

**COUNTY OF EL DORADO
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
June 30, 2003**

JOHN F. WARDEN, JR.
CERTIFIED PUBLIC ACCOUNTANT

COUNTY OF EL DORADO
FOR THE YEAR ENDED JUNE 30, 2003
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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

To the Board of Supervisors of
the County of El Dorado
Placerville, California

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of El Dorado, California (the County) as of and for the year ended June 30, 2003, which collectively comprise the County's financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. My responsibility is to express opinions on these financial statements based on my audit. I did not audit the financial statements of the El Dorado Transit Authority, which represents 68% of the assets and 68% of the revenues of the component units. Those financial statements were audited by other auditors whose report thereon has been furnished to me, and my opinion, insofar as it relates to the amounts included for the El Dorado Transit Authority, is based 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 the standards applicable to financial audits contained in *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 misstatements. 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 the 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 opinions.

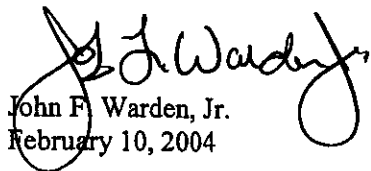
In my opinion, based on my audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of El Dorado, California, as of June 30, 2003, and respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated February 10, 2004, on my consideration of the County's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

To the Board of Supervisors of
the County of El Dorado
Page 2

The management's discussion and analysis, the budgetary comparison schedule-general fund, road fund, debt service fund and the schedule of funding progress are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and do not express an opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, are presented for purpose of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied by me and other auditors in the audit of the financial statements and, in my opinion, based on my audit, and the report of other auditors, are fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory section and statistical tables have not been subject to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on them.



John F. Warden, Jr.
February 10, 2004



County of El Dorado

OFFICE OF AUDITOR-CONTROLLER

380 FAIR LANE
PLACERVILLE, CALIFORNIA 95667
(530) 821-5487

JOE HARN
Auditor-Controller

BOB TOSCANO
Assistant Auditor-Controller

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

February 10, 2004

This *Management's Discussion and Analysis* and letter of transmittal of the County of El Dorado's (County) financial statements presents a narrative overview and analysis of the County's financial activities during the fiscal year ended June 30, 2003. Please read it in conjunction with the County's financial statements following this section.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$276.9 million (net assets). Of this amount, \$28.7 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors, \$19.0 million is restricted for specific purposes (restricted net assets), and \$229.2 million is invested in capital assets, net of depreciation and related debts.
- During the year, the County's total net assets increased by \$13.9 million. While resource inflows did not exceed outflows at the governmental fund level, the County experienced an overall increase in net assets. This is primarily due to capital outlay expenditures exceeding depreciation expense at the entity-wide level and the continued recovery of the Risk Management Authority internal service fund's unfunded liability for self-insurance.
- As of June 30, 2003, the County's governmental funds reported combined fund balances of \$73.2 million. Approximately 77 percent of this amount, or \$56.7 million, is available to meet the County's current and future needs.
- At the end of the fiscal year, unreserved fund balance for the General Fund was \$25.1 million, or just over 16 percent of the General Fund expenditures during the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

The *statement of activities* presents information showing how net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. earned but uncollected revenues and earned but unused vacation leave).

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

Component units are included in our financial statements and consist of legally separate entities for which the County is financially accountable and that have boards that have been substantially appointed by the County Board of Supervisors and/or provide services entirely to the County. Component units of the County include the El Dorado Transit Authority and Children and Families Commission (Commission).

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *government funds* with similar information presented for *government activities* in the government-

wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *government funds* and *governmental activities*.

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

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

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

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

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

Required Supplementary Information regarding the County's budgetary process has been provided along with budgetary comparison schedules for each of the major

governmental funds (General Fund, Road Fund, Debt Service Fund). This budgetary information is in addition to and follows the supplementary schedule concerning the County's progress in funding its obligation to provide pension benefits to its employees.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Since prior-year information is available, a comparative analysis of government-wide data will be presented.

Net Assets June 30, (in thousands)

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|----------------------------|-------------------|-----------------------------|-----------------|-------------------|-------------------|
| | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 |
| Assets: | | | | | | |
| Current and other assets | \$ 184,239 | \$ 166,227 | \$ 176 | \$ 97 | \$ 184,415 | \$ 166,324 |
| Capital assets | 228,502 | 215,305 | 1,789 | 1,927 | 230,291 | 217,232 |
| Total assets | 412,741 | 381,532 | 1,965 | 2,024 | 414,706 | 383,556 |
| Liabilities: | | | | | | |
| Current and other liabilities | 104,124 | 93,849 | 75 | 46 | 104,199 | 93,895 |
| Long-term liabilities | 33,401 | 26,424 | 133 | 138 | 33,534 | 26,562 |
| Total liabilities | 137,525 | 120,273 | 208 | 184 | 137,733 | 120,457 |
| Net Assets: | | | | | | |
| Invested in capital assets, net of related debt | 227,511 | 214,367 | 1,678 | 1,786 | 229,189 | 216,153 |
| Restricted net assets | 19,039 | 23,998 | | 2 | 19,039 | 24,000 |
| Unrestricted net assets | 28,666 | 22,894 | 78 | 52 | 28,744 | 22,946 |
| Total net assets | \$ 275,216 | \$ 261,259 | \$ 1,756 | \$ 1,840 | \$ 276,972 | \$ 263,099 |

Analysis of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of government's financial position. In the case of the County of El Dorado, assets exceeded liabilities by \$276.9 million at the close of the most recent fiscal year.

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

An additional portion of the County's net assets, \$19.0 million or 7 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance, \$28.7 million, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the most current fiscal year, the County is able to report positive balances in all three categories of net assets, for the government as a whole.

The following table indicates the changes in net assets for governmental and business-type activities:

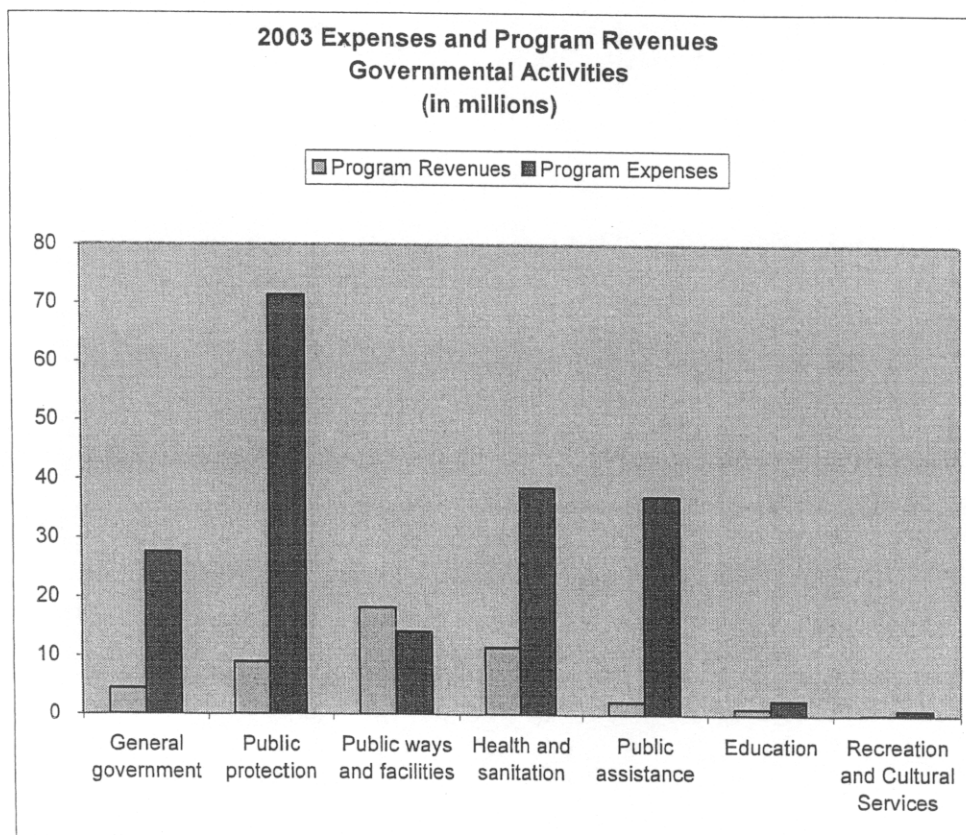
**Change in Net Assets
June 30,
(in thousands)**

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|-------------------------|-------------------|--------------------------|-----------------|-------------------|-------------------|
| | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 |
| Revenues | | | | | | |
| Program Revenues: | | | | | | |
| Charges for services | \$ 28,836 | \$ 37,597 | \$ 541 | \$ 477 | \$ 29,377 | \$ 38,074 |
| Operating grants and contributions | 17,822 | 15,589 | 250 | 236 | 18,072 | 15,825 |
| Capital grants and contributions | 20 | 128 | - | 16 | 20 | 144 |
| General Revenues: | | | | | | |
| Taxes | 57,096 | 52,530 | - | - | 57,096 | 52,530 |
| Licenses, permits, and Franchises | 9,088 | 8,254 | - | - | 9,088 | 8,254 |
| Intergovernmental | 84,171 | 83,411 | - | - | 84,171 | 83,411 |
| Use of money and property | 1,445 | 3,558 | 2 | 4 | 1,447 | 3,562 |
| Fines, forfeits, and penalties | 1,660 | 2,031 | - | - | 1,660 | 2,031 |
| Other | 9,171 | 6,172 | 2 | - | 9,173 | 6,172 |
| Total revenues | <u>209,309</u> | <u>209,270</u> | <u>795</u> | <u>733</u> | <u>210,104</u> | <u>210,003</u> |
| Expenses | | | | | | |
| General government | 27,521 | 26,089 | | | 27,521 | 26,089 |
| Public protection | 71,449 | 65,897 | | | 71,449 | 65,897 |
| Public ways and facilities | 14,189 | 9,936 | | | 14,189 | 9,936 |
| Health and sanitation | 38,600 | 34,818 | | | 38,600 | 34,818 |
| Public assistance | 37,144 | 35,572 | | | 37,144 | 35,572 |
| Education | 2,545 | 2,381 | | | 2,545 | 2,381 |
| Recreation and culture | 932 | 376 | | | 932 | 376 |
| Interest on long-term debt | 2,810 | 3,599 | | | 2,810 | 3,599 |
| Airports | | | 705 | 604 | 705 | 604 |
| SLT Transit Program | | | 336 | 298 | 336 | 298 |
| Total expenses | <u>195,190</u> | <u>178,668</u> | <u>1,041</u> | <u>902</u> | <u>196,231</u> | <u>179,570</u> |
| Excess (deficiency) before special items and transfers | 14,119 | 30,602 | (246) | (169) | 13,873 | 30,433 |
| Transfers | (162) | (70) | 162 | 70 | - | - |
| Change in net assets | <u>13,957</u> | <u>30,532</u> | <u>(84)</u> | <u>(99)</u> | <u>13,873</u> | <u>30,433</u> |
| Net assets at beginning of year | <u>261,259</u> | <u>230,727</u> | <u>1,840</u> | <u>1,939</u> | <u>263,099</u> | <u>232,666</u> |
| Net assets at end of year | <u>\$ 275,216</u> | <u>\$ 261,259</u> | <u>\$ 1,756</u> | <u>\$ 1,840</u> | <u>\$ 276,972</u> | <u>\$ 263,099</u> |

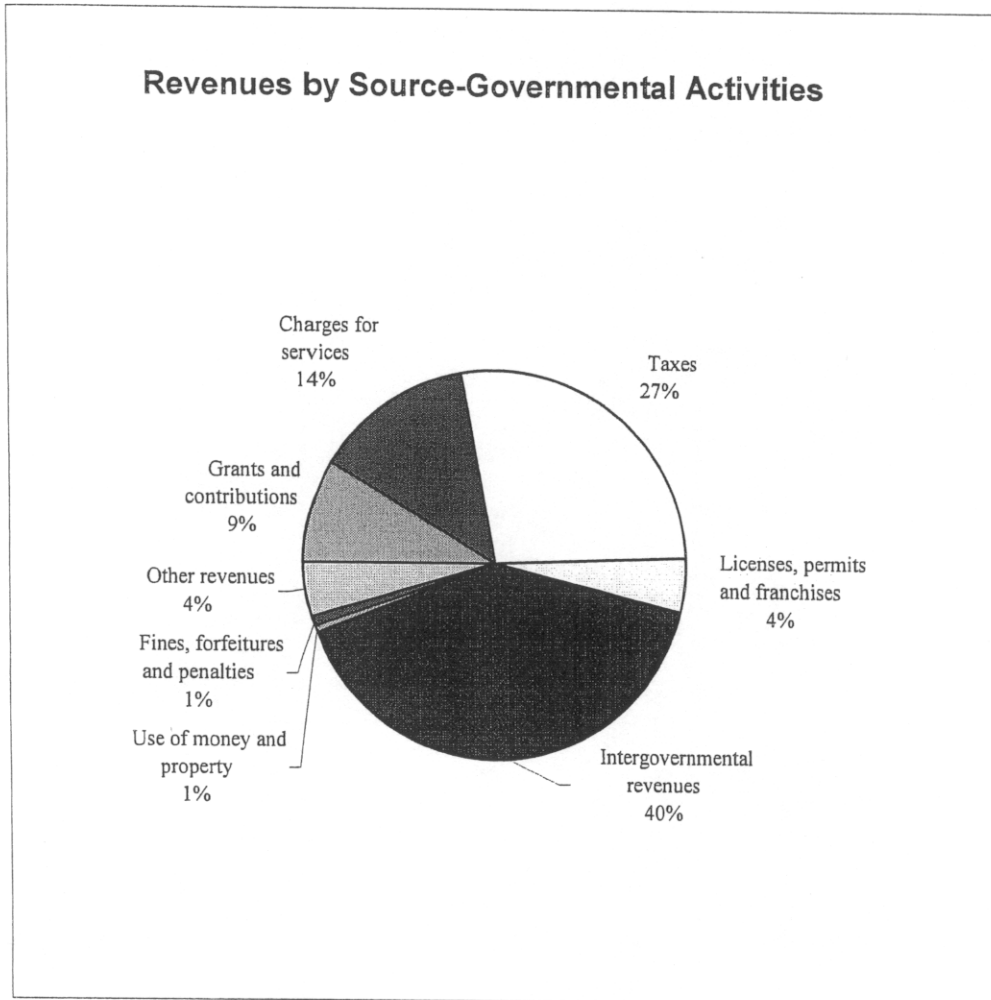
Governmental activities. The County experienced an overall increase in net assets of \$13.9 million. This is almost entirely attributable to *governmental activities* and is less than half of the prior year's increase of \$30.4 million. Some of the key factors that resulted in this reduction in the increase of net assets include:

- Overall expenditures increased by \$16.6 million or 9 percent during the last fiscal year. Over 80 percent of this increase is attributable to increased spending under the functional areas Public Protection (\$5.6 million), Public Ways and Facilities, (\$4.3 million), and Health and Sanitation (\$3.8 million).
- An \$8.7 million or 23 percent reduction in revenues realized from charges for services. Most of this reduction, \$4.9 million, occurred under the Public Ways and Facilities governmental activity.
- A \$2.1 million or 59 percent reduction in revenues from the use of money and property. This reduction in investment revenues is consistent with the decline in interest rates and return on marketable securities.

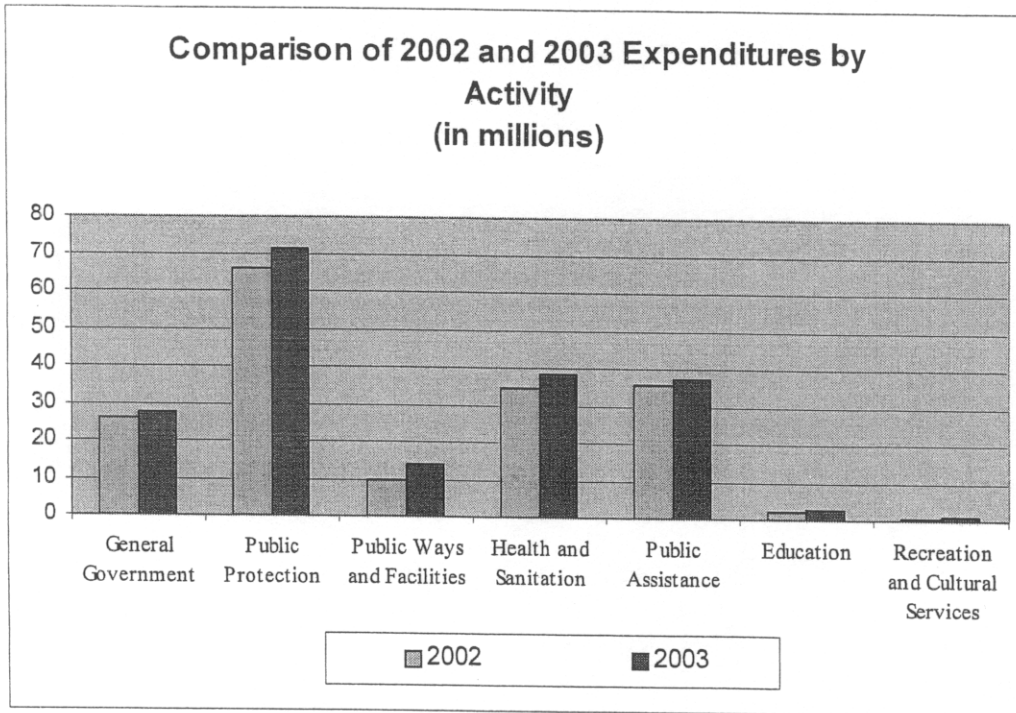
Below is a graph that presents a comparison of program revenues and expenditures under each of the governmental activities.



