

STATE OF CALIFORNIA  
COUNTY OF EL DORADO  
ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

2010

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**COUNTY OF EL DORADO**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED**

**JUNE 30, 2010**

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**COUNTY OF EL DORADO  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2010**

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ANNUAL FINANCIAL REPORT  
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**INDEPENDENT AUDITOR'S REPORT**

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

We 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, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the South Lake Tahoe Transit Enterprise Fund, the Children and Families Commission, and the El Dorado Transit Authority as of and for the year ended June 30, 2010, which represents the following percentages of assets, liabilities and revenues of the opinion units as noted below:

<u>Opinion Unit</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Revenues</u>
Business-Type Activities	3.71%	28.53%	38.73%
Discretely Presented Component Units	100%	100%	100%

Those basic financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they related to the amounts included for those entities, are based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the 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, 2010, and the 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*, we have also issued our report under separate cover, dated March 28, 2011, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, the schedules of funding progress, and the budgetary comparison information, as listed in the table of contents, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We 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, we did not audit the information and do not express an opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying information identified in the table of contents as combining and individual fund 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 statements and schedules have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole.

GALLINA LLP

*Gallina LLP*

Roseville, California  
March 28, 2011



# County of El Dorado

## OFFICE OF AUDITOR-CONTROLLER

360 FAIR LANE  
PLACERVILLE, CALIFORNIA 95667  
(530) 621-5487

**JOE HARN**  
Auditor-Controller

**BOB TOSCANO**  
Assistant Auditor-Controller

March 28, 2011

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

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, 2010. 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 \$520.4 million (net assets). Of this, \$4.2 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors, \$143.2 million is restricted for specific purposes (restricted net assets), and \$373.0 million is invested in capital assets, net of depreciation and related debts.
- The County experienced an overall decrease in net assets of \$4.9 million in 2010, compared to a \$12.5 million decrease in 2009. This is almost entirely attributable to *governmental activities* and \$7.6 million less than the prior year's decrease.
- As of June 30, 2010 the County's governmental funds reported a combined ending fund balance of \$172.3 million. Approximately 71.9 percent of this fund balance, or \$123.9 million, is unreserved and undesignated and thus is available to meet the County's current and future spending needs.
- At the end of the fiscal year, the General Fund's unreserved undesignated fund balance was \$18.5 million or 11.6 percent of the General Fund expenditures during the year.
- In fiscal year 2010, the Risk Management Authority realized a net operating loss of \$17.9 million. This loss is almost entirely attributable to the \$19.5 million in additional costs associated with the recognition of the OPEB Retiree Health obligation.

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

In addition to the *General Fund*, the County maintains several individual governmental funds organized according to their type (special revenue, 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*, the *Mental Health Fund*, and the *Silva Valley Interchange Road Impact Fee (RIF) Fund*. All other non-major governmental funds are presented in aggregate as *Other Governmental Funds*.

**Proprietary funds** are comprised of *enterprise funds* and *internal service funds*. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses 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, retiree health benefits, and for its fleet operations and maintenance (Fleet Management). Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

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

**Fiduciary funds** are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the County's programs. The County retains both Investment Trust and 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 the General Fund, Road Fund, Mental Health Fund, and Silva Valley Interchange RIF 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 and retiree health benefits to its employees.



## GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

### Net Assets June 30, (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>Assets:</b>						
Current and other assets	\$ 264,642	\$ 250,354	\$ 241	\$ 402	\$ 264,883	\$ 250,756
Capital assets	369,572	367,800	3,934	4,137	373,506	371,937
Total assets	634,214	618,154	4,175	4,539	638,389	622,693
<b>Liabilities:</b>						
Current and other liabilities	39,660	35,702	114	132	39,774	35,834
Long-term liabilities	78,164	61,454	25	31	78,189	61,485
Total liabilities	117,824	97,156	139	163	117,963	97,319
<b>Net Assets:</b>						
Invested in capital assets, net of related debt	369,045	362,795	3,923	4,120	372,968	366,915
Restricted net assets	143,141	142,795	41	35	143,182	142,830
Unrestricted net assets	4,204	15,408	72	221	4,276	15,629
Total net assets	\$ 516,390	\$ 520,998	\$ 4,036	\$ 4,376	\$ 520,426	\$ 525,374

### 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, assets exceeded liabilities by \$520.4 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 uses these capital assets to provide services to citizens; consequently, these net assets are not available for future spending.

