered uncollateralized as the collateral is held in the Bank's name rather than the component unit's name, thus being classified as a category three.

Investments

Investment pools are under the custody of the County Treasurer. Investing is performed in accordance with investment policies complying with State Statutes and the County. Pooled funds may be invested in direct obligations of the United States government pledged by its full faith and credit; certificates of deposit at savings and loan associations and federally insured banks when secured by acceptable collateral, savings accounts at savings and loan associations and banks, to the extent fully insured; guaranteed investment contracts; repurchase and reverse repurchase agreements; prime commercial paper as rated by Standard and Poor's Corporation or Moody's Commercial Paper Record; obligations of the State of California pledged by its full faith and credit; and obligations of local agencies within California.

COUNTY OF EL DORADO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2001

During the fiscal year the County had invested \$2,976,316 in commercial paper of Pacific, Gas and Electric (PG&E). In January of 2001 PG&E sought protection under federal bankruptcy laws. The County has chosen to allocate the potential loss among the participants of the investment pool. The General Fund allocation of \$443,212.51 is recorded as a receivable until it is determined if any of the investment can be recaptured.

The County's pooled and non-pooled cash and investments are categorized to give an indication of the level of risk assumed by the County at fiscal year-end. The categories are described as follows:

- Category 1: Insured or collateralized with securities held by the County or by its agent in the County's name.
- Category 2: Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the County's name.
- Category 3: Uninsured and unregistered, with securities held by the counterparty or by its trust department or by an agent but not in the County's name.

<u>Types of Investments</u>	<u>Category Number 3</u>	<u>Fair Value\</u> <u>Carry Amount</u>	<u>Cost</u>
Pooled Investments			
U.S. government securities	\$128,670,587	\$128,670,587	\$128,680,928
Certificate of deposits	55,400,000	55,400,000	55,400,000
Unallocated interest	<u>868,486</u>	<u>868,486</u>	<u>-</u>
TOTAL POOLED INVESTMENTS	<u>\$184,939,073</u>	<u>\$184,939,073</u>	<u>\$184,080,928</u>

The County of El Dorado, the component unit, and cash with fiscal agent's investment in State of California Local Agency Investment Fund (LAIF) is stated at carrying value which reasonably estimates fair value and is not subject to categorization under GASB Statement No. 3. The total amount invested by all public agencies in LAIF is \$54,496,268,343 managed by the State Treasurer. Of that amount, 95.5% is invested in non-derivative financial products and 4.5% in derivative financial products. The Local Investment Advisory Board has oversight responsibility for LAIF. The value of pool shares in LAIF which may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the County's position in the pool. The total investment in LAIF for the entities are as follows:

County of El Dorado	\$ 30,000,000
Component Unit-El Dorado Transit	1,388,627
Cash with fiscal agent:	
Rescue School Land	15,500,000
Lake Tahoe Unified School District	8,101,000
Tahoe Paradise Resort Improvement District	<u>154,000</u>
TOTAL LAIF INVESTMENT	<u>\$ 55,143,627</u>

COUNTY OF EL DORADO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001

The County has various investment in bonds within their cash with fiscal agent within the Trust Agency Fund. These funds are detailed below:

Bond: Acquisition El Dorado Hills	\$ 8,940,488
Bond: Reserve El Dorado Hills	3,664,008
Bond: Redemption El Dorado Hills	2,825
Bond: Special Tax Fund	<u>1,012</u>
TOTAL OF BONDS IN TRUST AGENCY FUND	<u>\$ 12,608,333</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, 2001:

	<u>Land</u>	<u>Structures and Improvements</u>	<u>Equipment</u>	<u>Construction In Progress</u>	<u>Totals</u>
Balances, July 1, 2000	\$ 19,880,642	\$ 69,788,403	\$ 24,145,482	\$ 566,928	\$ 114,381,455
Additions	392,707	1,362,226	2,459,155	1,392,380	5,606,468
Deletions			(3,136,740)		(3,136,740)
Adjustments	<u>(412,540)</u>	<u>412,540</u>	<u>54,583</u>		<u>54,583</u>
BALANCES					
JUNE 30, 2001	<u>\$ 19,860,809</u>	<u>\$ 71,563,169</u>	<u>\$ 23,522,480</u>	<u>\$ 1,959,308</u>	<u>\$ 116,905,766</u>

Note 4: General Long-Term Debt

During the year ended June 30, 2001 the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balances July 1, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances June 30, 2001</u>
Compensated absences	\$ 8,785,070	\$ 708,961	\$	\$ 9,494,031
Landfill postclosure costs	5,171,400			5,171,400
Bonds payable	24,160,000		1,920,000	22,240,000
Capital leases	<u>1,849,546</u>		<u>524,648</u>	<u>1,324,898</u>
TOTALS	<u>\$ 39,966,016</u>	<u>\$ 708,961</u>	<u>\$ 2,444,648</u>	<u>\$ 38,230,329</u>

COUNTY OF EL DORADO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001

Bonds Payable

Balances at
June 30, 2001

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%. A total of \$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.

\$ 17,295,000

1915 Act Bonds

The 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 II

Interest rates range from 6.90% to 8% and maturities extend to 2006.

4,945,000

TOTAL BONDS PAYABLE

\$22,240,000

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. The outstanding principal of the defeased bonds has been retired as of June 30, 2001.