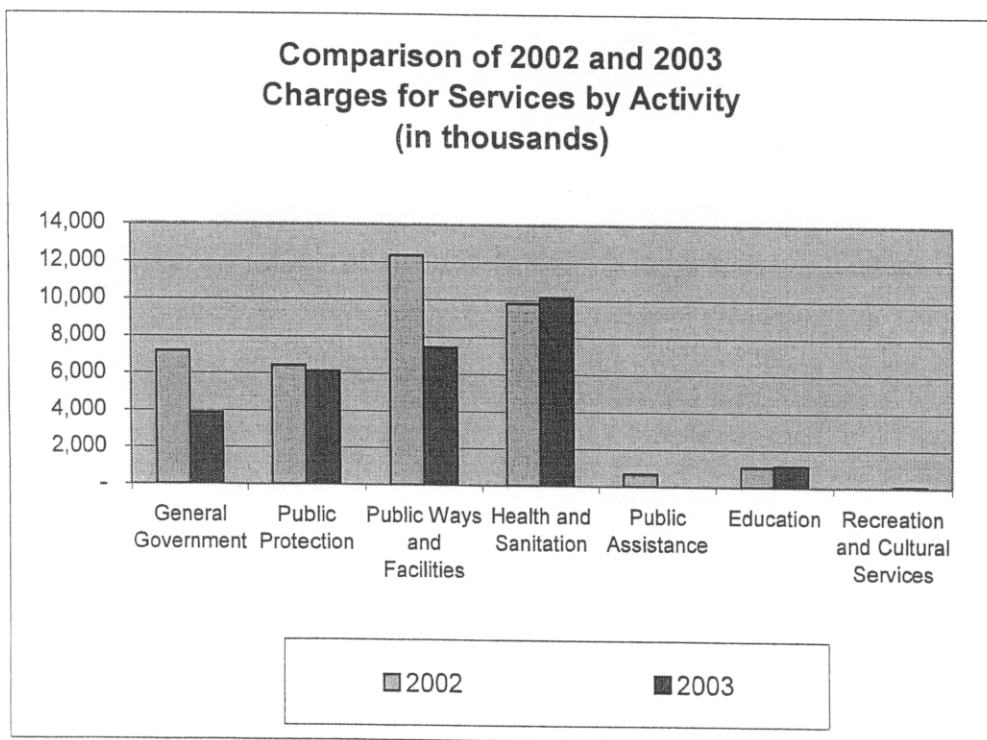
Below is a graphical presentation of the various revenue sources at the entity-wide level. As presented, the County received most of its recognized revenues from other governments (40 percent), followed by taxes (27 percent), then charges for services (14 percent).



As noted earlier, the County experienced an overall increase in expenditures of 9 percent. Following is a graph that compares current, 2003, to prior year expenditures by functional area.



Also noted earlier, there was a 23 percent reduction in revenues from charges for services in 2003. Below is a graphical representation that compares current, 2003, with prior year charges for services under each functional area.



Business-type activities. Business-type activities decreased the County's net assets by \$84 thousand. Similar to the prior year, this is primarily due to the County Airport's expenditures exceeding charges for services. Further while Airport revenues and charges for services increased proportionately during 2003, around 16 to 17 percent, the Airport's charges for services continued to be insufficient to cover Airport expenses. Specifically, in 2003 Airport expenditures exceeded their charges for services by almost \$225 thousand.

To help finance the operations of the County Airports, the governmental funds transferred approximately \$162 thousand to the County Airports during the year.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

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

As of June 30, 2003 the County's governmental funds reported a combined ending fund balance of \$73.1 million, compared to \$74.7 million of the previous year. Approximately 77 percent of this fund balance, or \$56.7 million, is unreserved and undesignated and thus is available to meet the County's current and future spending needs. The remainder of the fund balance has either been reserved and is not available for spending, or has been designated for a specific spending purpose in the future.

The General Fund is the chief operating fund of the County. As of June 30, 2003, the General Fund's unreserved undesignated fund balance was \$25.1 million, an increase of almost a \$10 million from last year. This increase is due in part to the increase (net change) in fund balance of \$3.5 million and a \$4.9 million decrease in fund designations for capital projects.

The June 30, 2003 unreserved undesignated fund balance, as compared to General Fund expenditures for the year, is approximately 16 percent, compared to just over 10 percent last year. Thus, without any additional revenue inflows, this fund balance could support the General Fund's activities for approximately 58 days, compared to just over a month last year.

As noted earlier, the combined governmental fund balance decreased by \$1.5 million during 2003, compared to an \$8.3 million increase last year. This net decline in

governmental fund balances was the result of minor (less than 1%) increases in revenues, \$219 million in 2003 compared to \$218 million in 2002, accompanied by moderate (4 percent) increase in expenditures, \$220 million in 2003 compared to \$211 million in 2002.

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

The net assets of enterprise funds decreased by just over \$84 thousand primarily due to an operating loss realized by the County Airports. As discussed earlier, the County Airports have not been able to generate sufficient revenues to cover expenses, which in turn has necessitated governmental fund contribution of \$162 thousand.

Net assets of the internal service funds also increased by \$1.2 million. This amount, while reduced by operating losses experienced by both Fleet Management and the Risk Management Authority, is mostly attributable to prior year insurance recoveries in the amount of \$1.3 million that the Risk Management Authority received from their "stop-loss" recovery insurance contractor.

GENERAL FUND BUDGETARY ANALYSIS

Differences between the original budget and the final amended budget budgeted expenditures totaled \$9.8 million. The largest of these budget modifications included:

- \$721 thousand increase in County Counsel budgeted services and supplies,
- \$219 thousand increase in Information Technologies budgeted fixed assets,
- \$430 thousand increase in Sheriff Department's budgeted salaries and benefits,
- \$452 thousand increase in Sheriff Department's budgeted fixed assets,
- \$1 million increase in the Planning Department's services and supplies,
- \$847 thousand increase in Planning and Zoning Department's fixed assets,
- \$518 thousand increase in Drug and Alcohol Abuse Services budgeted services and supplies,
- \$816 thousand increase in Social Services Programs other charges, and
- \$5.3 million increase in Community Services budgeted services and supplies

The variances between amounts budgeted (original and final) and the actual amounts either received or expended were moderate. Specifically, compared to a final resource budget of \$181 million, actual funding equaled \$176 million. This is a negative variance of just over 3%. This budget shortage of revenues can be attributed to the over-forecasting of state intergovernmental revenues, charges for services, and other financing sources.

Similar to last year, the difference between forecasted expenditures (original and final budget) and actual expenditures were significant. Specifically, expenditures fell 10

percent below that which was originally forecasted and 14 percent below final budget estimates. This final variance can be mostly attributed to actual expenditures falling below projected expenditures within the following governmental activities:

- General Governmental – Actual expenditures fell below final budget by \$11.3 million. While almost all of the general government operating departments had expenditures that fell below their final budget, some departments showed considerable differences (budget exceeded actual by over \$200 thousand), including the Treasurer/Tax Collector, County Counsel, General Services, and Information Technologies Departments.
- Public Protection – Actual expenditures fell below final budget by \$2.6 million. Unlike the general government function, some departments under public protection actually went over their budgets such as the Public Defender's, Sheriff's, and Coroner's Offices. However, bottom line was under budget primarily due to the Jail, Probation, and Planning Departments, whose actual expenditures fell below forecasts by \$366 thousand, \$601 thousand, and \$874 thousand respectively.
- Health and Sanitation – Actual expenditures fell below final budget by \$4.5 million. All departments had actual expenditures that fell below their final budget. Some were significant including Public Health (\$3.0 million), Drug and Alcohol Services (\$383 thousand), and Mental Health (\$937 thousand).
- Public Assistance – Actual expenditures fell below final budget by \$5.9 million. Again, all departments under this governmental activity had expenditures that fell far below final forecasts. Most notably Social Services Administration at \$1.3 million and Community Services at \$3.8 million.

ADDITIONAL BUDGETARY ANALYSIS

Differences between the original and final budgets were immaterial for the County Road Fund (road fund). However, significant variances did occur between final budget and actual inflows and outflows of resources. Specifically,

- Road fund Inflows were over-projected by \$13.6 million primarily resulting from over-forecasts of Charges for Services (\$6.0 million) and other financing sources (\$6.1 million).
- Road fund outflows or expenditures were over-projected by \$15.2 million as a result of expenditures falling well below that budgeted for Salaries and Employee Benefits (\$1.3 million), Services and Supplies (\$7.2 million), and other charges (\$7.0 million).

Similar to the road fund, the County's debt service fund's original and final budget differed only by a small amount. Similar to other governmental funds, however, significant budget to actual variances did occur in both inflows and outflows of funding sources. Specifically, actual charges for services received were higher than that projected by \$1 million, while other charges were above or over budget by \$1.2 million.

In general, the County's current practice of over budgeting both fund inflows and outflows does meet legal requirements and renders a "balanced" budget. However, the resulting inflated budgets are limited in their ability to provide management with a useful tool for monitoring performance and controlling expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The County's investment in capital assets for its governmental and business type activities as of June 30, 2003 amounts to \$230.3 million (net of accumulated depreciation). The investment in capital assets includes land and improvements, construction in progress, infrastructure, structures and improvements, and equipment. Fixed assets increased by \$13.1 million in 2003, as a result of a net increase of \$13.2 million under governmental activities, offset by a net decrease of \$100 thousand in business-type activities.

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

- \$2.4 million expended on the South Lake Tahoe Juvenile Hall construction project,
- \$19.8 million in infrastructure additions (county roads). County road projects included, but were not limited to, US 50 Interchange at Ponderosa (\$1.4 million), Salmon Falls Road overlay (\$641 thousand), Lake Tahoe Boulevard overlay (\$746 thousand), and the Green Valley Road overlay (\$603 thousand), Green Valley Commercial Area (\$872 thousand), Cedar Creek Bridge (\$1.3 million), Salmon Falls Bridge (\$612 thousand), and the Cascade Erosion Control (\$1.2 million),

Debt Administration. As of June 30, 2003 the County's outstanding long-term debt totaled \$20.8 million. The largest components of this obligation consisted of \$17.7 million in bond debt, followed by \$1.8 million in notes payable due the California Housing Finance Agency, and \$990 thousand in capital lease obligations.

CURRENTLY KNOWN FACTS

As previously discussed and presented, the County receives 40 percent of its revenues from other governments and 9 percent of its revenues from grants and contributions. Over 70 percent of these revenues come from the State of California (State). Given the State's current budget "crisis" and the recovery strategies implemented by the State in the past and proposed in the future, continued reductions of these revenues is anticipated by County management.

REQUEST FOR INFORMATION

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Joe Harn". The signature is written in black ink and is positioned to the left of the printed name.

Joe Harn
El Dorado County Auditor-Controller

FINANCIAL STATEMENTS
Government-wide Financial Statements

COUNTY OF EL DORADO
STATEMENT OF NET ASSETS
JUNE 30, 2003

| | Primary Government | | | Component Unit |
|--|----------------------------|--------------------------------|-----------------------|---------------------|
| | Governmental Activities | Business Type Activities | Total | |
| ASSETS | | | | |
| Cash and investments | \$ 153,315,049 | \$ 191,010 | \$ 153,506,059 | \$ 2,763,025 |
| Cash with fiscal agents | 3,110,751 | | 3,110,751 | 2,238,278 |
| Accounts receivable | 3,761,096 | 12,223 | 3,773,319 | 36,953 |
| Special assessments receivable | 2,580,440 | | 2,580,440 | |
| Notes receivable | 3,760,984 | | 3,760,984 | |
| Due from other governments | 14,362,842 | | 14,362,842 | 873,845 |
| Other assets | | | | 58,812 |
| Inventories and prepayments | 1,484,013 | 36,035 | 1,520,048 | |
| Internal balances | 63,731 | (63,731) | | |
| Notes receivable long-term | 1,800,000 | | 1,800,000 | |
| Capital assets: | | | | |
| Land | 27,901,083 | 252,191 | 28,153,274 | |
| Other capital assets, net of depreciation | 200,600,655 | 1,537,138 | 202,137,793 | 3,816,742 |
| TOTAL ASSETS | 412,740,644 | 1,964,866 | 414,705,510 | 9,787,655 |
| LIABILITIES | | | | |
| Accounts payable | 8,339,502 | 68,179 | 8,407,681 | 379,247 |
| Accrued salaries and benefits | 5,276,518 | 6,589 | 5,283,107 | 62,739 |
| Due to other governments | 3,575,850 | | 3,575,850 | 28,195 |
| Deferred revenue | 67,079,152 | | 67,079,152 | |
| Liability for self-insurance | 15,502,000 | | 15,502,000 | |
| Other long-term liabilities | 301,571 | | 301,571 | |
| Liability for landfill closure and post-closure | | | | |
| Closure costs | 922,982 | | 922,982 | |
| Post-closure costs | 5,171,400 | | 5,171,400 | |
| Long-term debt | | | | |
| Due within one year | 2,847,336 | 28,430 | 2,875,766 | 66,079 |
| Due beyond one year | 17,857,195 | 83,041 | 17,940,236 | 100,993 |
| Compensated absences | | | | |
| Due within one year | 581,006 | 1,429 | 582,435 | |
| Due beyond one year | 10,070,610 | 20,550 | 10,091,160 | 94,692 |
| TOTAL LIABILITIES | 137,525,122 | 208,218 | 137,733,340 | 731,945 |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | 227,511,239 | 1,677,858 | 229,189,097 | 3,649,670 |
| Restricted for | | | | |
| Capital projects | 2,120,886 | | 2,120,886 | |
| Other purposes | 16,917,739 | 423 | 16,918,162 | 518,169 |
| Unrestricted | 28,665,658 | 78,367 | 28,744,025 | 4,887,871 |
| TOTAL NET ASSETS | \$ 275,215,522 | \$ 1,756,648 | \$ 276,972,170 | \$ 9,055,710 |

See accompanying notes to the financial statements.

County of El Dorado
Statement of Activities
For the Fiscal Year Ended June 30, 2003

| | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Assets | | | Component Units |
|--|------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|-----------------|-----------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | Total | |
| | | | | | Governmental Activities | Business-Type Activities | | |
| Functions/Programs | | | | | | | | |
| PRIMARY GOVERNMENT: | | | | | | | | |
| Governmental activities: | | | | | | | | |
| General government | \$ 27,520,607 | \$ 3,852,497 | \$ 591,342 | \$ 19,705 | \$ (23,057,063) | \$ - | \$ (23,057,063) | |
| Public protection | 71,449,406 | 6,125,214 | 2,806,382 | | (62,517,810) | | (62,517,810) | |
| Public ways and facilities | 14,188,753 | 7,452,607 | 10,827,160 | | 4,091,014 | | 4,091,014 | |
| Health and sanitation | 38,599,983 | 10,182,939 | 1,346,669 | | (27,070,375) | | (27,070,375) | |
| Public assistance | 37,144,045 | | 2,250,871 | | (34,893,174) | | (34,893,174) | |
| Education | 2,544,769 | 1,160,275 | | | (1,384,494) | | (1,384,494) | |
| Recreation and cultural services | 931,641 | 62,692 | | | (868,949) | | (868,949) | |
| Interest on long-term debt | 2,810,596 | | | | (2,810,596) | | (2,810,596) | |
| Total Governmental Activities | 195,189,800 | 28,836,224 | 17,822,424 | 19,705 | (148,511,447) | | (148,511,447) | |
| Business-Type Activities: | | | | | | | | |
| Airports | 705,080 | 480,341 | | | | (224,739) | (224,739) | |
| South Lake Tahoe Transit Program | 335,990 | 60,204 | 250,014 | | (25,772) | | (25,772) | |
| Total Business-Type Activities | 1,041,070 | 540,545 | 250,014 | | (250,511) | | (250,511) | |
| Total Primary Government | \$ 196,260,870 | \$ 29,376,769 | \$ 18,072,438 | \$ 19,705 | (148,511,447) | | (148,761,958) | |
| COMPONENT UNITS: | | | | | | | | |
| El Dorado Transit Authority | \$ 3,096,085 | \$ 814,213 | \$ 2,604,643 | \$ 14,086 | | | \$ 336,857 | |
| Children and Families Commission | 2,363,702 | | 1,593,283 | | | | (770,419) | |
| Total Component Units | \$ 5,459,787 | \$ 814,213 | \$ 4,197,926 | \$ 14,086 | | | (433,562) | |
| General Revenues: | | | | | | | | |
| Taxes: | | | | | | | | |
| Taxes | | | | | 57,095,876 | | 57,095,876 | |
| Licenses, permits and franchises | | | | | 9,087,989 | | 9,087,989 | |
| Intergovernmental revenues | | | | | 84,171,005 | | 84,171,005 | |
| Use of money and property | | | | | 1,444,548 | 2,419 | 1,446,967 | 76,768 |
| Other revenues | | | | | 1,660,259 | | 1,660,259 | |
| Fines, forfeitures and penalties | | | | | 9,170,112 | 2,728 | 9,172,840 | 57,943 |
| Transfers | | | | | (161,812) | 161,812 | | |
| Total general revenues, special items, and transfers | | | | | 162,467,977 | 166,959 | 162,634,936 | 134,711 |
| Change in net assets | | | | | 13,956,530 | (83,552) | 13,872,978 | (298,851) |
| Net assets-beginning | | | | | 261,258,992 | 1,840,200 | 263,099,192 | 9,354,561 |
| Net assets-ending | | | | | \$ 275,215,522 | \$ 1,756,648 | \$ 276,972,170 | \$ 9,055,710 |

See accompanying notes to the financial statements.

FINANCIAL STATEMENTS
Fund Financial Statements

COUNTY OF EL DORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2003

| | <u>General Fund</u> | <u>Road Fund</u> | <u>Debt Service</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|----------------------|---------------------|---------------------|---------------------------------|---------------------------------|
| ASSETS | | | | | |
| Cash and investments | \$ 29,408,111 | \$ 5,219,023 | \$ 2,240,358 | \$ 99,505,310 | \$ 136,372,802 |
| Cash with fiscal agent | | | 3,033,078 | | 3,033,078 |
| Accounts receivable | 650,276 | 46,261 | 14,794 | 3,746,928 | 4,458,259 |
| Special assessments | | | 2,489,143 | 91,297 | 2,580,440 |
| Notes receivable | 382,624 | | | 3,378,360 | 3,760,984 |
| Due from other funds | 785,834 | 379,988 | | 1,061,055 | 2,226,877 |
| Due from other governments | 9,769,517 | 901,267 | | 2,760,713 | 13,431,497 |
| Inventories | 25,127 | 509,865 | | | 534,992 |
| Prepaid expenses | 427,925 | 17,462 | | 180,914 | 626,301 |
| TOTAL ASSETS | \$ 41,449,414 | \$ 7,073,866 | \$ 7,777,373 | \$ 110,724,577 | \$ 167,025,230 |
| LIABILITIES | | | | | |
| Accounts payable | \$ 3,790,689 | \$ 1,954,760 | \$ 2,133 | \$ 2,104,941 | \$ 7,852,523 |
| Salaries and benefits payable | 4,565,957 | 525,793 | | 152,619 | 5,244,369 |
| Due to other funds | 98,804 | | | 1,682,198 | 1,781,002 |
| Due to other governments | 295,004 | | | 3,280,846 | 3,575,850 |
| Deferred revenue | 1,912,111 | 9,479 | 2,489,143 | 70,055,047 | 74,465,780 |
| Liability for landfill closure and post-closure | | | | 922,982 | 922,982 |
| TOTAL LIABILITIES | 10,662,565 | 2,490,032 | 2,491,276 | 78,198,633 | 93,842,506 |
| FUND BALANCE | | | | | |
| Reserved for debt service | 241,040 | | | 284,563 | 525,603 |
| Reserved for capital projects | | | | 2,120,886 | 2,120,886 |
| Reserved for encumbrances | 1,720,172 | 80,266 | | 1,184,740 | 2,985,178 |
| Reserved for inventories | 25,128 | 509,865 | | | 534,993 |
| Reserved for imprest cash | 17,215 | 3,500 | | 345 | 21,060 |
| Unreserved | | | | | |
| Designated for contingencies | 3,635,869 | | 3,033,078 | 3,620,131 | 10,289,078 |
| Undesignated | 25,147,425 | 3,990,203 | 2,253,019 | 25,315,279 | 56,705,926 |
| TOTAL FUND BALANCES | 30,786,849 | 4,583,834 | 5,286,097 | 32,525,944 | 73,182,724 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 41,449,414 | \$ 7,073,866 | \$ 7,777,373 | \$ 110,724,577 | \$ 167,025,230 |

See accompanying notes to the financial statements.

COUNTY OF EL DORADO
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS-GOVERNMENTAL ACTIVITIES
JUNE 30, 2003

| | | |
|--|--------------|----------------|
| FUND BALANCES-TOTAL GOVERNMENTAL FUNDS | | \$ 73,182,724 |
| Amounts reported for governmental activities in the statement of net assets are different because: | | |
| Long-term receivables are not financial resources, and therefore, are not reported in the governmental funds. | | 1,800,000 |
| Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the governmental funds. | | 221,982,391 |
| Other long-term assets are not available to pay for current period expenditures, and therefore, are deferred in the governmental funds. | | 6,652,628 |
| Internal service funds are used by management to charge the cost of management of fleet maintenance and self-insurance risk management to individual funds. The assets and liabilities are included in governmental activities in the statement of net assets. | | 8,307,790 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported in the governmental funds | | |
| Bonds payable | 17,710,588 | |
| Notes payable | 2,003,444 | |
| Capital leases | 990,499 | |
| Compensated absences | 10,532,509 | |
| Liability for landfill closure and post-closure | 5,171,400 | |
| Other long-term liabilities | 301,571 | |
| | (36,710,011) | |
| NET ASSETS OF GOVERNMENTAL ACTIVITIES | | \$ 275,215,522 |

See accompanying notes to the financial statements.

COUNTY OF EL DORADO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>General Fund</u> | <u>Road Fund</u> | <u>Debt Service</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|----------------------|---------------------|---------------------|---|---|
| REVENUES | | | | | |
| Taxes | \$ 47,917,642 | \$ 711,167 | \$ - | \$ 9,075,801 | \$ 57,704,610 |
| Licenses, permits and franchises | 7,565,420 | 963,033 | | 559,536 | 9,087,989 |
| Intergovernmental revenues | 84,950,482 | 10,737,006 | | 6,325,646 | 102,013,134 |
| Use of money and property | 644,847 | 65,626 | 154,633 | 351,357 | 1,216,463 |
| Charges for services | 19,235,528 | 10,440,542 | 1,081,682 | 7,361,767 | 38,119,519 |
| Fines, forfeits and penalties | 1,187,885 | | 5,677 | 466,697 | 1,660,259 |
| Other revenues | 4,880,279 | 606,542 | | 3,880,144 | 9,366,965 |
| TOTAL REVENUES | <u>166,382,083</u> | <u>23,523,916</u> | <u>1,241,992</u> | <u>28,020,948</u> | <u>219,168,939</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | 25,966,526 | | 77,822 | 625,626 | 26,669,974 |
| Public protection | 66,541,791 | | | 5,397,926 | 71,939,717 |
| Public ways and facilities | | 23,487,760 | | 3,647,929 | 27,135,689 |
| Health and sanitation | 27,318,796 | | | 12,840,898 | 40,159,694 |
| Public assistance | 35,116,381 | | | 2,662,743 | 37,779,124 |
| Education | 2,404,557 | | | | 2,404,557 |
| Recreation and cultural services | 1,037,306 | | | | 1,037,306 |
| Debt Service | | | | | |
| Principal | 116,455 | 1,746,128 | 2,400,000 | 213,522 | 4,476,105 |
| Interest | 93,130 | 13,497 | 984,673 | 22,139 | 1,113,439 |
| Capital Outlay | 1,475,880 | 1,518,285 | | 4,816,179 | 7,810,344 |
| TOTAL EXPENDITURES | <u>160,070,822</u> | <u>26,765,670</u> | <u>3,462,495</u> | <u>30,226,962</u> | <u>220,525,949</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | | | | | |
| | <u>6,311,261</u> | <u>(3,241,754)</u> | <u>(2,220,503)</u> | <u>(2,206,014)</u> | <u>(1,357,011)</u> |
| TRANSFERS | | | | | |
| Transfers in | 1,457,979 | 1,994,908 | 2,057,862 | 401,627 | 5,912,376 |
| Transfers out | (4,242,898) | | | (1,831,290) | (6,074,188) |
| TOTAL TRANSFERS | <u>(2,784,919)</u> | <u>1,994,908</u> | <u>2,057,862</u> | <u>(1,429,663)</u> | <u>(161,812)</u> |
| NET CHANGE IN FUND BALANCES | 3,526,342 | (1,246,846) | (162,641) | (3,635,677) | (1,518,823) |
| FUND BALANCES, JULY 1, 2002 | <u>27,260,507</u> | <u>5,830,680</u> | <u>5,448,738</u> | <u>36,161,622</u> | <u>74,701,547</u> |
| FUND BALANCES, JUNE 30, 2003 | <u>\$ 30,786,849</u> | <u>\$ 4,583,834</u> | <u>\$ 5,286,097</u> | <u>\$ 32,525,945</u> | <u>\$ 73,182,724</u> |

See accompanying notes to the financial statements.

COUNTY OF EL DORADO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES-GOVERNMENTAL ACTIVITIES
JUNE 30, 2003

| | | |
|--|---------------------|-------------------|
| NET CHANGE IN FUND BALANCES-TOTAL GOVERNMENTAL FUNDS | \$ | (1,518,823) |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| <p>Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p> | | |
| Expenditures for general capital assets, infrastructure, and other related capital assets adjustment | 26,616,980 | |
| Less current year depreciation | <u>(13,675,604)</u> | 12,941,376 |
| <p>Because long-term receivables will not be collected within the year, they are not considered available resources and are deferred in the governmental funds. Deferred tax revenues decreased by this amount this year.</p> | | |
| | | (608,735) |
| <p>Proceeds from new debt issuance is a financial resource in governmental funds, but increased the long-term liabilities in the statement of net assets.</p> | | |
| | | (732,543) |
| <p>Repayment of debt principle is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p> | | |
| | | 2,400,000 |
| <p>Capital leases</p> | | |
| | | 378,948 |
| <p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p> | | |
| Change in compensated absences | | (148,588) |
| <p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net expense of certain activities of the internal service fund is reported with governmental activities.</p> | | |
| | | <u>1,244,895</u> |
| CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES | \$ | <u>13,956,530</u> |

See accompanying notes to the financial statements.

COUNTY OF EL DORADO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2003

| | Business-Type Activities-Enterprise Funds | | | Governmental |
|---|---|---------------------|---------------------|---------------------|
| | South Lake | County | Total | Activities |
| | Tahoe Transit | | | Airports |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and investments | \$ 20,422 | \$ 170,588 | \$ 191,010 | \$ 16,942,247 |
| Cash with fiscal agent | | | | 77,673 |
| Accounts receivable | | 12,223 | 12,223 | 36,837 |
| Due from other funds | | | | 549,201 |
| Inventories | | 36,035 | 36,035 | 48,589 |
| Prepaid expenses | | | | 191,031 |
| TOTAL CURRENT ASSETS | <u>20,422</u> | <u>218,846</u> | <u>239,268</u> | <u>17,845,578</u> |
| Capital assets: | | | | |
| Land | | 213,711 | 213,711 | 40,000 |
| Construction in progress | | 38,480 | 38,480 | |
| Structures and improvements | | 4,200,946 | 4,200,946 | 659,905 |
| Equipment | 63,308 | 36,074 | 99,382 | 9,799,636 |
| Accumulated depreciation | (63,308) | (2,699,882) | (2,763,190) | (3,980,194) |
| TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION) | | <u>1,789,329</u> | <u>1,789,329</u> | <u>6,519,347</u> |
| Other assets | | | | 83,100 |
| TOTAL ASSETS | <u>20,422</u> | <u>2,008,175</u> | <u>2,028,597</u> | <u>24,448,025</u> |
| LIABILITIES & NET ASSETS | | | | |
| Current liabilities: | | | | |
| Accounts payable | 19,848 | 48,331 | 68,179 | 486,979 |
| Salaries and benefits payable | | 6,589 | 6,589 | 32,149 |
| Compensate | | 1,429 | 1,429 | |
| Due to other funds | | 63,731 | 63,731 | |
| Notes payable-current portion | | 28,430 | 28,430 | |
| TOTAL CURRENT LIABILITIES | <u>19,848</u> | <u>148,510</u> | <u>168,358</u> | <u>519,128</u> |
| Noncurrent liabilities: | | | | |
| Compensated absences-due beyond one year | | 20,550 | 20,550 | 119,107 |
| Notes payable-noncurrent | | 83,041 | 83,041 | |
| Liability for self-insurance | | | | 15,502,000 |
| TOTAL NONCURRENT LIABILITIES | | <u>103,591</u> | <u>103,591</u> | <u>15,621,107</u> |
| TOTAL LIABILITIES | <u>19,848</u> | <u>252,101</u> | <u>271,949</u> | <u>16,140,235</u> |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | | 1,677,858 | 1,677,858 | 6,519,347 |
| Reserved | | 231 | 231 | 3,087,430 |
| Unreserved | 574 | 77,985 | 78,559 | (1,298,987) |
| TOTAL NET ASSETS | <u>\$ 574</u> | <u>\$ 1,756,074</u> | <u>\$ 1,756,648</u> | <u>\$ 8,307,790</u> |

See accompanying notes to the financial statements.

COUNTY OF EL DORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2003

| | <u>Business-Type Activities-Enterprise Funds</u> | | | <u>Governmental</u> |
|--|--|---------------------|---------------------|---------------------|
| | <u>South Lake</u> | <u>County</u> | <u>Total</u> | <u>Internal</u> |
| | <u>Tahoe</u> <u>Transit</u> | | | <u>Airports</u> |
| OPERATING REVENUES | | | | |
| Fares | \$ 60,204 | \$ - | \$ 60,204 | \$ - |
| Service fees | | 185,915 | 185,915 | 24,310,840 |
| Fuel sales | | 294,426 | 294,426 | 56,372 |
| TOTAL OPERATING REVENUES | <u>60,204</u> | <u>480,341</u> | <u>540,545</u> | <u>24,367,212</u> |
| OPERATING EXPENSES | | | | |
| Salaries and benefits | | 156,672 | 156,672 | 735,910 |
| Services and supplies | 327,861 | 314,082 | 641,943 | 22,606,902 |
| Depreciation | 8,010 | 188,089 | 196,099 | 1,097,549 |
| Other | | 30,732 | 30,732 | |
| TOTAL OPERATING EXPENSES | <u>335,871</u> | <u>689,575</u> | <u>1,025,446</u> | <u>24,440,361</u> |
| NET LOSS FROM OPERATIONS | <u>(275,667)</u> | <u>(209,234)</u> | <u>(484,901)</u> | <u>(73,149)</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | | |
| Contributed capital | | | | 72,019 |
| Other governmental agencies | 250,014 | | 250,014 | |
| Transfers from other funds | | 161,812 | 161,812 | |
| Interest income | 234 | 2,185 | 2,419 | 228,085 |
| Interest expense | (119) | (12,603) | (12,722) | |
| Compensated absences change | | (2,902) | (2,902) | |
| Increase in insurance reserves | | | | (571,000) |
| Other | | 2,728 | 2,728 | 1,588,940 |
| NET NONOPERATING REVENUES (EXPENSE) | <u>250,129</u> | <u>151,220</u> | <u>401,349</u> | <u>1,318,044</u> |
| CHANGE IN NET ASSETS | <u>(25,538)</u> | <u>(58,014)</u> | <u>(83,552)</u> | <u>1,244,895</u> |
| NET ASSETS, JULY 1, 2002 | <u>26,112</u> | <u>1,814,088</u> | <u>1,840,200</u> | <u>7,062,895</u> |
| NET ASSETS, JUNE 30, 2003 | <u>\$ 574</u> | <u>\$ 1,756,074</u> | <u>\$ 1,756,648</u> | <u>\$ 8,307,790</u> |

See accompanying notes to the financial statements.