Future minimum debt service payments for bonds payable at June 30, 2001 are as follows:

<u>Year Ending June 30</u>	
2002	\$ 3,306,560
2003	3,421,673
2004	3,345,200
2005	3,514,672
2006	3,419,860
Thereafter	<u>10,701,040</u>
Total debt service payments for bonds	27,709,005
Less amount representing interest	<u>5,469,005</u>
TOTAL BOND PRINCIPAL PAYABLE	<u><u>\$ 22,240,000</u></u>

COUNTY OF EL DORADO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001

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 total lease payments for the fiscal year were \$568,006 of which \$87,798 represented interest cost.

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

Copier	\$ 19,820
Computer equipment	1,008,585
Road equipment	<u>1,685,529</u>
TOTAL	<u>\$ 2,713,934</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:

Year Ending June 30	
2002	\$ 456,398
2003	358,982
2004	342,280
2005	<u>328,016</u>
Total minimum lease payments	1,485,676
Less amount representing interest	<u>160,778</u>
PRESENT VALUE OF FUTURE LEASE PAYMENTS	<u>\$ 1,324,898</u>

Note 5: Proprietary Long-Term Debt

Notes Payable

Notes payable recorded in the Airport Enterprise Fund at June 30, 2001 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	\$ 29,195
Loan #ED-1-86-L-2, 6.9435% installment note, payable annually through 2012	17,347
Loan #ED-5-86-L-1, 6.9435% installment note, payable annually through 2012	11,661
Loan #ED-1-87-L-3, 6.9435% installment note, payable annually through 2012	11,160
Loan #ED-5-88-L-2, 7.0408% installment note, payable annually through 2009	23,811
Loan #ED-1-94-L-5, 5.8957% installment note, payable annually through 2005	<u>70,983</u>
Total State Loans	164,157
Less principal due within one year	<u>25,650</u>
LONG-TERM PORTION	<u>\$ 138,507</u>

COUNTY OF EL DORADO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001

The annual requirements to amortize the notes payable as of June 30, 2001 are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2002	\$ 25,650	\$ 10,994	\$ 36,644
2003	27,039	9,348	36,387
2004	28,428	7,620	36,048
2005	27,718	5,810	33,528
2006	9,463	4,042	13,505
Thereafter	<u>45,859</u>	<u>10,360</u>	<u>56,219</u>
	<u>\$ 164,157</u>	<u>\$ 48,174</u>	<u>\$ 212,331</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, 2001 is \$473,243. Future minimum lease payments relating to these leases are as follows:

<u>Year Ending June 30</u>	
2002	\$ 74,465
2003	74,465
2004	74,465
2005	74,465
2006	21,584
Thereafter	<u>10,791</u>
Total minimum lease payments	330,235
Less amount representing interest	<u>41,939</u>
PRESENT VALUE OF FUTURE LEASE PAYMENTS	<u>\$ 288,296</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 \$922,982 and the postclosure costs to approximate \$172,380 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.

COUNTY OF EL DORADO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001

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, 2001 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 880,557	\$ 10,728,623
Special Revenue Funds	8,386,898	968,390
Debt Service Funds	2,123,155	
Capital Projects Funds	458,866	320,000
Enterprise Funds	166,037	
Internal Service Funds	<u>1,500</u>	
	<u>\$ 12,017,013</u>	<u>\$ 12,017,013</u>

Note 9: Interfund Receivables and Payables

As of June 30, 2001, interfund receivables and payables that resulted from various interfund transfers were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 670,070	\$ 325,367
Special Revenue Funds	199,940	16,585
Capital Projects Funds		40,868
Enterprise Funds		67,803
Internal Service Funds	385,432	
Trust Funds	<u>292,396</u>	<u>1,097,215</u>
	<u>\$ 1,547,838</u>	<u>\$ 1,547,838</u>

COUNTY OF EL DORADO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001

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.

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 zero (0) percent for non-safety employees and 3.099 percent for safety employees. The contribution requirements of plan members and the County are established and may be amended by PERS.

Annual Pension Cost

Under GASB 27, an employer reports an annual pension cost (APC) equal to the annual required contribution (ARC) plus an adjustment for the cumulative difference between the APC and the employer's actual plan contributions for the year. The cumulative difference is called the net pension obligation (NPO). The ARC for the period July 1, 2000 to June 30, 2001 has been determined by an actuarial valuation of the plan as of June 30, 1998. In order to calculate the dollar value of the ARC the contribution rate would be multiplied by the payroll of covered employees that was actually paid during the period July 1, 2000, to June 30, 2001.

The summary of principle assumptions and methods used to determine the ARC is shown below:

Valuation Date	June 30, 2000
Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Level Percent of Payroll
Average Remaining Period	Miscellaneous 12 Years, Safety 6 Years as of Valuation Date
Asset Valuation Method	3 Year Smoothed Market
Actuarial Assumptions	
Investment Rate of Return	8.25% (net of administrative expenses)
Projected Salary Increases	Miscellaneous 3.75% to 14.20%, Safety 4.27% to 11.59% depending on Age, Service, and Type of Employment
Inflation	3.50%
Payroll Growth	3.75%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation component of 3.50% and an annual production growth of 0.25%.

COUNTY OF EL DORADO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2001

Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a lever percent of pay over a closed twenty year period. Gains and losses that occur in the operation of the plan are amortized over a rolling period, which results in the actuarial value of the plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a thirty year amortization period.

The Schedule of Funding Progress below shows the recent history of the actuarial value of assets, actuarial accrued liability, their relationship, and the relationship of the unfunded actuarial accrued liability to payroll.