COUNTY OF EL DORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2003

| | <u>Business Type Activities-Enterprise Fund</u> | | | <u>Governmental</u> |
|---|---|-------------------|-------------------|----------------------|
| | <u>South Lake</u> | | | <u>Internal</u> |
| | <u>Tahoe</u> | <u>County</u> | | <u>Service</u> |
| | <u>Transit</u> | <u>Airports</u> | <u>Total</u> | <u>Funds</u> |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Cash receipts from customers | \$ 60,204 | \$ 479,227 | \$ 539,431 | \$ - |
| Cash receipts from interfund services provided | | | | 24,207,724 |
| Cash paid to supplies for goods and services | (323,012) | (281,861) | (604,873) | (22,701,882) |
| Cash paid to employees for services | | (156,390) | (156,390) | (736,032) |
| NET CASH PROVIDED (USED) | | | | |
| BY OPERATING ACTIVITIES | <u>(262,808)</u> | <u>40,976</u> | <u>(221,832)</u> | <u>769,810</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest income | 234 | 2,185 | 2,419 | 228,085 |
| Purchases of fixed assets | | (57,988) | (57,988) | (1,473,721) |
| Other income & expenses | | (28,003) | (28,003) | 1,588,941 |
| NET CASH PROVIDED (USED) | | | | |
| BY INVESTING ACTIVITIES | <u>234</u> | <u>(83,806)</u> | <u>(83,572)</u> | <u>343,305</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Payments on long-term debt | | (27,039) | (27,039) | |
| Other governmental agencies | 250,014 | | 250,014 | 6,300 |
| Interest expense | (119) | (12,603) | (12,722) | 199,281 |
| Capital contribution | | | | |
| Transfers from other funds | | 160,448 | 160,448 | 122,408 |
| Transfers to other funds | | | | (7,000) |
| NET CASH PROVIDED | | | | |
| BY FINANCING ACTIVITIES | <u>249,895</u> | <u>120,806</u> | <u>370,701</u> | <u>320,989</u> |
| NET INCREASE (DECREASE) | | | | |
| IN CASH AND CASH EQUIVALENTS | <u>(12,679)</u> | <u>77,976</u> | <u>65,297</u> | <u>1,434,104</u> |
| CASH AND CASH EQUIVALENTS, JULY 1, 2002 | <u>33,101</u> | <u>92,612</u> | <u>125,713</u> | <u>15,508,143</u> |
| CASH AND CASH EQUIVALENTS, JUNE 30, 2003 | <u>\$ 20,422</u> | <u>\$ 170,588</u> | <u>\$ 191,010</u> | <u>\$ 16,942,247</u> |

See accompanying notes to the financial statements.

COUNTY OF EL DORADO
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2003

| | <u>Fleet Management</u> | <u>Risk Management Authority</u> | <u>Totals</u> |
|---|-----------------------------|--|---------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and investments | \$ 3,294,025 | \$ 13,648,222 | \$ 16,942,247 |
| Cash with fiscal agent | | 77,673 | 77,673 |
| Accounts receivable | 36,837 | | 36,837 |
| Due from other funds | | 549,201 | 549,201 |
| Inventories | 48,589 | | 48,589 |
| Prepaid expenses | | 191,031 | 191,031 |
| TOTAL CURRENT ASSETS | <u>3,379,451</u> | <u>14,466,127</u> | <u>17,845,578</u> |
| Capital assets: | | | |
| Land | 40,000 | | 40,000 |
| Structures and improvements | 659,905 | | 659,905 |
| Equipment | 9,774,854 | 24,782 | 9,799,636 |
| Accumulated depreciation | <u>(3,961,173)</u> | <u>(19,021)</u> | <u>(3,980,194)</u> |
| TOTAL CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION) | <u>6,513,586</u> | <u>5,761</u> | <u>6,519,347</u> |
| Other assets | | 83,100 | 83,100 |
| TOTAL ASSETS | <u>9,893,037</u> | <u>14,554,988</u> | <u>24,448,025</u> |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payable | 134,012 | 352,968 | 486,979 |
| Salaries and benefits payable | 11,200 | 20,949 | 32,149 |
| TOTAL CURRENT LIABILITIES | <u>145,212</u> | <u>373,916</u> | <u>519,128</u> |
| Noncurrent liabilities | | | |
| Compensated absences-due beyond one year | 18,980 | 100,127 | 119,107 |
| Liability for self-insurance | | 15,502,000 | 15,502,000 |
| | <u>18,980</u> | <u>15,602,127</u> | <u>15,621,107</u> |
| TOTAL LIABILITIES | <u>164,192</u> | <u>15,976,043</u> | <u>16,140,235</u> |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 6,513,586 | 5,761 | 6,519,347 |
| Reserved | 3,068,207 | 19,223 | 3,087,430 |
| Unreserved | 147,052 | (1,446,039) | (1,298,987) |
| TOTAL NET ASSETS (DEFICIT) | <u>\$ 9,728,845</u> | <u>\$ (1,421,055)</u> | <u>\$ 8,307,790</u> |

See accompanying notes to the financial statements.

COUNTY OF EL DORADO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2003

| | Fleet Management | Risk Management Authority | Totals |
|---|---------------------|---------------------------------|---------------------|
| OPERATING REVENUES | | | |
| Service fees | \$ 1,900,989 | \$ 22,409,851 | \$ 24,310,840 |
| Profit on sale of fuel | 56,372 | | 56,372 |
| TOTAL OPERATING REVENUES | 1,957,361 | 22,409,851 | 24,367,212 |
| OPERATING EXPENSES | | | |
| Salaries and benefits | 270,214 | 465,696 | 735,910 |
| Services and supplies | 596,224 | 22,010,678 | 22,606,902 |
| Depreciation | 1,095,962 | 1,587 | 1,097,549 |
| TOTAL OPERATING EXPENSES | 1,962,400 | 22,477,961 | 24,440,361 |
| NET INCOME (LOSS) | | | |
| FROM OPERATIONS | (5,039) | (68,110) | (73,149) |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Contributed capital | 72,019 | | 72,019 |
| Interest income | 49,163 | 178,922 | 228,085 |
| Increase in insurance reserves | | (571,000) | (571,000) |
| Other | 111,505 | 1,477,435 | 1,588,940 |
| NET NONOPERATING REVENUES | 232,687 | 1,085,357 | 1,318,044 |
| CHANGE IN NET ASSETS | 227,648 | 1,017,247 | 1,244,895 |
| NET ASSETS, JULY 1, 2002 | 9,501,197 | (2,438,302) | 7,062,895 |
| NET ASSETS, JUNE 30, 2003 | \$ 9,728,845 | \$ (1,421,055) | \$ 8,307,790 |

See accompanying notes to the financial statements.

COUNTY OF EL DORADO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2003

| | <u>Fleet</u> | <u>Risk</u> | |
|---|---------------------|----------------------|----------------------|
| | <u>Management</u> | <u>Management</u> | <u>Totals</u> |
| | <u>Management</u> | <u>Authority</u> | <u>Totals</u> |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash receipts from interfund services provided | \$ 1,920,535 | \$ 22,287,189 | \$ 24,207,724 |
| Cash paid to supplies for goods and services | (760,123) | (21,941,759) | (22,701,882) |
| Cash paid to employee for services | (275,327) | (460,705) | (736,032) |
| NET CASH PROVIDED (USED) | | | |
| BY OPERATING ACTIVITIES | <u>885,085</u> | <u>(115,275)</u> | <u>769,810</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest income | 49,163 | 178,922 | 228,085 |
| Purchases of fixed assets | (1,470,474) | (3,247) | (1,473,721) |
| Other | 111,505 | 1,477,436 | 1,588,941 |
| NET CASH PROVIDED (USED) | | | |
| BY INVESTING ACTIVITIES | <u>(1,309,806)</u> | <u>1,653,111</u> | <u>343,305</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Other governmental agencies | | 6,300 | 6,300 |
| Transfers from other funds | 120,908 | 1,500 | 122,408 |
| Transfers to other funds | | (7,000) | (7,000) |
| Capital contributions | 199,281 | | 199,281 |
| NET CASH PROVIDED | | | |
| BY FINANCING ACTIVITIES | <u>320,189</u> | <u>800</u> | <u>320,989</u> |
| NET INCREASE (DECREASE) | | | |
| IN CASH AND CASH EQUIVALENTS | (104,532) | 1,538,636 | 1,434,104 |
| CASH AND CASH EQUIVALENTS, JULY 1, 2002 | <u>3,398,557</u> | <u>12,109,586</u> | <u>15,508,143</u> |
| CASH AND CASH EQUIVALENTS, JUNE 30, 2003 | <u>\$ 3,294,025</u> | <u>\$ 13,648,222</u> | <u>\$ 16,942,247</u> |

See accompanying notes to the financial statements.

COUNTY OF EL DORADO
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2003

| | <u>Agency Funds</u> |
|-------------------------------|-------------------------|
| ASSETS | |
| Cash and investments | \$ 115,290,670 |
| TOTAL ASSETS | <u>\$ 115,290,670</u> |
| LIABILITIES | |
| Accounts payable | \$ 5,101,468 |
| Salaries and benefits payable | 917,840 |
| Fiduciary liabilities | <u>109,271,362</u> |
| TOTAL LIABILITIES | <u>\$ 115,290,670</u> |

See accompanying notes to the financial statements.

FINANCIAL STATEMENTS
Notes to the Financial Statements

COUNTY OF EL DORADO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

Note 1: The Financial Reporting Entity

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's powers are exercised through a Board of Supervisors (the "Board"), which acts as the governing body of the County. The Board is responsible for the legislative and executive control of the County. The County provides various services on a countywide basis including law and justice, education, detention, social, health, hospital, road construction, road maintenance, transportation, park and recreation facilities, elections and records, communications, planning, zoning and tax collection.

The governmental reporting entity consists of the County (Primary Government) and its component units. Component units are legally separate organizations for which the Board is financially accountable or other organizations whose nature and significant relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the County's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the County.

The financial statements include both blended and discretely presented component units. The blended component units, although legally separate entities are, in substance, part of the County's operations and so data from these units are combined with data of the primary government. The discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government. Financial information on these component units may be obtained from the County Auditor/Controller's Office.

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.

Blended Component Units:

- The County Service Areas are separate legal entities created to provide services such as water, sewer, lighting and road maintenance throughout the County.
- The 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.

COUNTY OF EL DORADO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

- 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.

Discretely Presented Component Units:

- 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.
- The Children and Families Commission of El Dorado County (the Commission) was established in December 1998, under the authority of the California Children and Families First Act of 1998 and sections 130100, et seq. of the Health and Safety Code. The County Board appointed all members of the Commission. The Board can remove appointed members at will. The Commission accounts for receipts and disbursements of California Children and First Families Trust Fund (Proposition 10) allocations and appropriations for the Commission. The Commission is a discretely presented component unit as the Commission's governing body is not substantially the same as that of the County.

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.

COUNTY OF EL DORADO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

- 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.

Note 2: Summary of Significant Accounting Policies

Basis of Presentation

Government-wide Financial Statements

The statement of net assets and statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except fiduciary activities. These statements distinguish between the *governmental* and *business-type activities* of the County and between the County and its discretely presented component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

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

When both restricted and unrestricted net assets are available, restricted resources are used only after the unrestricted resources are depleted.

COUNTY OF EL DORADO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

Fund Financial Statements

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

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The County reports the following major Governmental funds:

- The General Fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as general government, public protection, health and sanitation, public assistance, education and recreation and cultural services.
- The County Road Fund is a special revenue fund used to account for funds allocated for the planning, design, construction, maintenance and administration of County transportation activities (Public ways and facilities).
- The 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.

The County reports the following non-major governmental funds:

- Non-Major Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than sources for major capital projects) that are legally restricted to expenditures for specified purposes.
- Permanent Funds - Permanent funds are used to account for financial resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting governments programs.
- 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).

COUNTY OF EL DORADO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

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

- Enterprise Funds-The South Lake Tahoe Transit Authority and the County Airports 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-Fleet Management and Risk Management Authority are internal service funds 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.
- Agency Funds-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.

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. The government-wide and proprietary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County does not give (or receive) equal value in exchange, includes property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements and donations are recognized in the fiscal year for which all eligible requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be both measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

COUNTY OF EL DORADO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

For its business-type activities and enterprise funds, the County has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements, as well as, any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board or any Accounting Research Bulletins issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

Cash and Investments

The County maintains and controls two major cash and investment pools. Each fund 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.

Receivables

General Fund expenditures relating to long-term mortgage receivables arising from mortgage subsidiary programs are charged to operations upon funding. Mortgage receivables are recorded with an offset to deferred revenues.

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.

Capital Assets and Depreciation

Capital assets (including infrastructure) are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Contributed fixed assets are valued at their estimated fair market value on the date contributed. Capital assets include public domain (infrastructure) general fixed assets consisting of certain improvements including roads, bridges, water/sewer, lighting system, drainage systems, and flood control. The County defines infrastructure and building and improvements as purchases or improvements with an aggregate cost of more than \$10,000. Capital equipment consists of purchased equipment with an initial, individual cost of more than \$1,500 and an estimated useful life in excess of one year.

COUNTY OF EL DORADO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

Capital Assets and Depreciation (Continued)

The estimated useful lives are as follows:

| | |
|---|----------------|
| Infrastructure (except for the maintained pavement subsystem) | 20 to 50 years |
| Structures and improvements | 50 years |
| Equipment | 3 to 15 years |

Fixed Assets and Depreciation

Governmental Funds-Fixed assets that the County acquires through the use of resources from a governmental fund are recorded as an outflow/expenditure for the period. Further, since the governmental fund balance sheet presents only those assets that represent financial resources available for current appropriation and expenditure, fixed assets are not reported in a specific governmental fund but, rather, are reported in the governmental-wide statement of net assets.

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 Tax Levy, Collection and Maximum Rates

The State of California's (State) Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed one percent (1%) of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100% of market value, as defined by Article XIII A, and may be adjusted by no more than two percent (2%) per year unless the property is sold or transferred. The State Legislature has determined the method of distribution of receipts from a one percent (1%) tax levy among the County, cities, school districts, and other districts. The total 2002/2003 net assessed valuation of the County was \$15,330,849,040.

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 | January 1 |
| Second installment | February 1 | |
| Delinquent dates: | | |
| First installment | December 10 | August 31 |
| Second installment | April 10 | |

COUNTY OF EL DORADO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

Compensated Absences (Accrued vacation, sick leave and compensatory time)

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-Estimated accrued vacation, sick leave and compensatory time off liability are recorded as an expenditure and related salaries and benefits liability in the general government entity-wide liability account at the end of each year. 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

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

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

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.

COUNTY OF EL DORADO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

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 3: Cash and Investments

Deposits

It is the County's policy to follow the State statute regarding deposits. This statute requires financial institutions to 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 cash and investments as of June 30, 2003 consisted of the following:

| | |
|--------------------------------------|-----------------------|
| Cash | |
| Imprest cash on hand | \$ 21,660 |
| Deposit overdrafts | <u>(4,424,440)</u> |
| Total cash overdrafts | <u>(4,402,780)</u> |
| Investments | |
| Local Agency Investment Fund | 40,000,000 |
| U.S. Government securities and bonds | 165,462,534 |
| Certificates of deposits | <u>70,500,000</u> |
| Total investments | <u>275,962,534</u> |
| Total cash and investments | <u>\$ 271,559,754</u> |

Total County cash and investments are reported as follows:

| | |
|---|-----------------------|
| Primary government | \$ 153,506,059 |
| Component Unit-Children and Families Commission | 2,763,025 |
| Fiduciary funds | <u>115,290,670</u> |
| | <u>\$ 271,559,754</u> |

As of June 30, 2003, the carrying amount of the County's deposits held by the County Treasurer was \$81,406,068 and the bank balance was \$66,075,555. 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 as required by Section 53652 of the California Government Code. The collateral is held by State Treasurer of California's Local Agency Pool.

COUNTY OF EL DORADO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

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.

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 1</u> | <u>Fair Value</u> |
|--------------------------------------|------------------------------|-----------------------|
| Categorized Investments | | |
| U.S. government securities and bonds | \$ 165,462,534 | \$ 165,462,534 |
| Certificate of deposits | <u>70,500,000</u> | <u>70,500,000</u> |
| Total Categorized Investments | <u>\$ 235,962,534</u> | 235,962,534 |
| Uncategorized Investments | | |
| Local Agency Investment Fund | | <u>40,000,000</u> |
| Total Investments | | <u>\$ 275,962,534</u> |

COUNTY OF EL DORADO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

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 \$55,422,506,109 managed by the State Treasurer. Of that amount, 97.673% is invested in non-derivative financial products and 2.327% 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 | \$ 40,000,000 |
| Cash with fiscal agent: | |
| Rescue School District | 6,000,000 |
| Lake Tahoe Unified School District | 501,000 |
| Tahoe Paradise Resort Improvement District | 129,000 |
| Buckeye Union School District | 4,000,000 |
| Gold Trail School District | <u>1,700,000</u> |
| TOTAL LAIF INVESTMENT | <u>\$ 52,330,000</u> |

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

| | |
|--|----------------------------|
| Bond: Cost of Insurance Promintory Point | \$ 109,489 |
| Bond: Acquisition El Dorado Hills | 2,004,006 |
| Bond: Reserve El Dorado Hills | 3,369,017 |
| Bond: Redemption El Dorado Hills | 2,247,493 |
| Bond: Optional Redemptions | 190 |
| Bond: Special Tax Fund | <u>306</u> |
| TOTAL OF BONDS IN TRUST AGENCY FUND | <u>\$ 7,730,501</u> |

COUNTY OF EL DORADO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

Note 4: Capital Assets

Capital Asset activity for the year ended June 30, 2003 was as follows:

| | Balance July 1, 2002 | Additions | Retirements | Transfers and Adjustments | Balance June 30, 2003 |
|---|-------------------------|----------------------|---------------------|------------------------------|--------------------------|
| Governmental Activities | | | | | |
| Capital Assets, not being depreciated | | | | | |
| Land and improvements | \$ 27,321,636 | \$ 579,447 | \$ - | \$ - | \$ 27,901,083 |
| Construction in progress | 1,978,216 | 4,954,269 | | (2,403,386) | 4,529,099 |
| Total Capital Assets not being depreciated | 29,299,852 | 5,533,716 | - | (2,403,386) | 32,430,182 |
| Capital Assets, being depreciated | | | | | |
| Infrastructure | 239,527,796 | 19,787,704 | | | 259,315,500 |
| Structures and improvements | 73,717,385 | 744,590 | | | 74,461,975 |
| Equipment | 34,316,443 | 4,884,498 | (3,489,568) | | 35,711,373 |
| Total Capital Assets being depreciated | 347,561,624 | 25,416,792 | (3,489,568) | - | 369,488,848 |
| Less Accumulated Depreciation for | | | | | |
| Infrastructure | (121,462,570) | (9,981,785) | | | (131,444,355) |
| Structures and improvements | (20,212,928) | (1,533,092) | | | (21,746,020) |
| Equipment | (19,880,878) | (3,258,277) | 2,912,238 | | (20,226,917) |
| Total Accumulated Depreciation | (161,556,376) | (14,773,154) | 2,912,238 | - | (173,417,292) |
| Total Capital Assets being depreciated, net | 186,005,248 | 10,643,638 | (577,330) | - | 196,071,556 |
| Governmental Activities Capital Assets, net | \$ 215,305,100 | \$ 16,177,354 | \$ (577,330) | \$ (2,403,386) | \$ 228,501,738 |
| Business Type Activities | | | | | |
| Capital Assets, not being depreciated | | | | | |
| Land | \$ 213,711 | \$ - | \$ - | \$ - | \$ 213,711 |
| Construction in Progress | | 45,280 | | (6,800) | 38,480 |
| Total Capital Assets not being depreciated | 213,711 | 45,280 | - | (6,800) | 252,191 |
| Capital Assets, being depreciated | | | | | |
| Structures and Improvements | 4,194,146 | 6,800 | | | 4,200,946 |
| Equipment | 86,674 | 12,708 | | | 99,382 |
| Total Capital Assets being depreciated | 4,280,820 | 19,508 | - | - | 4,300,328 |
| Less Accumulated Depreciation for | | | | | |
| Structures and Improvements | (2,489,327) | (187,737) | | | (2,677,064) |
| Equipment | (77,763) | (8,363) | | | (86,126) |
| Total Accumulated Depreciation | (2,567,090) | (196,100) | - | - | (2,763,190) |
| Total Capital Assets being depreciated, net | 1,713,730 | (176,592) | - | - | 1,537,138 |
| Business Type Activities Capital Assets, net | \$ 1,927,441 | \$ (131,312) | \$ - | \$ (6,800) | \$ 1,789,329 |

COUNTY OF EL DORADO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

Depreciation

Depreciation expense was charged to governmental activities as follows:

| | |
|--|---------------------|
| General government | \$ 860,361 |
| Public protection | 1,494,952 |
| Public ways and facilities | 10,567,013 |
| Health and sanitation | 442,877 |
| Public assistance | 138,236 |
| Education | 148,753 |
| Recreation and cultural services | 23,412 |
| Internal Service Funds-depreciation on capital assets held by the County's internal service funds are charged to the various functions based on their usage of service | <u>1,097,550</u> |
| Total depreciation expense governmental activities | <u>\$14,773,154</u> |

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

| | |
|---|-------------------|
| Airports | \$ 188,090 |
| South Lake Tahoe Transit Program | <u>8,010</u> |
| Total depreciation expense business-type activities | <u>\$ 196,100</u> |

COUNTY OF EL DORADO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

Note 5: Long-Term Debt

Long-term liabilities at June 30, 2003 consisted of the following:

Bonds Payable

Balances at
June 30, 2003

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.

\$ 14,410,000

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 6.9% to 8% and maturities extend to 2006.

3,280,000

TOTAL BONDS PAYABLE

\$17,690,000

Future minimum debt service payments for bonds payable at June 30, 2003 are as follows:

| <u>Year Ending June 30</u> | <u>Scheduled Payment</u> | <u>Principle</u> | <u>Interest</u> |
|---------------------------------------|--------------------------|----------------------|---------------------|
| 2004 | \$ 3,345,200 | \$ 2,460,000 | \$ 885,200 |
| 2005 | 3,514,672 | 2,770,000 | 744,672 |
| 2006 | 3,419,860 | 2,840,000 | 579,860 |
| 2007 | 2,149,790 | 1,740,000 | 409,790 |
| 2008 | 2,139,010 | 1,810,000 | 329,010 |
| 2009/2010 | <u>6,412,240</u> | <u>6,070,000</u> | <u>342,240</u> |
| Total debt service payments for bonds | <u>\$ 20,980,772</u> | <u>\$ 17,690,000</u> | <u>\$ 3,290,772</u> |

COUNTY OF EL DORADO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

Notes Payable

Notes payable recorded in the General Fund at June 30, 2003 are comprised of the following California Energy Commission loan to provide funding for energy retrofit to County buildings.

The annual requirements to amortize the notes payable as of June 30, 2003 are as follows:

| <u>Year Ending June 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Totals</u> |
|----------------------------|-------------------|------------------|-------------------|
| 2004 | \$ 20,588 | \$ 26,994 | \$ 47,582 |
| 2005 | 36,102 | 11,480 | 47,582 |
| 2006 | 38,263 | 9,319 | 47,582 |
| 2007 | 40,554 | 7,028 | 47,582 |
| 2008 | 42,971 | 4,611 | 47,582 |
| 2009 | <u>45,554</u> | <u>2,028</u> | <u>47,582</u> |
| | <u>\$ 224,032</u> | <u>\$ 61,460</u> | <u>\$ 285,492</u> |

California Housing Financing Agency HELP Loan Program. The annual requirements to amortize the note payable as of June 30, 2003 are as follows:

| <u>Year Ending June 30</u> | <u>Principle</u> | <u>Interest At 3%</u> | <u>Totals</u> |
|----------------------------|---------------------|-----------------------|---------------------|
| 2004 | \$ | \$ 54,000 | \$ 54,000 |
| 2005 | | 54,000 | 54,000 |
| 2006 | | 54,000 | 54,000 |
| 2007 | | 54,000 | 54,000 |
| 2008 | | 54,000 | 54,000 |
| 2009-2012 | | 270,000 | 270,000 |
| 2013 | <u>1,800,000</u> | | <u>1,800,000</u> |
| | <u>\$ 1,800,000</u> | <u>\$ 540,000</u> | <u>\$ 2,340,000</u> |

This note is offset by a note receivable that is secured by a Deed of Trust on the subject property and is subordinate to a first deed of trust not to exceed \$2,250,000.

COUNTY OF EL DORADO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

The annual payments to amortize the note receivable as of June 30, 2003 are as follows:

| <u>Year Ending June 30</u> | <u>Principle</u> | <u>Interest At 3.25%</u> | <u>Totals</u> |
|----------------------------|---------------------|-----------------------------|---------------------|
| 2004 | \$ | \$ 58,500 | \$ 58,500 |
| 2005 | | 58,500 | 58,500 |
| 2006 | | 58,500 | 58,500 |
| 2007 | | 58,500 | 58,500 |
| 2008 | | 58,500 | 58,500 |
| 2009-2012 | | 58,500 | 58,500 |
| 2013 | | 292,500 | 292,500 |
| | <u>1,800,000</u> | <u> </u> | <u>1,800,000</u> |
| | <u>\$ 1,800,000</u> | <u>\$ 585,000</u> | <u>\$ 2,385,000</u> |

Proprietary Long-Term Debt

Notes payable recorded in the Airport Enterprise Fund at June 30, 2003 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 | \$ 23,356 |
| Loan #ED-1-86-L-2, 6.9435% installment note, payable annually through 2012 | 14,193 |
| Loan #ED-5-86-L-1, 6.9435% installment note, payable annually through 2012 | 9,541 |
| Loan #ED-1-87-L-3, 6.9435% installment note, payable annually through 2012 | 9,300 |
| Loan #ED-5-88-L-2, 7.0408% installment note, payable annually through 2009 | 17,858 |
| Loan #ED-1-94-L-5, 5.8957% installment note, payable annually through 2005 | <u>37,223</u> |
| Total State Loans | 111,471 |
| Less principal due within one year | <u>28,430</u> |
| LONG-TERM PORTION | <u>\$ 83,041</u> |

The annual requirements to amortize the notes payable as of June 30, 2003 are as follows:

| <u>Year Ending June 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Totals</u> |
|----------------------------|------------------|-----------------|------------------|
| 2004 | \$ 28,430 | \$ 7,620 | \$ 36,050 |
| 2005 | 27,718 | 5,810 | 33,528 |
| 2006 | 9,463 | 4,042 | 13,505 |
| 2007 | 9,463 | 3,351 | 12,814 |
| 2008 | 9,463 | 2,659 | 12,122 |
| 2009-2012 | <u>26,934</u> | <u>4,350</u> | <u>31,284</u> |
| TOTAL | <u>\$111,471</u> | <u>\$27,832</u> | <u>\$139,303</u> |

COUNTY OF EL DORADO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

The following is a summary of long-term liability transactions for the year ended June 30, 2003:

| | Balance | | | Balance | Amounts |
|-----------------------------------|---------------------|--------------------|--------------------|----------------------|--------------------|
| | <u>July 1, 2002</u> | <u>Additions</u> | <u>Retirements</u> | <u>June 30, 2003</u> | <u>Due Within</u> |
| | | | | | <u>One Year</u> |
| Governmental Activities: | | | | | |
| Lease Revenue Bonds | \$15,885,000 | \$ | \$1,475,000 | \$14,410,000 | \$1,535,000 |
| Improvement Bonds | 4,205,000 | | 925,000 | 3,280,000 | 925,000 |
| Notes Payable: | | | | | |
| California Energy | | | | | |
| Commission | 224,032 | | | 224,032 | 20,588 |
| California Housing | | | | | |
| Financing Agency | | 1,800,000 | | 1,800,000 | |
| Capital Lease Obligation (Note 6) | <u>938,474</u> | <u>430,973</u> | <u>378,948</u> | <u>990,499</u> | <u>366,748</u> |
| | <u>\$21,252,506</u> | <u>\$2,230,973</u> | <u>\$2,778,948</u> | <u>\$20,704,531</u> | <u>\$2,847,336</u> |
| Business-type Activities: | | | | | |
| Notes payable | <u>\$ 139,899</u> | <u>\$</u> | <u>\$ 28,428</u> | <u>\$ 111,471</u> | <u>\$ 28,430</u> |

Special Assessment Debt

Special assessment district transactions are recorded in the Agency Fund as the County acts as an agent for the property owners in collecting assessments bonds and forwarding the collections to the bondholders. However, the County is not obligated in any manner for repayment of these special assessments.

Note 6: Leases

Operating Lease Obligations

The County leases various office space and buildings subject to various agreements. Annual rent expenditures were approximately \$2,148,349 for the year ended June 30, 2003. The County also leases various properties to business and other governmental agencies. Annual operating lease revenues from such rentals were approximately \$49,789 for the year ended June 30, 2003.

COUNTY OF EL DORADO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

Capital Lease Obligations

The County accounts for capital leases in the governmental fund types in accordance with the provisions of GASB 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 \$427,791 of which \$48,843 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:

| | |
|---------------------|---------------------|
| Computer main frame | \$ 483,536 |
| Road equipment | <u>1,770,675</u> |
| TOTAL | <u>\$ 2,254,211</u> |

These assets are included in the County's capital assets. Future minimum lease payments relating to these assets are as follows:

| <u>Year Ending June 30</u> | <u>Scheduled Payment</u> | <u>Principle</u> | <u>Interest</u> |
|----------------------------|--------------------------|-------------------|------------------|
| 2004 | \$ 408,690 | \$ 366,748 | \$ 41,942 |
| 2005 | 395,648 | 373,862 | 21,786 |
| 2006 | 67,629 | 59,508 | 8,121 |
| 2007 | 67,629 | 61,442 | 6,187 |
| 2008 | 67,629 | 63,439 | 4,190 |
| 2009 | <u>67,629</u> | <u>65,500</u> | <u>2,129</u> |
| TOTAL | <u>\$ 1,074,854</u> | <u>\$ 990,499</u> | <u>\$ 84,355</u> |

Note 7: Liability for Closure and Post-closure Costs

State and federal laws and regulations require the County to place a final cover on its Union Mine landfill site 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 post-closure costs to approximate \$172,380 per year. Estimated closure costs are reported in the operating fund and post-closure costs in the statement of net assets.

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, and revised February 20, 2000, estimated that the thirty-year cost of such a contingency would approximate \$5,171,400.

COUNTY OF EL DORADO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

Note 8: 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. Total amount of plan assets as of June 30, 2003 were \$36,928,071.

Note 9: Transfers

Funds are transferred from one fund to support expenditures of other funds in accordance with the authority established for the individual fund. Transfers between funds during the year ended June 30, 2003 are as follows:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|------------------------------|---------------------|-----------------------------|
| General Fund | \$ 1,457,979 | \$ 4,242,898 |
| Road Fund | 1,994,908 | |
| Non-Major Governmental Funds | 401,627 | 1,831,290 |
| Debt Service Fund | 2,057,862 | |
| Enterprise Funds | <u>161,812</u> | <u> </u> |
| | <u>\$ 6,074,188</u> | <u>\$ 6,074,188</u> |

Note 10: Interfund Transactions

As of June 30, 2003, 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 | \$ 785,834 | \$ 98,804 |
| Road Fund | 379,988 | |
| Risk Management Authority | 549,201 | |
| Non-Major Governmental Funds | 1,061,055 | 1,682,198 |
| County Airports | | 63,731 |
| Agency Funds | <u> </u> | <u>931,345</u> |
| | <u>\$ 2,776,078</u> | <u>\$ 2,776,078</u> |

Note: Amounts due from agency funds to governmental fund types have been reclassified as due from other governments at the entity-wide level.

COUNTY OF EL DORADO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

Note 11: 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, 2004 to June 30, 2005 has been determined by an actuarial valuation of the plan as of June 30, 2002. The contribution rate for the indicated period is 28.965% for safety and 10.071% for miscellaneous, of total payroll for the retirement program. 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, 2004 to June 30, 2005.

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

| | |
|----------------------------|---|
| Valuation Date | June 30, 2002 |
| Actuarial Cost Method | Entry Age Actuarial Cost Method |
| Amortization Method | Level Percent of Payroll |
| Average Remaining Period | Miscellaneous 22 Years, Safety 16 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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

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 level 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.

Other Post-Employment Benefits

In addition to pension benefits described in the preceding 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. For the current fiscal year the County provided credits to retirees in the total amount of \$279,395. There are currently 145 retiree participants. The present value of all future year benefits is estimated at \$35,000,000.

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 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.

COUNTY OF EL DORADO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

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 \$15,502,000 reported in the Risk Management Fund at June 30, 2003 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 ten 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> |
|-----------------------------------|----------------------------|--|--------------------|-------------------------|
| 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 |
| 2002 | 11,942,000 | 17,307,982 | 14,318,982 | 14,931,000 |
| 2003 | 14,931,000 | 17,230,816 | 16,659,816 | 15,502,000 |

Note 13: Commitments and Contingencies

Grants

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

Pending Litigation

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

COUNTY OF EL DORADO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

Note 14: Net Assets/Fund Balances

The government-wide and business-type activities fund financial statements utilize a net assets presentation. Net assets are categorized as invested capital assets (net of related debt), restricted and unrestricted.