Schedule of Funding Progress (Dollar Amounts in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets	AAL Actuarial Accrued Liability	OAAL Overfunded Accrued Liability	Funded Ratio	Covered Payroll	OAAL as % of Covered Payroll
6/30/94:						
Miscellaneous	\$ 96,792	\$ 94,397	\$ 2,395	102.5%	\$ 44,414	5.4%
Safety	<u>38,255</u>	<u>36,915</u>	<u>1,340</u>	<u>103.6%</u>	<u>8,135</u>	<u>16.5%</u>
TOTAL	<u>\$ 135,047</u>	<u>\$ 131,312</u>	<u>\$ 3,735</u>	<u>102.8%</u>	<u>\$ 52,549</u>	<u>7.1%</u>
6/30/95:						
Miscellaneous	\$ 106,699	\$ 102,820	\$ 3,879	103.8%	\$ 43,567	8.9%
Safety	<u>41,651</u>	<u>40,539</u>	<u>1,112</u>	<u>102.7%</u>	<u>8,670</u>	<u>12.8%</u>
TOTAL	<u>\$ 148,350</u>	<u>\$ 143,359</u>	<u>\$ 4,991</u>	<u>103.5%</u>	<u>\$ 52,237</u>	<u>9.6%</u>
6/30/96:						
Miscellaneous	\$ 123,432	\$ 113,614	\$ 9,818	108.6%	\$ 39,342	25.0%
Safety	<u>47,326</u>	<u>47,155</u>	<u>171</u>	<u>100.4%</u>	<u>8,900</u>	<u>1.9%</u>
TOTAL	<u>\$ 170,758</u>	<u>\$ 160,769</u>	<u>\$ 9,989</u>	<u>106.2%</u>	<u>\$ 48,242</u>	<u>20.7%</u>
6/30/97:						
Miscellaneous	\$ 144,646	\$ 117,621	\$ 27,025	123.0%	\$ 42,495	63.6%
Safety	<u>56,124</u>	<u>48,838</u>	<u>7,286</u>	<u>114.9%</u>	<u>9,447</u>	<u>77.1%</u>
TOTAL	<u>\$ 200,770</u>	<u>\$ 166,459</u>	<u>\$ 34,311</u>	<u>120.6%</u>	<u>\$ 51,942</u>	<u>66.1%</u>
6/30/98:						
Miscellaneous	\$ 170,321	\$ 136,058	\$ 34,263	125.2%	\$ 43,458	78.8%
Safety	<u>69,707</u>	<u>59,588</u>	<u>10,118</u>	<u>117.0%</u>	<u>11,268</u>	<u>89.8%</u>
TOTAL	<u>\$ 240,028</u>	<u>\$ 195,646</u>	<u>\$ 44,381</u>	<u>121.1%</u>	<u>\$ 54,726</u>	<u>84.3%</u>
6/30/99:						
Miscellaneous	\$ 200,261	\$154,508	\$ 45,753	129.6%	\$ 48,757	93.8%
Safety	<u>81,848</u>	<u>71,449</u>	<u>10,398</u>	<u>114.6%</u>	<u>12,973</u>	<u>80.2%</u>
TOTAL	<u>\$ 282,109</u>	<u>\$ 225,957</u>	<u>\$ 56,151</u>	<u>122.1%</u>	<u>\$ 61,730</u>	<u>87.0%</u>

COUNTY OF EL DORADO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2001

Actuarial Valuation Date	Actuarial Value of Assets	AAL Actuarial Accrued Liability	OAAL Overfunded Accrued Liability	Funded Ratio	Covered Payroll	OAAL as % of Covered Payroll
6/30/00:						
Miscellaneous	\$ 221,404	\$ 177,400	\$ 44,004	124.8%	\$ 54,060	81.4%
Safety	<u>89,770</u>	<u>79,481</u>	<u>10,289</u>	<u>112.9%</u>	<u>13,821</u>	<u>74.4%</u>
TOTAL	<u>\$ 311,174</u>	<u>\$ 256,881</u>	<u>\$ 54,293</u>	<u>118.9%</u>	<u>\$ 67,881</u>	<u>77.9%</u>

Other Post-Employment Benefits

In addition to pension benefits described in the proceeding paragraph, the County provides post-employment benefits for health care to eligible retirees and their dependents. The benefits are provided in accordance with County resolutions and collective bargaining agreements. The criteria to determine eligibility include; years of service, employee age, disability due to line of duty and whether the employee has vested in the respective retirement plan. The County funds the benefits on a pay-as-you-go basis. Expenses for post-retirement health care benefits that are recognized as eligible employee claims are paid. The present value of all future year benefits is estimated at \$20,800,000.

PERS Contract

On December 12, 2000 the County entered into a Memorandum of Understanding with the El Dorado County Deputy Sheriff Association. The Memorandum of Understanding requires the County to modify its contract with PERS to provide three percent (3%) at fifty-five (55) for Deputies effective no later than June 2001. The Memorandum of Understanding further provides that the County must modify its contract with PERS again to provide three percent (3%) at fifty (50) effective prior to June 2003. It is not possible to estimate the additional costs that will be incurred at this time due to these contract changes.

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, 2001 is as follows:

	El Dorado <u>Transit</u>	South Lake <u>Tahoe Transit</u>	<u>Airports</u>	<u>Totals</u>
Operating revenues	643,090	50,552	433,004	1,126,646
Depreciation	354,491	12,434	187,622	554,547
Operating losses	(1,883,955)	(206,511)	(225,452)	(2,298,734)
Intergovernmental revenues	1,658,606	184,580	166,036	2,009,222
Net income (loss)	(104,550)	(21,787)	(70,446)	(196,783)
Net working capital	1,314,320	(625)	17,165	1,330,860
Total assets	5,647,485	38,753	2,182,878	7,869,116
Long-term debt	229,207		138,510	367,717
Total equity	4,714,416	23,765	1,910,443	6,648,624

COUNTY OF EL DORADO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2001

Note 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 \$300,000 for each workers compensation claim, \$500,000 for each general liability claim, and \$25,000 for each property damage claim. The County purchases commercial insurance for claims in excess of coverage provided by the Risk Management Fund and for all other risks of loss.

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 \$11,942,000 reported in the Risk Management Fund at June 30, 2001 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 nine fiscal years are as follows:

<u>For The Year Ended June 30</u>	<u>Beginning Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>Ending Liability</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
2000	11,766,779	10,387,058	11,669,837	10,484,000
2001	10,484,000	13,120,507	11,662,507	11,942,000

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.

State-Mandated Claim Reimbursements

The County receives reimbursements from the State for certain State-mandated activities. These reimbursements are based on claims filed annually with the State Controller's Office. Payments or reimbursements are often received prior to the closure of the two-year window for field audits performed by the State Controller's Office for individual claims filed. In the current period, the State Controller's Office began a field audit of the state-mandated service to handicapped students program. The scope of this audit covered fiscal year claims July 1, 1998 through June 30, 2000, for a total claimed amount of \$910,072. An exit interview with State Controller's Office auditors following fiscal year-end revealed a preliminary and draft finding disallowing approximately \$848,816 of the total claimed amount. It is possible that the State Controller's Office will recommend that these costs be disallowed when a final audit report has been issued. Pending the issuance of the final audit report, the ultimate resolution of this matter is not determined.

COUNTY OF EL DORADO

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2001

Note 14: Proposition 218 Disclosure

Proposition 218, which was approved by the voters in November 1996, regulates the County's District's ability to impose, increase and extend taxes, assessments and fees. Any new, increased or extended taxes, assessments and fees subject to the provisions of Proposition 218, require voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes, assessments and fees are subject to the voter initiative process and may be rescinded in the future by voters. Therefore, the County's District's ability to finance the services for which the taxes, assessments and fees are imposed may be significantly impaired. At this time it is uncertain how Proposition 218 will affect the County's District's ability to maintain or increase the revenue it receives from taxes, assessments and fees.

SUPPLEMENTAL COMBINING FINANCIAL STATEMENTS

**COUNTY OF EL DORADO
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET**

JUNE 30, 2001

	Erosion Control	County Roads	Road District	Special Aviation	Fish & Game	Community Services	Social Services	Public Health	Mental Health	LAFCO	Tobacco Settlement/Planning	Special Districts Under The Board	Totals
Cash and investments	\$ 975,418	\$ 4,851,844	\$ 1,092,188	\$ 312	\$ 13,374	\$ 1,166,340	\$ 31,940	\$ 1,667,611	\$ 1,680,044	\$ 60,684	\$ 487,876	\$ 17,309,226	\$ 29,336,857
Special assessments receivable													162,262
Accounts receivable	700	40,876				2,803		8,892					3,257,877
Due from other funds		40,868				1,409	443	157,220					199,940
Due from other governments	356,010	531,796				333,837	497	1,231,702	491,235			266,996	3,212,073
Inventories		433,434				31,644							465,078
Prepaid expenses		9,143				133,083		1,344				15,459	159,029
Notes receivable						581,741						3,378,360	3,960,101
ASSETS	\$ 1,332,128	\$ 5,907,961	\$ 1,092,188	\$ 312	\$ 13,374	\$ 2,250,857	\$ 32,880	\$ 3,066,769	\$ 2,171,279	\$ 60,684	\$ 487,876	\$ 24,336,909	\$ 40,753,217
LIABILITIES & FUND BALANCES													
Liabilities													
Accounts payable	\$ 33,967	\$ 659,378	\$ -	\$ -	\$ -	\$ 168,462	\$ -	\$ 597,044	\$ 232,671	\$ 3,576	\$ -	\$ 392,948	\$ 2,068,046
Salaries and benefits payable		355,976				119,772	1,986	203,085	213,387	7,094		81,541	982,841
Due to other funds							16,585						16,585
Due to other governments	4,814					66,101	14,309	171,949					257,173
Notes payable													
Deferred revenue	1,092,502	160,368				1,105,411		44,720	976,353			6,719,035	10,098,389
Liability for landfill closure costs												922,982	922,982
TOTAL LIABILITIES	1,131,283	1,175,722	1,092,188	312	13,374	1,459,746	32,880	1,016,798	1,422,411	10,670		8,116,506	14,366,016
Fund balances													
Reserved													
Encumbrances		498,730				455		98,095	269,534			1,601,102	2,467,916
Inventories		493,434				31,644							465,078
Imprest cash		3,300				560		550	5,040	20		345	9,815
Unreserved													
Undesignated	200,845	3,796,775	1,092,188	312	13,374	758,452		1,951,326	474,294	49,994	487,876	14,618,956	23,444,392
TOTAL FUND BALANCES	200,845	4,732,239	1,092,188	312	13,374	791,111		2,049,971	748,868	50,014	487,876	16,220,403	26,387,201
	\$ 1,332,128	\$ 5,907,961	\$ 1,092,188	\$ 312	\$ 13,374	\$ 2,250,857	\$ 32,880	\$ 3,066,769	\$ 2,171,279	\$ 60,684	\$ 487,876	\$ 24,336,909	\$ 40,753,217

See accompanying notes to the general purpose financial statements.