- *Invested in Capital Assets, Net of Related Debt:* This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Assets:* This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions enabling legislation.
- *Unrestricted Net Assets:* This category represents net assets of the County, not restricted for any project or other project.

In the fund financial statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various reserves and designations are established by actions of the Board and management and can be increased, reduced or eliminated by similar actions.

As of June 30, 2003, reservations of fund balance are described below:

- *Debt Service:* To reflect the funds held by trustees or fiscal agents for future payment of bond principal and interest. These funds are not available for general operations.
- *Encumbrances:* To reflect the outstanding contractual obligations for which goods and services have not been received.
- *Inventories:* To reflect the portion of assets which do not represent available spendable resources.
- *Imprest cash:* To reflect the portion of cash that is not an available spendable resource.

COUNTY OF EL DORADO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

Portions of unreserved fund balance may be designated to indicate tentative plans for financial resource utilization in a future period, such as for general contingencies or capital projects. Such plans or intent are subject to change and have not been legally authorized or may not result in expenditures. Fund balance designations include:

- *Capital Projects:* To reflect management's intent to expand certain funds solely for planned capital projects.
- *Debt services:* To reflect the management's intent to expend certain funds solely for planned debt expenditures.
- *Contingencies:* To reflect management's intent to designate certain funds for contingencies that may arise.

Note 15: Condensed Segment Information on Component Units

The County has two Discretely Presented Component Units. Condensed Segment information as of end for the year ended June 30, 2003, is as follows:

| | <u>Component Units Net Assets</u> | | |
|--|---|------------------------------|----------------------------|
| | <u>June 30, 2003</u> | | |
| | <u>Children and Families Commission</u> | <u>El Dorado Transit</u> | <u>Total</u> |
| Assets: | | | |
| Current and other assets | \$ 3,044,567 | \$ 2,926,346 | \$ 5,970,913 |
| Capital assets | <u>14,118</u> | <u>3,802,624</u> | <u>3,816,742</u> |
| Total assets | <u>3,058,685</u> | <u>6,728,970</u> | <u>9,787,655</u> |
| Liabilities | | | |
| Current liabilities | 306,013 | 324,939 | 630,952 |
| Long-term liabilities | <u> </u> | <u>100,993</u> | <u>100,993</u> |
| Total liabilities | <u>306,013</u> | <u>425,932</u> | <u>731,945</u> |
| Net Assets: | | | |
| Invested in capital assets, net of related debt | 14,118 | 3,635,552 | 3,649,670 |
| Restricted net assets | 89,632 | 428,537 | 518,169 |
| Unrestricted | <u>2,648,922</u> | <u>2,238,949</u> | <u>4,887,871</u> |
| Total net assets | <u>\$ 2,752,672</u> | <u>\$ 6,303,038</u> | <u>\$ 9,055,710</u> |

COUNTY OF EL DORADO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

Component Units Statement of Activities
For the year Ended June 30, 2003

| | <u>Children and Families Commission</u> | <u>El Dorado Transit</u> | <u>Total</u> |
|---------------------------------------|---|------------------------------|---------------------|
| Revenues | | | |
| Program Revenues: | | | |
| Charges for services | \$ | \$ 814,213 | \$ 814,213 |
| Operating grants and contributions | 1,593,283 | 2,604,643 | 4,197,926 |
| Capital grants and contributions | | 14,086 | 14,086 |
| General Revenues: | | | |
| Use of money | 43,922 | 32,846 | 76,768 |
| Other revenues | | <u>57,943</u> | <u>57,943</u> |
| Total revenues | 1,637,205 | 3,523,731 | 5,160,936 |
| Expenses: | | | |
| Public assistance | <u>2,363,702</u> | <u>3,096,085</u> | <u>5,459,787</u> |
| Change in net assets | (726,497) | 427,646 | (298,851) |
| Net Assets-July 1, 2002 | <u>3,479,169</u> | <u>5,875,392</u> | <u>9,354,561</u> |
| Net Assets-June 30, 2003 | <u>\$ 2,752,672</u> | <u>\$ 6,303,038</u> | <u>\$ 9,055,710</u> |

Note 16: County Water Agency - Note Receivable

On February 6, 1996, the County, represented by the Water Agency, sold to the El Dorado Irrigation District property known as Texas Hill. The installment purchase agreement called for five annual payments of \$500,000 commencing September 1, 1996. An additional payment \$3,378,360 is due when the District obtains construction financing for and commences construction of the Texas Hill Reservoir. In the event that the property is sold or used for any purpose that is inconsistent with the development of the Texas Hill Reservoir, any funds received must be used to fund the development of increased water supplies or increased waste water capacity for the benefit of customer or potential customers of the District.

The County has recorded the full \$3,378,360 as a receivable. The District has included an unamortized discount of \$1,845,360, based on an imputed interest rate of 5%. The balance of \$1,533,000 is recorded as a payable to the County. There is no stipulation in the agreement between the two entities for this interpretation. The County is in the process of clarifying some issues regarding the Note Receivable.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF EL DORADO
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2003

SCHEDULE OF FUNDING PROGRESS

The table below shows a three year analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and unfunded actuarial accrued liability as a percentage of the annual covered payroll as of June 30 (dollar amounts in thousands).

| <u>Actuarial Valuation Date</u> | <u>AAL Actuarial Accrued Liability</u> | <u>Actuarial Value of Assets</u> | <u>UAAL (Overfunded) Accrued Liability</u> | <u>Funded Ratio</u> | <u>Covered Payroll</u> | <u>UAAL as % of Covered Payroll</u> |
|---|--|--|--|-------------------------|----------------------------|---|
| 6/30/00: | | | | | | |
| Miscellaneous | \$177,400 | \$221,404 | \$(44,004) | 124.8% | \$54,060 | (81.4%) |
| Safety | <u>79,481</u> | <u>89,770</u> | <u>(10,289)</u> | <u>121.1%</u> | <u>13,821</u> | <u>(74.4%)</u> |
| TOTAL | <u>\$256,881</u> | <u>\$311,174</u> | <u>\$(54,293)</u> | <u>121.1%</u> | <u>\$67,881</u> | <u>(80.0%)</u> |
| 6/30/01: | | | | | | |
| Miscellaneous | \$197,209 | \$230,184 | \$(32,975) | 116.7% | \$59,572 | (55.4%) |
| Safety | <u>86,923</u> | <u>92,373</u> | <u>(5,450)</u> | <u>106.3%</u> | <u>15,416</u> | <u>(33.3%)</u> |
| TOTAL | <u>\$284,132</u> | <u>\$322,557</u> | <u>\$(38,425)</u> | <u>113.5%</u> | <u>\$74,988</u> | <u>(51.2%)</u> |
| 6/30/02: | | | | | | |
| Miscellaneous | \$219,318 | \$217,824 | \$ 1,494 | 99.3% | \$64,676 | 2.3% |
| Safety | <u>102,135</u> | <u>87,568</u> | <u>14,567</u> | <u>85.7%</u> | <u>16,645</u> | <u>87.5%</u> |
| TOTAL | <u>\$321,453</u> | <u>\$305,392</u> | <u>\$16,061</u> | <u>95.0%</u> | <u>\$81,321</u> | <u>19.7%</u> |

COUNTY OF EL DORADO
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2003

GENERAL FUND

The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as public protection, public ways and facilities, health and sanitation, public assistance, education and recreation services.

SPECIAL REVENUE FUNDS

The *Special Revenue Funds* are used to account for specific revenues that are legally restricted to expenditures for a particular purpose. The following funds have been classified as major funds. The budget-to-actual comparisons for these funds have been presented in the accompanying financial statements as required supplementary information.

Road Fund-This fund is used to account for funds allocated for the planning, design, construction, maintenance and administration of County transportation activities. Revenues consist primarily of the County's share of State highway user taxes and are supplemented by Federal funds.

DEBT SERVICE FUND

The *Debt Service Fund* is used to account for the accumulation of resources and payment of long-term debt principal and interest.

COUNTY OF EL DORADO

Note to Required Supplementary Information

For the Fiscal Year Ended June 30, 2003

BUDGETARY BASIS OF ACCOUNTING

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

An operating budget is adopted each fiscal year for all governmental funds. Expenditures are controlled at the object level within budget units for the County. The object level within a budget unit is the level at which expenditures may not legally exceed appropriations. Any amendments or transfers of appropriations between departments or funds must be approved by the Board of Supervisors. Supplemental appropriations normally financed by unanticipated revenues during the year must be approved by the Board of Supervisors. Pursuant to Board Resolution, the County Chief Administration Officer is authorized to approve transfers and revision of appropriations within a single budget unit as deemed necessary and appropriate. Budgeted amounts in the budgetary financial schedules are reported as originally adopted and as amended during the fiscal year by resolutions approved by the Board of Supervisors.

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

The budget approved by the Board of Supervisors for the General Fund includes budgeted expenditures and reimbursements for amounts disbursed on behalf of other governmental funds. Actual reimbursements for these items have been eliminated in the accompanying budgetary financial schedules. Accordingly, the related budgets for these items have also been eliminated in order to provide a meaningful comparison of actual and budgeted results of operations.

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

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

COUNTY OF EL DORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amount</u> | Variance With Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| Budgetary fund balances, July 1 | \$ 18,997,930 | \$ 20,059,684 | \$ 20,059,684 | \$ - |
| Resources (inflows): | | | | |
| Taxes | 46,152,932 | 46,152,932 | 47,917,642 | 1,764,710 |
| Licenses, permits and franchises | 7,343,474 | 7,343,474 | 7,565,420 | 221,946 |
| Fines, forfeitures and penalties | 1,273,927 | 1,276,627 | 1,187,884 | (88,743) |
| Use of money and property | 453,624 | 458,624 | 644,847 | 186,223 |
| Intergovernmental revenue-State | 60,921,710 | 62,137,347 | 61,941,512 | (195,835) |
| Intergovernmental revenue-Federal | 21,229,382 | 25,171,931 | 22,504,751 | (2,667,180) |
| Revenue other governmental agencies | 506,109 | 531,574 | 504,219 | (27,355) |
| Charges for services | 22,845,171 | 22,940,593 | 19,235,528 | (3,705,065) |
| Miscellaneous revenue | 1,982,924 | 2,266,718 | 2,303,327 | 36,609 |
| Other financing sources | 9,746,356 | 12,948,525 | 11,897,230 | (1,051,295) |
| | <u>172,455,609</u> | <u>181,228,345</u> | <u>175,702,360</u> | <u>(5,525,985)</u> |
| Amounts available for appropriation | <u>191,453,539</u> | <u>201,288,029</u> | <u>195,762,044</u> | <u>(5,525,985)</u> |
| Charges to appropriations (outflows): | | | | |
| <u>General Government</u> | | | | |
| Board of Supervisors | | | | |
| Salaries and employee benefits | 899,881 | 899,881 | 877,938 | 21,943 |
| Services and supplies | 163,402 | 163,402 | 154,886 | 8,516 |
| Other charges | - | - | 100 | (100) |
| Intrafund transfers | 50,910 | 50,910 | 49,341 | 1,569 |
| | <u>1,114,193</u> | <u>1,114,193</u> | <u>1,082,265</u> | <u>31,928</u> |
| County of Administrative Office | | | | |
| Salaries and employee benefits | 802,585 | 802,585 | 829,010 | (26,425) |
| Services and supplies | 275,753 | 271,333 | 105,573 | 165,760 |
| Other charges | - | - | 100 | (100) |
| Fixed assets | - | 4,295 | 4,270 | 25 |
| Intrafund transfers | 31,026 | 31,026 | 29,723 | 1,303 |
| | <u>1,109,364</u> | <u>1,109,239</u> | <u>968,676</u> | <u>140,563</u> |
| Annual Audit | | | | |
| Services and supplies | 75,000 | 83,478 | 83,476 | 2 |
| | <u>75,000</u> | <u>83,478</u> | <u>83,476</u> | <u>2</u> |
| Auditor/Controller | | | | |
| Salaries and employee benefits | 1,558,416 | 1,540,835 | 1,523,481 | 17,354 |
| Services and supplies | 191,236 | 174,750 | 128,810 | 45,940 |
| Other charges | 750 | 750 | 150 | 600 |
| Fixed assets | - | 7,221 | 7,209 | 12 |
| Intrafund transfers | 422,795 | 422,795 | 398,670 | 24,125 |
| | <u>2,173,197</u> | <u>2,146,351</u> | <u>2,058,320</u> | <u>88,031</u> |

COUNTY OF EL DORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amount</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|--------------------------------|----------------------------|-------------------------|--------------------------|---|
| Treasurer/Tax Collector | | | | |
| Salaries and employee benefits | 1,171,615 | 1,171,615 | 1,162,422 | 9,193 |
| Services and supplies | 502,486 | 508,080 | 299,436 | 208,644 |
| Other charges | 200 | 200 | 446 | (246) |
| Fixed assets | 23,300 | 42,400 | 38,726 | 3,674 |
| Intrafund transfers | 461,420 | 467,920 | 466,756 | 1,164 |
| | <u>2,159,021</u> | <u>2,190,215</u> | <u>1,967,786</u> | <u>222,429</u> |
| Assessor | | | | |
| Salaries and employee benefits | 2,544,532 | 2,544,532 | 2,564,458 | (19,926) |
| Services and supplies | 204,992 | 204,774 | 118,070 | 86,704 |
| Other charges | 300 | 300 | 150 | 150 |
| Fixed assets | 10,406 | 10,406 | 9,040 | 1,366 |
| Intrafund transfers | 478,916 | 478,916 | 466,146 | 12,770 |
| | <u>3,239,146</u> | <u>3,238,928</u> | <u>3,157,864</u> | <u>81,064</u> |
| Purchasing | | | | |
| Salaries and employee benefits | 414,497 | 414,497 | 409,312 | 5,185 |
| Services and supplies | 22,050 | 21,403 | 26,944 | (5,541) |
| Other charges | 100 | 100 | 50 | 50 |
| Intrafund transfers | 9,588 | 9,588 | 12,343 | (2,755) |
| | <u>446,235</u> | <u>445,588</u> | <u>448,649</u> | <u>(3,061)</u> |
| County Counsel | | | | |
| Salaries and employee benefits | 1,923,005 | 1,923,005 | 1,646,989 | 276,016 |
| Services and supplies | 411,573 | 1,132,281 | 950,945 | 181,336 |
| Other charges | 1,200 | 1,200 | 50 | 1,150 |
| Intrafund transfers | 59,349 | 59,349 | 39,604 | 19,745 |
| | <u>2,395,127</u> | <u>3,115,835</u> | <u>2,637,588</u> | <u>478,247</u> |
| Human Resources | | | | |
| Salaries and employee benefits | 758,507 | 758,507 | 746,742 | 11,765 |
| Services and supplies | 328,120 | 348,878 | 227,590 | 121,288 |
| Other charges | - | - | 280 | (280) |
| Intrafund transfers | (55,469) | (55,469) | (15,231) | (40,238) |
| | <u>1,031,158</u> | <u>1,051,916</u> | <u>959,381</u> | <u>92,535</u> |

COUNTY OF EL DORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amount</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|--------------------------------|----------------------------|-------------------------|--------------------------|---|
| Elections | | | | |
| Salaries and employee benefits | 490,495 | 490,495 | 505,192 | (14,697) |
| Services and supplies | 501,268 | 498,637 | 437,813 | 60,824 |
| Other charges | 1,150 | 1,150 | 80 | 1,070 |
| Fixed assets | 18,000 | 18,000 | 9,065 | 8,935 |
| Intrafund transfers | 31,630 | 34,261 | 23,384 | 10,877 |
| | <u>1,042,543</u> | <u>1,042,543</u> | <u>975,534</u> | <u>67,009</u> |
| Communications | | | | |
| Salaries and employee benefits | 446,458 | 446,458 | 463,020 | (16,562) |
| Services and supplies | 442,713 | 457,115 | 419,278 | 37,837 |
| Fixed assets | - | 67,459 | 11,734 | 55,725 |
| Intrafund transfers | (605,598) | (605,598) | (518,962) | (86,636) |
| | <u>283,573</u> | <u>365,434</u> | <u>375,070</u> | <u>(9,636)</u> |
| Courier and Messenger | | | | |
| Salaries and employee benefits | 70,559 | 70,559 | 63,129 | 7,430 |
| Services and supplies | 25,419 | 25,419 | 15,080 | 10,339 |
| Intrafund transfers | (63,965) | (63,965) | (64,062) | 97 |
| | <u>32,013</u> | <u>32,013</u> | <u>14,147</u> | <u>17,866</u> |
| Buildings and Grounds | | | | |
| Salaries and employee benefits | 1,916,843 | 1,916,843 | 1,877,055 | 39,788 |
| Services and supplies | 1,648,372 | 1,619,222 | 1,375,270 | 243,952 |
| Other charges | 37,755 | 85,337 | 70,529 | 14,808 |
| Fixed assets | 20,200 | 21,121 | 19,526 | 1,595 |
| Other financing uses | 7,500 | 7,500 | - | 7,500 |
| Intrafund transfers | (114,382) | (114,382) | (112,735) | (1,647) |
| | <u>3,516,288</u> | <u>3,535,641</u> | <u>3,229,645</u> | <u>305,996</u> |
| Real Property | | | | |
| Salaries and employee benefits | 55,044 | 55,044 | 56,731 | (1,687) |
| Services and supplies | 216,333 | 184,638 | 81,388 | 103,250 |
| Other charges | 269 | 269 | - | 269 |
| Intrafund transfers | 5,000 | 5,000 | 1,869 | 3,131 |
| | <u>276,646</u> | <u>244,951</u> | <u>139,988</u> | <u>104,963</u> |
| County Promotion | | | | |
| Salaries and employee benefits | 52,528 | 52,528 | 42,572 | 9,956 |
| Services and supplies | 463,751 | 460,706 | 433,509 | 27,197 |
| Intrafund transfers | 19,570 | 19,570 | 18,741 | 829 |
| | <u>535,849</u> | <u>532,804</u> | <u>494,822</u> | <u>37,982</u> |