COUNTY OF EL DORADO
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2001

REVENUES	Erosion Control	County Roads	Road District	Special Aviation	Fish & Game	Community Services	Social Services	Public Health	Mental Health	LAFCO	Tobacco Settlement Planning	Special Districts Under The Board	Totals
Taxes and assessments	\$ -	\$ 555,871	\$ 2,072,250	\$ -	\$ -	\$ -	\$ -	\$ 152,758	\$ -	\$ -	\$ -	\$ 8,526,562	\$ 11,104,683
Licenses, permits and franchises	963,845	755,490	40,534	20,000	-	4,905,044	282,032	6,232,817	3,940,965	-	-	394,157	1,302,465
Intergovernmental revenues	35,110	9,606,589	48,852	(123)	492	30,654	(660)	13,972	(861)	3,203	1	1,586,011	27,377,837
Use of money and property	700	86,530	-	-	-	569,114	-	2,062,591	2,802,365	20,095	-	714,840	932,010
Charges for services	-	7,740,797	-	-	6,851	-	-	238,106	-	-	-	4,717,866	17,913,528
Fines, forfeits and penalties	10,109	51,025	-	-	-	245,970	-	139,457	-	-	-	51,538	296,315
Other revenues	1,009,764	18,796,302	2,111,636	19,877	7,343	5,750,782	281,372	8,839,681	6,742,469	23,298	1	610,045	1,056,566
TOTAL REVENUES													60,183,364
EXPENDITURES													
Current													
Public protection	962,935	17,252,972	1,644,638	-	6,427	-	-	13,065,931	6,992,501	202,373	-	7,612,869	7,821,669
Public ways and facilities	-	19,889	-	-	-	711,023	-	292,892	116,476	-	-	2,227,796	22,086,341
Health and sanitation	-	265,160	-	-	-	-	-	-	-	-	-	1,911,458	21,969,890
Public assistance	962,935	17,538,021	1,644,638	-	6,427	6,412,443	282,031	13,338,823	7,108,977	202,373	-	856,882	2,242,433
Interest	-	-	-	-	-	-	-	-	-	-	-	45,739	65,628
Capital outlay	46,829	1,258,281	466,998	19,877	916	(661,661)	(659)	(4,519,142)	(366,508)	(179,075)	1	12,654,744	60,171,412
TOTAL EXPENDITURES													11,952
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES													11,952
Other financing sources (uses)		50,352		(20,000)		640,952	443	6,034,996	907,243	182,492	487,860	82,560	8,386,898
Operating transfers in												(948,390)	(948,390)
Operating transfers out													
TOTAL OTHER FINANCING SOURCES (USES)		50,352		(20,000)		640,952	443	6,034,996	907,243	182,492	487,860	(865,830)	7,418,508
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES													7,430,460
FUND BALANCES, JULY 1, 2000	46,879	1,308,633	466,998	(123)	916	(20,709)	(216)	1,515,854	540,735	3,417	487,861	3,080,265	18,539,974
RESIDUAL EQUITY TRANSFERS	154,016	3,423,606	625,190	435	12,458	811,820	216	534,117	208,133	46,597	15	12,723,371	18,539,974
FUND BALANCES, JUNE 30, 2001	200,845	4,732,239	1,092,188	312	13,374	791,111	-	2,049,971	748,868	50,014	487,876	416,767	26,367,201

See accompanying notes to the general purpose financial statements.

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

JUNE 30, 2001

	County Water Agency	Air Pollution Control	CSA #9	CSA #10	CSA #2	CSA #3	CSA #5	CSA #7	EDC Development Projects	Promitory Point	Totals
ASSETS											
Cash and investments	\$ 2,852,858	\$ 901,021	\$ 1,899,378	\$ 6,807,547	\$ 37,029	\$ 1,748,781	\$ 252,625	\$ 2,744,066	\$ 50,187	\$ 15,734	\$ 17,309,226
Special assessments receivable						41,792		120,470			162,262
Accounts receivable				26,193		973,155		2,205,258			3,204,606
Prepaid	33,179	96,000	15,459								15,459
Due from other governments	3,378,360			137,817							266,996
Note receivable-E.I.D.											3,378,360
	<u>\$ 6,264,397</u>	<u>\$ 997,021</u>	<u>\$ 1,914,837</u>	<u>\$ 6,971,557</u>	<u>\$ 37,029</u>	<u>\$ 2,763,728</u>	<u>\$ 252,625</u>	<u>\$ 5,069,794</u>	<u>\$ 50,187</u>	<u>\$ 15,734</u>	<u>\$ 24,336,909</u>
LIABILITIES AND FUND BALANCES											
Liabilities											
Accounts payable	\$ 93,587	\$ 6,966	\$ 3,596	\$ 204,016	\$ -	\$ 38,030	\$ -	\$ 39,859	\$ -	\$ 6,894	\$ 392,948
Salaries and benefits payable	7,770	12,896		41,596		10,312		8,967			81,541
Due to other funds											
Deferred revenue	3,378,360					1,014,947		2,325,728			6,719,035
Liability for landfill closure costs											922,982
	<u>\$ 3,479,717</u>	<u>\$ 19,862</u>	<u>\$ 3,596</u>	<u>\$ 1,168,594</u>	<u>\$ 922,982</u>	<u>\$ 1,063,289</u>	<u>\$ 2,374,554</u>	<u>\$ 6,894</u>	<u>\$ 8,116,506</u>	<u>\$ 1,601,102</u>	<u>\$ 24,336,909</u>
Fund balances											
Reserved											
Encumbrances	709,506	351,685	7,820	440,859		5,482		23,169	197	60,384	1,601,102
Imprest cash	100			120		100		25			345
Unreserved											
Undesignated	2,075,074	625,474	1,903,421	5,361,984	37,029	1,694,857	252,625	2,670,046	49,990	(51,544)	14,618,956
	<u>\$ 2,784,680</u>	<u>\$ 977,159</u>	<u>\$ 1,911,241</u>	<u>\$ 5,802,963</u>	<u>\$ 37,029</u>	<u>\$ 1,700,439</u>	<u>\$ 252,625</u>	<u>\$ 2,695,240</u>	<u>\$ 50,187</u>	<u>\$ 8,840</u>	<u>\$ 16,220,403</u>
TOTAL FUND BALANCES	<u>\$ 6,264,397</u>	<u>\$ 997,021</u>	<u>\$ 1,914,837</u>	<u>\$ 6,971,557</u>	<u>\$ 37,029</u>	<u>\$ 2,763,728</u>	<u>\$ 252,625</u>	<u>\$ 5,069,794</u>	<u>\$ 50,187</u>	<u>\$ 15,734</u>	<u>\$ 24,336,909</u>

See accompanying notes to the general purpose financial statements.

COUNTY OF EL DORADO
SPECIAL DISTRICTS UNDER THE BOARD OF SUPERVISORS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2001

County Agency	Air Pollution Control	CSA #9	CSA #10	CSA #2	CSA #3	CSA #5	CSA #7	EDC Development Projects	Promontory Point	Totals
Taxes and assessments	\$ 99,596	\$ 650,898	\$ 2,684,968	\$ 80,204	\$ 1,378,782	\$ 18,364	\$ 2,564,548	\$ -	\$ -	\$ 8,276,562
Licenses, permits and franchises	735,891	484	290,079	232	3,594	368	25,292	4,482	-	394,157
Intergovernmental revenue	28,898	66,045	389,868	979	68,693	9,587	66,613	1,149	553	1,586,011
Use of money and property	168	16,429	430,200	696	829,420	3,338,470	9,701	27,611	60,000	714,840
Charges for services	3,364	2,248	22,241	30	13,108	9,701	13	35,242	-	4,717,866
Fines, forfeits and penalties	42,963	14,403	377	82,141	2,317,828	28,319	6,004,637	60,553	-	51,358
Other revenues	910,880	750,507	4,129,681	82,141	2,317,828	28,319	6,004,637	35,242	60,553	610,045
TOTAL REVENUES	2,283,051	750,507	4,129,681	82,141	2,317,828	28,319	6,004,637	35,242	60,553	16,600,839
EXPENDITURES										
Current	560,299	397,446	1,911,438	81,034	1,536,147	2,920	5,516,423	4,526	51,713	7,612,869
Public protection	735,891	484	290,079	232	3,594	368	25,292	4,482	-	2,227,796
Public ways and facilities	28,898	66,045	389,868	979	68,693	9,587	66,613	1,149	553	1,911,438
Health and sanitation	168	16,429	430,200	696	829,420	3,338,470	9,701	27,611	60,000	45,739
Interest	3,364	2,248	22,241	30	13,108	9,701	13	35,242	-	856,882
Capital outlay	42,963	14,403	377	82,141	2,317,828	28,319	6,004,637	60,553	-	12,654,744
TOTAL EXPENDITURES	938,082	397,446	1,911,438	81,034	1,536,147	2,920	5,516,423	4,526	51,713	3,946,095
Excess of revenues over (under) expenditures	560,299	397,446	1,911,438	81,034	1,536,147	2,920	5,516,423	4,526	51,713	7,612,869
Other financing sources (uses)	350,381	353,061	1,466,991	1,107	(32,788)	25,399	399,169	28,716	8,840	2,227,796
Operating transfers in										1,911,438
Operating transfers out										45,739
TOTAL OTHER FINANCING SOURCES (USES)	(54,041)	(54,041)	(880,557)	(880,557)	68,768					856,882
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES OVER FUND BALANCES, JULY 1, 2000	1,344,969	299,020	586,434	1,107	36,030	25,399	399,169	28,716	8,840	3,080,265
RESIDUAL EQUITY TRANSFERS	1,439,711	1,613,278	5,057,472	35,922	1,679,805	227,256	2,021,878	21,471		12,723,371
FUND BALANCES, JUNE 30, 2001	\$ 2,784,680	\$ 977,159	\$ 1,911,241	\$ 37,029	\$ 1,700,439	\$ 232,625	\$ 2,693,240	\$ 50,187	\$ 8,840	\$ 16,220,403

See Accompanying notes to the general purpose financial statements.