COUNTY OF EL DORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amount</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|--|----------------------------|-------------------------|--------------------------|---|
| Information Technologies | | | | |
| Salaries and employee benefits | 3,987,787 | 3,920,987 | 3,712,627 | 208,360 |
| Services and supplies | 1,895,317 | 1,886,392 | 1,596,222 | 290,170 |
| Other charges | 113,000 | 113,428 | 113,365 | 63 |
| Fixed assets | 77,500 | 296,134 | 276,346 | 19,788 |
| Intrafund transfers | (3,560,276) | (3,572,284) | (3,334,791) | (237,493) |
| | <u>2,513,328</u> | <u>2,644,657</u> | <u>2,363,769</u> | <u>280,888</u> |
| Surveyor | | | | |
| Salaries and employee benefits | 943,606 | 943,606 | 968,440 | (24,834) |
| Services and supplies | 122,714 | 129,037 | 66,002 | 63,035 |
| Fixed assets | 22,665 | 22,665 | 3,551 | 19,114 |
| Intrafund transfers | (43,420) | (43,420) | (39,674) | (3,746) |
| | <u>1,045,565</u> | <u>1,051,888</u> | <u>998,319</u> | <u>53,569</u> |
| General Services Administration | | | | |
| Salaries and employee benefits | 1,167,444 | 1,167,444 | 1,059,880 | 107,564 |
| Services and supplies | 312,173 | 436,690 | 332,455 | 104,235 |
| Other charges | 53,191 | 53,598 | 26,066 | 27,532 |
| Fixed assets | 7,300 | 16,300 | 4,556 | 11,744 |
| Intrafund transfers | (239,161) | (239,161) | (304,134) | 64,973 |
| | <u>1,300,947</u> | <u>1,434,871</u> | <u>1,118,823</u> | <u>316,048</u> |
| Employee Benefits | | | | |
| Salaries and employee benefits | 1,750,996 | 1,681,863 | 200,000 | 1,481,863 |
| | <u>1,750,996</u> | <u>1,681,863</u> | <u>200,000</u> | <u>1,481,863</u> |
| Engineer | | | | |
| Services and supplies | 1,600,000 | 1,600,000 | 92,365 | 1,507,635 |
| Other charges | 1,435,220 | 1,435,220 | 1,308,340 | 126,880 |
| Intrafund transfers | 13,000 | 13,000 | 3,453 | 9,547 |
| | <u>3,048,220</u> | <u>3,048,220</u> | <u>1,404,158</u> | <u>1,644,062</u> |

COUNTY OF EL DORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amount</u> | Variance With Final Budget Positive (Negative) |
|---------------------------------------|----------------------------|-------------------------|--------------------------|---|
| Contribution to Other Funds | | | | |
| Services and supplies | 526,401 | 531,354 | 180,087 | 351,267 |
| Other charges | 100,319 | 100,319 | 100,892 | (573) |
| Other financing uses | 12,477,164 | 12,867,666 | 11,621,548 | 1,246,118 |
| Intrafund transfers | - | - | 17,150 | (17,150) |
| | <u>13,103,884</u> | <u>13,499,339</u> | <u>11,919,677</u> | <u>1,579,662</u> |
| Contribution to Other Agencies | | | | |
| Services and supplies | 180,000 | 180,000 | 180,000 | |
| Other charges | 856,211 | 856,211 | 849,293 | 6,918 |
| | <u>1,036,211</u> | <u>1,036,211</u> | <u>1,029,293</u> | <u>6,918</u> |
| Contribution to Airports | | | | |
| Other financing uses | 68,090 | 68,090 | 68,090 | |
| | <u>68,090</u> | <u>68,090</u> | <u>68,090</u> | |
| Other General | | | | |
| Services and supplies | 2,992,142 | 2,901,235 | 622,036 | 2,279,199 |
| Other financing uses | 2,000,000 | 2,027,657 | 65,095 | 1,962,562 |
| Residual equity transfers | | 100,000 | 100,000 | |
| | <u>4,992,142</u> | <u>5,028,892</u> | <u>787,131</u> | <u>4,241,761</u> |
| General Government | <u>48,288,736</u> | <u>49,743,160</u> | <u>38,482,471</u> | <u>11,260,689</u> |
| Public Protection | | | | |
| Superior Court | | | | |
| Services and supplies | 591,663 | 570,191 | 759,336 | (189,145) |
| Other charges | 1,246,657 | 1,268,129 | 1,268,129 | |
| | <u>1,838,320</u> | <u>1,838,320</u> | <u>2,027,465</u> | <u>(189,145)</u> |
| Grand Jury | | | | |
| Services and supplies | 104,610 | 104,610 | 100,628 | 3,982 |
| Intrafund transfers | 9,320 | 9,320 | 6,796 | 2,524 |
| | <u>113,930</u> | <u>113,930</u> | <u>107,424</u> | <u>6,506</u> |

COUNTY OF EL DORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | Original Budget | Final Budget | Actual Amount | Variance With Final Budget Positive (Negative) |
|--------------------------------|--------------------|-------------------|-------------------|---|
| District Attorney | | | | |
| Salaries and employee benefits | 4,098,827 | 4,096,000 | 3,896,005 | 199,995 |
| Services and supplies | 563,112 | 648,376 | 531,214 | 117,162 |
| Other charges | 2,500 | 2,500 | 390 | 2,110 |
| Fixed assets | 5,500 | 33,382 | 44,375 | (10,993) |
| Other financing uses | | | | |
| Intrafund transfers | (6,321) | (6,321) | 42,563 | (48,884) |
| | <u>4,663,618</u> | <u>4,773,937</u> | <u>4,514,547</u> | <u>259,390</u> |
| Child Support Services | | | | |
| Salaries and employee benefits | 3,714,420 | 3,668,443 | 3,676,643 | (8,200) |
| Services and supplies | 876,045 | 1,115,314 | 1,050,774 | 64,540 |
| Other charges | | | 381 | (381) |
| Fixed assets | 107,040 | 96,277 | 72,121 | 24,156 |
| Intrafund transfers | 341,544 | 341,544 | 305,175 | 36,369 |
| | <u>5,039,049</u> | <u>5,221,578</u> | <u>5,105,094</u> | <u>116,484</u> |
| Public Defender | | | | |
| Salaries and employee benefits | 1,426,846 | 1,356,846 | 1,387,595 | (30,749) |
| Services and supplies | 198,839 | 269,245 | 262,361 | 6,884 |
| Other charges | 200 | 200 | 150 | 50 |
| Fixed assets | 3,485 | 1,908 | 1,873 | 35 |
| Intrafund transfers | 34,177 | 34,177 | 26,617 | 7,560 |
| | <u>1,663,547</u> | <u>1,662,376</u> | <u>1,678,596</u> | <u>(16,220)</u> |
| Sheriff-Bailiff | | | | |
| Salaries and employee benefits | 2,494,623 | 2,500,749 | 2,354,647 | 146,102 |
| Services and supplies | 145,335 | 145,335 | 146,928 | (1,593) |
| Other charges | 600 | 600 | 600 | 600 |
| Intrafund transfers | 2,637 | 2,637 | 3,141 | (504) |
| | <u>2,643,195</u> | <u>2,649,321</u> | <u>2,504,716</u> | <u>144,605</u> |
| Sheriff | | | | |
| Salaries and employee benefits | 14,934,183 | 15,364,429 | 15,971,314 | (606,885) |
| Services and supplies | 3,298,248 | 3,295,272 | 3,130,804 | 164,468 |
| Other charges | 71,775 | 98,062 | 9,507 | 88,555 |
| Fixed assets | 188,269 | 639,900 | 333,347 | 306,553 |
| Other financing uses | 4,000 | 4,125 | 4,125 | 4,125 |
| Intrafund transfers | 379,857 | 399,249 | 432,044 | (32,795) |
| | <u>18,876,332</u> | <u>19,801,037</u> | <u>19,877,016</u> | <u>(75,979)</u> |

COUNTY OF EL DORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amount</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|--------------------------------|----------------------------|-------------------------|--------------------------|---|
| Central Dispatch | | | | |
| Salaries and employee benefits | 1,519,100 | 1,519,350 | 1,428,338 | 91,012 |
| Services and supplies | 74,605 | 80,404 | 49,482 | 30,922 |
| Fixed assets | 2,257 | | | |
| Intrafund transfers | 29,391 | 29,391 | 11,180 | 18,211 |
| | <u>1,625,353</u> | <u>1,629,145</u> | <u>1,489,000</u> | <u>140,145</u> |
| Jail | | | | |
| Salaries and employee benefits | 7,807,092 | 7,501,851 | 7,229,553 | 272,298 |
| Services and supplies | 1,349,890 | 1,386,187 | 1,318,365 | 67,822 |
| Other charges | 1,035,820 | 1,023,885 | 1,035,880 | (11,995) |
| Fixed assets | 18,966 | 23,966 | 18,750 | 5,216 |
| Other financing uses | 6,000 | 1,000 | | 1,000 |
| Intrafund transfers | 155,389 | 155,389 | 123,395 | 31,994 |
| | <u>10,373,157</u> | <u>10,092,278</u> | <u>9,725,943</u> | <u>366,335</u> |
| Juvenile Hall | | | | |
| Salaries and employee benefits | 1,511,721 | 1,511,721 | 1,515,452 | (3,731) |
| Services and supplies | 305,098 | 300,575 | 244,299 | 56,276 |
| Other charges | 616,222 | 667,322 | 627,044 | 40,278 |
| Other financing uses | | 12,700 | 12,700 | |
| Intrafund transfers | 31,495 | 31,495 | 54,021 | (22,526) |
| | <u>2,464,536</u> | <u>2,523,813</u> | <u>2,453,516</u> | <u>70,297</u> |
| Probation Department | | | | |
| Salaries and employee benefits | 3,764,961 | 3,706,161 | 3,507,532 | 198,629 |
| Services and supplies | 879,210 | 749,308 | 485,762 | 263,546 |
| Other charges | 13,088 | 7,121 | 5,085 | 2,036 |
| Fixed assets | 28,835 | 131,714 | 70,749 | 60,965 |
| Residual equity transfers | | 118,134 | 118,134 | |
| Intrafund transfers | 325,260 | 315,398 | 239,511 | 75,887 |
| | <u>5,011,354</u> | <u>5,027,836</u> | <u>4,426,773</u> | <u>601,063</u> |
| Agricultural Commission | | | | |
| Salaries and employee benefits | 873,838 | 873,838 | 886,804 | (12,966) |
| Services and supplies | 225,516 | 225,784 | 232,134 | (6,350) |
| Other charges | 990 | 990 | 2,230 | (1,240) |
| Fixed assets | 22,000 | 4,600 | 20,251 | (15,651) |
| Other financing uses | | 22,000 | | 22,000 |
| Intrafund transfers | 29,490 | 29,490 | 33,034 | (3,544) |
| | <u>1,151,834</u> | <u>1,156,702</u> | <u>1,174,453</u> | <u>(17,751)</u> |

COUNTY OF EL DORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | Original Budget | Final Budget | Actual Amount | Variance With Final Budget Positive (Negative) |
|--------------------------------|--------------------|------------------|------------------|---|
| Building Inspector | | | | |
| Salaries and employee benefits | 3,901,847 | 3,901,847 | 3,868,360 | 33,487 |
| Services and supplies | 565,078 | 693,643 | 538,131 | 155,512 |
| Other charges | 800 | 800 | 49 | 751 |
| Fixed assets | 39,500 | 20,344 | 19,485 | 859 |
| Intrafund transfers | 333,538 | 333,538 | 331,365 | 2,173 |
| | <u>4,840,763</u> | <u>4,950,172</u> | <u>4,757,390</u> | <u>192,782</u> |
| Coroner | | | | |
| Salaries and employee benefits | 269,024 | 269,658 | 286,495 | (16,837) |
| Services and supplies | 196,391 | 119,440 | 175,579 | (56,139) |
| Intrafund transfers | 1,545 | 1,545 | 314 | 1,231 |
| | <u>466,960</u> | <u>390,643</u> | <u>462,388</u> | <u>(71,745)</u> |
| Emergency Services | | | | |
| Salaries and employee benefits | 278,887 | 338,081 | 294,286 | 43,795 |
| Services and supplies | 37,910 | 132,371 | 134,846 | (2,475) |
| Other charges | | 16,787 | | 16,787 |
| Fixed assets | | 37,901 | 30,280 | 7,621 |
| Intrafund transfers | 4,294 | 3,927 | 3,849 | 78 |
| Labor and costs | | 4,500 | | 4,500 |
| | <u>321,091</u> | <u>533,567</u> | <u>463,261</u> | <u>70,306</u> |
| Recorder/Clerk | | | | |
| Salaries and employee benefits | 821,933 | 816,933 | 806,029 | 10,904 |
| Services and supplies | 246,357 | 162,256 | 145,547 | 16,709 |
| Other charges | 500 | 500 | 1,141 | (641) |
| Fixed assets | | 68,058 | 58,741 | 9,317 |
| Intrafund transfers | 178,299 | 187,299 | 181,386 | 5,913 |
| | <u>1,247,089</u> | <u>1,235,046</u> | <u>1,192,844</u> | <u>42,202</u> |
| Planning and Zoning | | | | |
| Salaries and employee benefits | 1,681,229 | 1,661,229 | 1,452,226 | 209,003 |
| Services and supplies | 534,561 | 1,594,999 | 1,754,409 | (159,410) |
| Other charges | 79,250 | 91,750 | 89,637 | 2,113 |
| Fixed assets | | 846,564 | 16,055 | 830,509 |
| Intrafund transfers | 96,342 | 96,342 | 104,112 | (7,770) |
| | <u>2,391,382</u> | <u>4,290,884</u> | <u>3,416,439</u> | <u>874,445</u> |

COUNTY OF EL DORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | Original Budget | Final Budget | Actual Amount | Variance With Final Budget Positive (Negative) |
|--|--------------------|-----------------|------------------|---|
| Animal Control | | | | |
| Salaries and employee benefits | 939,694 | 939,694 | 894,327 | 45,367 |
| Services and employee supplies | 363,706 | 365,848 | 299,731 | 66,117 |
| Other charges | 23,800 | 23,800 | 23,647 | 153 |
| Fixed assets | 29,300 | 20,738 | 27,973 | (7,235) |
| Other financing uses | 2,500 | 2,500 | | 2,500 |
| Intrafund transfers | 49,551 | 49,551 | 51,208 | (1,657) |
| | 1,408,551 | 1,402,131 | 1,296,886 | 105,245 |
| Public Guardian | | | | |
| Salaries and benefits | 526,131 | 539,131 | 540,158 | (1,027) |
| Services and supplies | 95,326 | 127,826 | 95,638 | 32,188 |
| Other charges | 25,153 | 25,153 | 31,172 | (6,019) |
| Intrafund transfers | 45,025 | 45,025 | 45,907 | (882) |
| | 691,635 | 737,135 | 712,875 | 24,260 |
| Public Protection | 66,831,696 | 70,029,851 | 67,386,626 | 2,643,225 |
| Health and Sanitation | | | | |
| Public Health | | | | |
| Salaries and employee benefits | 5,844,804 | 5,859,685 | 5,057,945 | 801,740 |
| Services and supplies | 6,546,048 | 7,132,170 | 4,443,498 | 2,688,672 |
| Other charges | 4,381,171 | 4,449,113 | 4,354,652 | 94,461 |
| Fixed assets | 381,150 | 421,321 | 210,182 | 211,139 |
| Other financing uses | 53,000 | 53,000 | | 53,000 |
| Residual equity transfers | | | 21,669 | (21,669) |
| Intrafund transfers | (120,077) | (902,497) | (94,701) | (807,796) |
| | 17,086,096 | 17,012,792 | 13,993,245 | 3,019,547 |
| Drug and Alcohol Abuse Services | | | | |
| Salaries and employee benefits | 984,351 | 1,013,308 | 958,035 | 55,273 |
| Services and supplies | 1,786,893 | 2,304,647 | 2,011,384 | 293,263 |
| Other charges | 224,759 | 237,655 | 204,936 | 32,719 |
| Fixed assets | 5,000 | 1,765 | 1,764 | 1 |
| Intrafund transfers | 75,516 | 76,840 | 75,228 | 1,612 |
| | 3,076,519 | 3,634,215 | 3,251,347 | 382,868 |