COUNTY OF EL DORADO
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001

	El Dorado County Transit Auth.	South Lake Tahoe Transit	County Airports	Totals
ASSETS				
Current assets				
Cash and investments	\$ -	\$ 14,363	\$ 114,910	\$ 129,273
Cash with fiscal agent	1,388,627			1,388,627
Accounts receivable	22,644		18,713	41,357
Due from governments	536,483			536,483
Inventories			17,467	17,467
Other assets	70,428			70,428
TOTAL CURRENT ASSETS	2,018,182	14,363	151,090	2,183,635
Fixed assets				
Land	400,916		213,711	614,627
Structures and improvements	1,370,972		4,118,881	5,489,853
Equipment	4,262,917	63,308	21,131	4,347,356
Accumulated depreciation	(2,405,502)	(38,918)	(2,321,935)	(4,766,355)
TOTAL FIXED ASSETS (NET OF ACCUMULATED DEPRECIATION)	3,629,303	24,390	2,031,788	5,685,481
	\$ 5,647,485	\$ 38,753	\$ 2,182,878	\$ 7,869,116
LIABILITIES & FUND EQUITY				
Current liabilities				
Accounts payable	\$ 379,824	\$ 13,579	\$ 14,738	\$ 408,141
Salaries and benefits payable	55,078		5,103	60,181
Compensated absences	82,333		22,040	104,373
Due to other governments				
Due to other funds		1,409	66,394	67,803
Deferred income	127,538			127,538
Notes payable-current portion			25,650	25,650
Capital leases-current portion	59,089			59,089
TOTAL CURRENT LIABILITIES	703,862	14,988	133,925	852,775
Noncurrent liabilities				
Notes payable-noncurrent			138,510	138,510
Capital leases-noncurrent	229,207			229,207
TOTAL LIABILITIES	933,069	14,988	272,435	1,220,492
Fund equity				
Contributed capital	3,118,962	24,390	1,564,597	4,707,949
Retained earnings				
Reserved			75,366	75,366
Unreserved	1,595,454	(625)	270,480	1,865,309
TOTAL FUND EQUITY	4,714,416	23,765	1,910,443	6,648,624
	\$ 5,647,485	\$ 38,753	\$ 2,182,878	\$ 7,869,116

See accompanying notes to the general purpose financial statements.

COUNTY OF EL DORADO

ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

FOR THE YEAR ENDED JUNE 30, 2001

	El Dorado Transit Authority	South Lake Tahoe Transit	County Airports	Totals
OPERATING REVENUES				
Fares	\$ 643,090	\$ 50,552	\$ -	\$ 693,642
Service fees			171,982	171,982
Fuel sales			261,022	261,022
TOTAL OPERATING REVENUES	643,090	50,552	433,004	1,126,646
OPERATING EXPENSES				
Salaries and benefits	1,471,573		144,130	1,615,703
Services and supplies	683,797	244,629	267,159	1,195,585
Depreciation	354,491	12,434	187,622	554,547
Other			59,545	59,545
TOTAL OPERATING EXPENSES	2,509,861	257,063	658,456	3,425,380
NET LOSS FROM OPERATIONS	(1,866,771)	(206,511)	(225,452)	(2,298,734)
NON-OPERATING REVENUES (EXPENSES)				
Intergovernmental revenue	1,658,606	184,580		1,843,186
Transfers from other funds			166,036	166,036
Interest income	70,942	144	4,056	75,142
Interest expense	(17,184)		(15,939)	(33,123)
Gain (loss) on disposition of assets	6,345			6,345
Other	43,512		853	44,365
NET NONOPERATING REVENUES	1,762,221	184,724	155,006	2,101,951
NET INCOME (LOSS)	(104,550)	(21,787)	(70,446)	(196,783)
RETAINED EARNINGS, JULY 1, 2000	1,402,092	8,728	122,738	1,533,558
CHANGE IN CONTRIBUTED CAPITAL	297,912	12,434	279,478	589,824
CHANGE IN COMPENSATED ABSENCES			14,076	14,076
RETAINED EARNINGS, JUNE 30, 2001	\$ 1,595,454	\$ (625)	\$ 345,846	\$ 1,940,675

See accompanying notes to the general purpose financial statements.

COUNTY OF EL DORADO
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2001

	El Dorado Transit Authority	South Lake Tahoe Transit	County Airports	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
NET OPERATING INCOME (LOSS)	\$ (1,866,771)	\$ (206,511)	\$ (225,452)	\$ (2,298,734)
Adjustments to reconcile operating loss to net cash provided by operating activities				
Depreciation	354,491	12,434	187,622	554,547
(Increase) in accounts receivable	1,156		(11,150)	(9,994)
(Increase) decrease in prepaid expenses and inventories	66,044		2,876	68,920
Increase (decrease) in accounts and salaries payable	316,837		7,760	324,597
Increase (decrease) in due to other funds and governments		1,409	(1,237)	172
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(1,128,243)</u>	<u>(192,668)</u>	<u>(39,581)</u>	<u>(1,360,492)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	55,595	144	4,056	59,795
Purchases of fixed assets	(945,270)			(945,270)
Proceeds from disposal of assets	6,345			6,345
Other income & expenses	50,258		853	51,111
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(833,072)</u>	<u>144</u>	<u>4,909</u>	<u>(828,019)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Loan proceeds	573,956			573,956
Payments on long-term debt	(49,621)		(24,261)	(73,882)
Interest expense	(17,184)		(15,939)	(33,123)
Intergovernmental revenue	1,743,550	184,580		1,928,130
Transfers from other funds			166,036	166,036
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>2,250,701</u>	<u>184,580</u>	<u>125,836</u>	<u>2,561,117</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	289,386	(7,944)	91,164	372,606
CASH AND CASH EQUIVALENTS, JULY 1, 2000	<u>1,099,241</u>	<u>22,307</u>	<u>23,746</u>	<u>1,145,294</u>
CASH AND CASH EQUIVALENTS, JUNE 30, 2001	<u>\$ 1,388,627</u>	<u>\$ 14,363</u>	<u>\$ 114,910</u>	<u>\$ 1,517,900</u>

See accompanying notes to the general purpose financial statements.