COUNTY OF EL DORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | Original Budget | Final Budget | Actual Amount | Variance With Final Budget Positive (Negative) |
|---------------------------------------|--------------------|-------------------|-------------------|---|
| Mental Health | | | | |
| Salaries and employee benefits | 6,598,860 | 6,598,860 | 5,959,055 | 639,805 |
| Services and supplies | 2,260,079 | 2,268,362 | 2,005,971 | 262,391 |
| Other charges | 836,949 | 842,100 | 852,359 | (10,259) |
| Fixed assets | 49,500 | 49,500 | 19,825 | 29,675 |
| Intrafund transfers | 36,099 | 36,099 | 20,796 | 15,303 |
| | <u>9,781,487</u> | <u>9,794,921</u> | <u>8,858,006</u> | <u>936,915</u> |
| Environmental Management | | | | |
| Salaries and employee benefits | 1,194,553 | 1,194,553 | 1,114,503 | 80,050 |
| Services and supplies | 250,439 | 256,749 | 217,870 | 38,879 |
| Other charges | 12,850 | 12,850 | 6,382 | 6,468 |
| Fixed assets | 25,600 | 25,600 | 21,754 | 3,846 |
| Other financing uses | 11,500 | 11,500 | - | 11,500 |
| Intrafund transfers | 133,680 | 133,680 | 130,885 | 2,795 |
| | <u>1,628,622</u> | <u>1,634,932</u> | <u>1,491,394</u> | <u>143,538</u> |
| Health and Sanitation | <u>31,572,724</u> | <u>32,076,860</u> | <u>27,593,992</u> | <u>4,482,868</u> |
| Public Assistance | | | | |
| Social Services Administration | | | | |
| Salaries and employee benefits | 9,799,465 | 9,799,465 | 9,105,703 | 693,762 |
| Services and supplies | 2,624,881 | 2,726,043 | 2,400,834 | 325,209 |
| Other charges | 2,544,416 | 1,802,918 | 1,670,486 | 132,432 |
| Fixed assets | 135,200 | 135,200 | 3,745 | 131,455 |
| Other financing uses | 85,577 | 85,577 | | 85,577 |
| Intrafund transfers | 784,495 | 1,525,993 | 1,317,303 | 208,690 |
| Labor and costs | (3,610,640) | (2,869,142) | (2,544,892) | (324,250) |
| | <u>12,363,394</u> | <u>13,206,054</u> | <u>11,953,179</u> | <u>1,252,875</u> |
| Social Services Programs | | | | |
| Salaries and employee benefits | 2,466,459 | 2,315,748 | 2,439,420 | (123,672) |
| Services and supplies | | 231,137 | 56,240 | 174,897 |
| Other charges | | 816,498 | 895,880 | (79,382) |
| Fixed assets | | 36,000 | 30,683 | 5,317 |
| Intrafund transfers | | (737,998) | (736,428) | (1,570) |
| Labor and costs | 3,610,640 | 2,869,142 | 2,544,892 | 324,250 |
| | <u>6,077,099</u> | <u>5,530,527</u> | <u>5,230,687</u> | <u>299,840</u> |
| Categorical Aids | | | | |
| Other charges | 11,767,776 | 11,372,172 | 11,295,409 | 76,763 |
| Interfund transfers | | 395,604 | 188,915 | 206,689 |
| | <u>11,767,776</u> | <u>11,767,776</u> | <u>11,484,324</u> | <u>283,452</u> |

COUNTY OF EL DORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amount</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|--------------------------------|----------------------------|-------------------------|--------------------------|---|
| Aid to Indigents | | | | |
| Services and supplies | 9,610 | 9,610 | 7,525 | 2,085 |
| Other charges | 52,790 | 52,790 | 67,573 | (14,783) |
| | <u>62,400</u> | <u>62,400</u> | <u>75,098</u> | <u>(12,698)</u> |
| Veterans Services | | | | |
| Salaries and employee benefits | 250,196 | 250,196 | 255,666 | (5,470) |
| Services and supplies | 21,474 | 21,439 | 19,594 | 1,845 |
| Other charges | | | 50 | (50) |
| Intrafund transfers | 8,196 | 8,196 | 9,320 | (1,124) |
| | <u>279,866</u> | <u>279,831</u> | <u>284,630</u> | <u>(4,799)</u> |
| Community Services | | | | |
| Salaries and employee benefits | 1,021,670 | 1,024,570 | 1,045,987 | (21,417) |
| Services and supplies | 1,112,522 | 6,392,122 | 2,656,836 | 3,735,286 |
| Other charges | 41,735 | 87,235 | 193,309 | (106,074) |
| Fixed assets | 96,698 | 96,698 | | 96,698 |
| Intrafund transfers | | | 1,455 | (1,455) |
| Labor and costs | (73,809) | (73,809) | (177,285) | 103,476 |
| | <u>2,198,816</u> | <u>7,526,816</u> | <u>3,720,302</u> | <u>3,806,514</u> |
| Senior Services | | | | |
| Salaries and employee benefits | 1,397,273 | 1,414,382 | 1,364,086 | 50,296 |
| Services and supplies | 822,142 | 961,322 | 843,542 | 117,780 |
| Other charges | 77,054 | 77,054 | 90,518 | (13,464) |
| Fixed assets | 6,000 | 13,500 | 11,207 | 2,293 |
| Intrafund transfers | | | 60 | (60) |
| Labor and costs | 221,946 | 221,946 | 149,383 | 72,563 |
| | <u>2,524,415</u> | <u>2,688,204</u> | <u>2,458,796</u> | <u>229,408</u> |
| Public Assistance | <u>35,273,766</u> | <u>41,061,608</u> | <u>35,207,017</u> | <u>5,854,591</u> |
| Education | | | | |
| County Library | | | | |
| Salaries and employee benefits | 1,530,699 | 1,530,699 | 1,531,519 | (820) |
| Services and supplies | 726,574 | 735,214 | 621,137 | 114,077 |
| Other charges | 200 | 200 | 2,464 | (2,264) |
| Fixed assets | 92,000 | 92,000 | 28,521 | 63,479 |
| Intrafund transfers | 53,768 | 53,768 | 56,273 | (2,505) |
| | <u>2,403,241</u> | <u>2,411,881</u> | <u>2,239,914</u> | <u>171,967</u> |

COUNTY OF EL DORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amount</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|---|----------------------------|-------------------------|--------------------------|---|
| University of California | | | | |
| Cooperative Extension | | | | |
| Salaries and employee benefits | 178,793 | 178,793 | 141,524 | 37,269 |
| Services and supplies | 36,070 | 36,070 | 8,683 | 27,387 |
| Other charges | 19,935 | 19,935 | 25,318 | (5,383) |
| Intrafund transfers | 18,526 | 18,526 | 17,639 | 887 |
| | <u>253,324</u> | <u>253,324</u> | <u>193,164</u> | <u>60,160</u> |
| Education | <u>2,656,565</u> | <u>2,665,205</u> | <u>2,433,078</u> | <u>232,127</u> |
| <u>Recreation and Cultural Services</u> | | | | |
| Recreation Department | | | | |
| Salaries and employee benefits | 537,603 | 537,603 | 572,035 | (34,432) |
| Services and supplies | 225,271 | 415,717 | 268,686 | 147,031 |
| Other charges | 169,728 | 77,214 | 34,803 | 42,411 |
| Fixed assets | 65,800 | 70,059 | 50,176 | 19,883 |
| Intrafund transfers | 33,098 | 66,098 | 60,189 | 5,909 |
| | <u>1,031,500</u> | <u>1,166,691</u> | <u>985,889</u> | <u>180,802</u> |
| Historical Museum | | | | |
| Salaries and employee benefits | 59,300 | 59,300 | 60,583 | (1,283) |
| Services and supplies | 36,130 | 41,362 | 33,969 | 7,393 |
| Intrafund transfers | 1,528 | 1,528 | 7,042 | (5,514) |
| | <u>96,958</u> | <u>102,190</u> | <u>101,594</u> | <u>596</u> |
| Recreation and Cultural Services | <u>1,128,458</u> | <u>1,268,881</u> | <u>1,087,483</u> | <u>181,398</u> |
| <u>Contingency</u> | | | | |
| Services and supplies | | | (14,648) | 14,648 |
| Residual equity transfers | | 958,074 | | 958,074 |
| Appropriation for contingencies | 5,701,594 | 3,484,390 | | 3,484,390 |
| | <u>5,701,594</u> | <u>4,442,464</u> | <u>(14,648)</u> | <u>4,457,112</u> |
| Contingency | <u>5,701,594</u> | <u>4,442,464</u> | <u>(14,648)</u> | <u>4,457,112</u> |
| Total Charges to Appropriations | <u>191,453,539</u> | <u>201,288,029</u> | <u>172,176,018</u> | <u>29,112,011</u> |
| Budgetary Balances, June 30 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 23,586,026</u> | <u>\$ (23,586,026)</u> |

COUNTY OF EL DORADO
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2003

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

Sources/inflows of resources:

| | |
|--|-----------------------|
| Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparisons schedule | \$ 195,762,044 |
| Difference budget to GAAP | |
| The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes | (20,059,684) |
| The transfers from other funds are inflows of budgetary resources, but are not revenues for financial reporting purposes | (1,457,979) |
| Intrafund transfers in are inflows or budgetary resources, but are not revenues for financial reporting purposes | <u>(7,862,298)</u> |
| Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance governmental funds | <u>\$ 166,382,083</u> |

Uses/outflow of resources:

| | |
|---|-----------------------|
| Actual amounts (budgetary basis) "total charges to appropriations" from budgetary comparison schedule | \$ 172,176,018 |
| Difference budget to GAAP | |
| Intrafund transfers out are a budgetary use of funds but are not expenditures for financial reporting purposes | (4,242,898) |
| Intrafund transfers out are outflows or budgetary use of funds, but are not expenditures for financial reporting purposes | <u>(7,862,298)</u> |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance governmental funds | <u>\$ 160,070,822</u> |

COUNTY OF EL DORADO
BUDGETARY COMPARISON SCHEDULE
ROAD FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amount</u> | Variance With Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| Budgetary fund balances, July 1 | \$ 4,500,590 | \$ 2,564,227 | \$ 4,500,590 | \$ 1,936,363 |
| Resources (inflows): | | | | |
| Taxes and assessments | 690,571 | 690,571 | 711,167 | 20,596 |
| Licenses, permits and franchises | 984,443 | 940,443 | 963,033 | 22,590 |
| Revenue from use of money and property | 54,690 | 54,690 | 65,626 | 10,936 |
| Intergovernment revenue-State | 7,772,970 | 7,772,970 | 7,036,787 | (736,183) |
| Intergovernment revenue-Federal | 4,454,727 | 4,454,727 | 3,700,220 | (754,507) |
| Revenue other governmental agencies | 15,624 | 56,224 | - | (56,224) |
| Charges for services | 16,368,892 | 16,443,892 | 10,440,542 | (6,003,350) |
| Miscellaneous revenues | 20,000 | 20,000 | 124,046 | 104,046 |
| Other financing sources | 8,613,063 | 8,643,063 | 2,477,403 | (6,165,660) |
| | <u>38,974,980</u> | <u>39,076,580</u> | <u>25,518,824</u> | <u>(13,557,756)</u> |
| Amounts available for appropriations | <u>43,475,570</u> | <u>41,640,807</u> | <u>30,019,414</u> | <u>(11,621,393)</u> |
| Charges to appropriations (outflows): | | | | |
| <u>Public Ways and Facilities</u> | | | | |
| Salaries and employee benefits | 12,590,376 | 12,534,575 | 11,196,221 | 1,338,354 |
| Services and supplies | 21,196,912 | 19,267,826 | 12,052,208 | 7,215,618 |
| Other charges | 10,081,736 | 10,156,736 | 3,170,098 | 6,986,638 |
| Fixed assets | 1,090,068 | 1,478,662 | 1,518,285 | (39,623) |
| Other financing uses | 87,900 | 95,161 | - | 95,161 |
| Intrafund transfers | (1,571,422) | (1,571,422) | (1,171,141) | (400,281) |
| | <u>43,475,570</u> | <u>41,961,538</u> | <u>26,765,671</u> | <u>15,195,867</u> |
| Public Ways and Facilities | <u>43,475,570</u> | <u>41,961,538</u> | <u>26,765,671</u> | <u>15,195,867</u> |
| Total Charges to Appropriations | <u>43,475,570</u> | <u>41,961,538</u> | <u>26,765,671</u> | <u>15,195,867</u> |
| Budgetary fund balances, June 30 | \$ - | \$ (320,731) | \$ 3,253,743 | \$ (3,574,474) |

COUNTY OF EL DORADO
BUDGETARY COMPARISON SCHEDULE
ROAD FUND
FOR THE YEAR ENDED JUNE 30, 2003

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

Sources/inflows of resources:

| | |
|--|-----------------------------|
| Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparisons schedule | \$ 30,019,414 |
| Difference budget to GAAP | |
| The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes | (4,500,590) |
| The transfers from other funds are inflows of budgetary resources, but are not revenues for financial reporting purposes | <u>(1,994,908)</u> |
| Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance governmental funds | <u><u>\$ 23,523,916</u></u> |

Uses/outflow of resources:

| | |
|---|-----------------------------|
| Actual amounts (budgetary basis) "total charges to appropriations" from budgetary comparison schedule | \$ 26,765,670 |
| Difference budget to GAAP - none | <hr/> |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance governmental funds | <u><u>\$ 26,765,670</u></u> |

COUNTY OF EL DORADO
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2003

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amount</u> | Variance With Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|--------------------------|---|
| Budgetary fund balances, July 1 | \$ 95,000 | \$ 95,000 | \$ 95,000 | \$ - |
| Resources (inflows): | | | | |
| Fines, forfeitures and penalties | | | 5,677 | 5,677 |
| Revenue from use of money and property | 80,706 | 80,706 | 154,633 | 73,927 |
| Charges for services | 8,000 | 8,000 | 1,081,682 | 1,073,682 |
| Other financing sources | 2,027,825 | 2,057,862 | 2,057,862 | |
| | <u>2,116,531</u> | <u>2,146,568</u> | <u>3,299,854</u> | <u>1,153,286</u> |
| Amounts available for appropriations | <u>2,211,531</u> | <u>2,241,568</u> | <u>3,394,854</u> | <u>1,153,286</u> |
| Charges to appropriations (outflows): | | | | |
| <u>Debt Service</u> | | | | |
| Services and supplies | 15,000 | 25,433 | 12,373 | 13,060 |
| Other charges | 2,196,531 | 2,226,568 | 3,450,121 | (1,223,553) |
| | <u>2,211,531</u> | <u>2,252,001</u> | <u>3,462,494</u> | <u>(1,210,493)</u> |
| Debt Service | <u>2,211,531</u> | <u>2,252,001</u> | <u>3,462,494</u> | <u>(1,210,493)</u> |
| Total Charges to Appropriations | <u>2,211,531</u> | <u>2,252,001</u> | <u>3,462,494</u> | <u>(1,210,493)</u> |
| Budgetary fund balances, June 30 | <u>\$ -</u> | <u>\$ (10,433)</u> | <u>\$ (67,640)</u> | <u>\$ 57,207</u> |

COUNTY OF EL DORADO
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2003

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

Sources/inflows of resources:

| | |
|--|---------------------|
| Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparisons schedule | \$ 3,394,854 |
| Difference budget to GAAP | |
| The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes | (95,000) |
| The transfers from other funds are inflows of budgetary resources, but are not revenues for financial reporting purposes | <u>(2,057,862)</u> |
| Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance governmental funds | <u>\$ 1,241,992</u> |
| <u>Uses/outflow of resources:</u> | |
| Actual amounts (budgetary basis) "total charges to appropriations" from budgetary comparison schedule | \$ 3,462,494 |
| Difference budget to GAAP- none | <hr/> |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance governmental funds | <u>\$ 3,462,494</u> |