COUNTY OF EL DORADO
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001

	<u>Fleet</u> <u>Management</u>	<u>Risk</u> <u>Management</u> <u>Authority</u>	<u>Totals</u>
ASSETS			
Current assets			
Cash and investments	\$ 3,684,281	\$ 12,852,301	\$ 16,536,582
Cash with fiscal agent		105,032	105,032
Accounts receivable	90		90
Due from other governments	697		697
Due from other funds		385,432	385,432
Inventories	39,000		39,000
Prepaid Expenses		152,088	152,088
TOTAL CURRENT ASSETS	<u>3,724,068</u>	<u>13,494,853</u>	<u>17,218,921</u>
Fixed assets			
Land	40,000		40,000
Structures and improvements	599,572		599,572
Equipment	8,051,730	32,699	8,084,429
Accumulated depreciation	<u>(4,005,816)</u>	<u>(28,187)</u>	<u>(4,034,003)</u>
TOTAL NET ASSETS (NET OF ACCUMULATED DEPRECIATION)	<u>4,685,486</u>	<u>4,512</u>	<u>4,689,998</u>
Other assets		<u>83,100</u>	<u>83,100</u>
	<u>\$ 8,409,554</u>	<u>\$ 13,582,465</u>	<u>\$ 21,992,019</u>
LIABILITIES & FUND EQUITY			
Current liabilities			
Accounts payable	\$ 105,149	\$ 221,885	\$ 327,034
Salaries and benefits payable	8,928	22,723	31,651
Compensated absences	25,816	99,572	125,388
TOTAL CURRENT LIABILITIES	<u>139,893</u>	<u>344,180</u>	<u>484,073</u>
Noncurrent liabilities			
Liability for self-insurance		<u>11,942,000</u>	<u>11,942,000</u>
TOTAL LIABILITIES	<u>139,893</u>	<u>12,286,180</u>	<u>12,426,073</u>
Fund equity			
Contributed capital	7,102,533		7,102,533
Retained earnings			
Reserved	1,106,235	3,433	1,109,668
Unreserved	60,893	1,292,852	1,353,745
TOTAL FUND EQUITY	<u>8,269,661</u>	<u>1,296,285</u>	<u>9,565,946</u>
	<u>\$ 8,409,554</u>	<u>\$ 13,582,465</u>	<u>\$ 21,992,019</u>

See accompanying notes to the general purpose financial statements.

COUNTY OF EL DORADO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE YEAR ENDED JUNE 30, 2001

	Fleet Management	Risk Management Authority	Totals
OPERATING REVENUES			
Service fees	\$ 1,814,196	\$ 14,747,655	\$ 16,561,851
Profit on sale of fuel	94,506		94,506
TOTAL OPERATING REVENUES	1,908,702	14,747,655	16,656,357
OPERATING EXPENSES			
Salaries and benefits	186,201	394,743	580,944
Services and supplies	622,698	15,622,604	16,245,302
Depreciation	795,385		795,385
TOTAL OPERATING EXPENSES	1,604,284	16,017,347	17,621,631
NET INCOME (LOSS) FROM OPERATIONS	304,418	(1,269,692)	(965,274)
NONOPERATING REVENUES (EXPENSES)			
Transfers from other funds		1,500	1,500
Interest income	117,030	521,496	638,526
Proceeds from sale of fixed assets	11,997		11,997
Other	77,781	275,775	353,556
NET NONOPERATING REVENUES	206,808	798,771	1,005,579
NET INCOME (LOSS) FROM OPERATIONS	511,226	(470,921)	40,305
RETAINED EARNINGS, JULY 1, 2000	656,486	3,223,901	3,880,387
CHANGE IN CONTRIBUTED CAPITAL	(584)		(584)
CHANGE IN COMPENSATED ABSENCES		1,305	1,305
CHANGE IN RESERVES		(1,458,000)	(1,458,000)
RETAINED EARNINGS, JUNE 30, 2001	\$ 1,167,128	\$ 1,296,285	\$ 2,463,413

COUNTY OF EL DORADO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2001

	<u>Fleet Management</u>	<u>Risk Management Authority</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
NET OPERATING INCOME (LOSS)	\$ 304,418	\$ (1,269,692)	\$ (965,274)
Adjustments to reconcile operating loss to net cash provided by operating activities			
Depreciation	795,385		795,385
(Increase) decrease in accounts receivable	72,522	13,063	85,585
(Increase) decrease in amounts due from other funds and governments	697	(207,448)	(206,751)
(Increase) decrease in prepaid expenses and inventories	11,644	(152,088)	(140,444)
Increase (decrease) in accounts and salaries payable	(68,432)	87,187	18,755
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>1,116,234</u>	<u>(1,528,978)</u>	<u>(412,744)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	117,030	521,496	638,526
Proceeds from disposal of assets	11,997		11,997
Purchases of fixed assets	(749,536)		(749,536)
Other	77,781	275,775	353,556
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(542,728)</u>	<u>797,271</u>	<u>254,543</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Transfers from other funds		1,500	1,500
Capital contributions	267,354		267,354
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>267,354</u>	<u>1,500</u>	<u>268,854</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	840,860	(730,207)	110,653
CASH AND CASH EQUIVALENTS, JULY 1, 2000	<u>2,843,421</u>	<u>13,687,540</u>	<u>16,530,961</u>
CASH AND CASH EQUIVALENTS, JUNE 30, 2001	<u>\$ 3,684,281</u>	<u>\$ 12,957,333</u>	<u>\$ 16,641,614</u>

See accompanying notes to the general purpose financial statements.