An additional portion of the County's net assets, \$143.2 million or 27.5 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance, \$4.2 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	
	2010	2009	2010	2009	2010	2009
<b>Revenues</b>						
Program Revenues:						
Charges for services	\$ 40,132	\$ 43,669	\$ 722	\$ 758	\$ 40,854	\$ 44,427
Operating grants and contributions	147,091	127,893	-	229	147,091	128,122
Capital grants and contributions	14,597	22	362	647	14,959	669
General Revenues:						
Taxes	104,064	108,064	-	-	104,064	108,064
Use of money and property	751	3,512	1	9	752	3,521
Other revenues	5,005	5,380	-	1	5,005	5,381
Total revenues	<u>311,640</u>	<u>288,540</u>	<u>1,085</u>	<u>1,644</u>	<u>312,725</u>	<u>290,184</u>
<b>Expenses</b>						
General government	33,931	29,863	-	-	33,931	29,863
Public protection	108,467	113,997	-	-	108,467	113,997
Public ways and facilities	66,911	44,787	-	-	66,911	44,787
Health and sanitation	51,368	56,951	-	-	51,368	56,951
Public assistance	50,854	49,907	-	-	50,854	49,907
Education	3,805	3,911	-	-	3,805	3,911
Recreation and culture	728	1,155	-	-	728	1,155
Interest on long-term debt	112	293	-	-	112	293
Airports	-	-	1,126	1,126	1,126	1,126
SLT Transit Program	-	-	371	668	371	668
Total expenses	<u>316,176</u>	<u>300,864</u>	<u>1,497</u>	<u>1,794</u>	<u>317,673</u>	<u>302,658</u>
Excess (deficiency) before special items and transfers	(4,536)	(12,324)	(412)	(150)	(4,948)	(12,474)
Transfers	(72)	(88)	72	88	-	-
Change in net assets	<u>(4,608)</u>	<u>(12,412)</u>	<u>(340)</u>	<u>(62)</u>	<u>(4,948)</u>	<u>(12,474)</u>
Net assets at beginning of year	520,998	539,536	4,376	4,438	525,374	543,974
Restate net assets, see a)	-	(6,126)	-	-	-	(6,126)
Net assets at beginning of year – restated	<u>520,998</u>	<u>533,410</u>	<u>4,376</u>	<u>4,438</u>	<u>525,374</u>	<u>537,848</u>
Net assets at end of year	<u>\$ 516,390</u>	<u>\$ 520,998</u>	<u>\$ 4,036</u>	<u>\$ 4,376</u>	<u>\$ 520,426</u>	<u>\$ 525,374</u>

- a) The net assets at the beginning of 2009 was reduced by \$6.1 million. This was an adjustment to eliminate \$9.1 State owned road improvements, net of \$3.0 million of accumulated depreciation.

**Governmental activities.** The County experienced an overall decrease in net assets of \$4.9 million in 2010, compared to a \$12.5 million decrease in 2009. This is almost entirely attributable to *governmental activities* and \$7.6 million less than the prior year's decrease. This decrease in net assets was the result of a 7.8 percent increase in revenues accompanied by a 5.0 percent increase in expenses when compared to the prior year. The largest dollar revenue increase, \$19.0 million or 14.8 percent, occurred in the operating grants and contributions category, while the largest percentage increase occurred in the capital grants and contributions category, a \$14.3 million increase or over twenty times

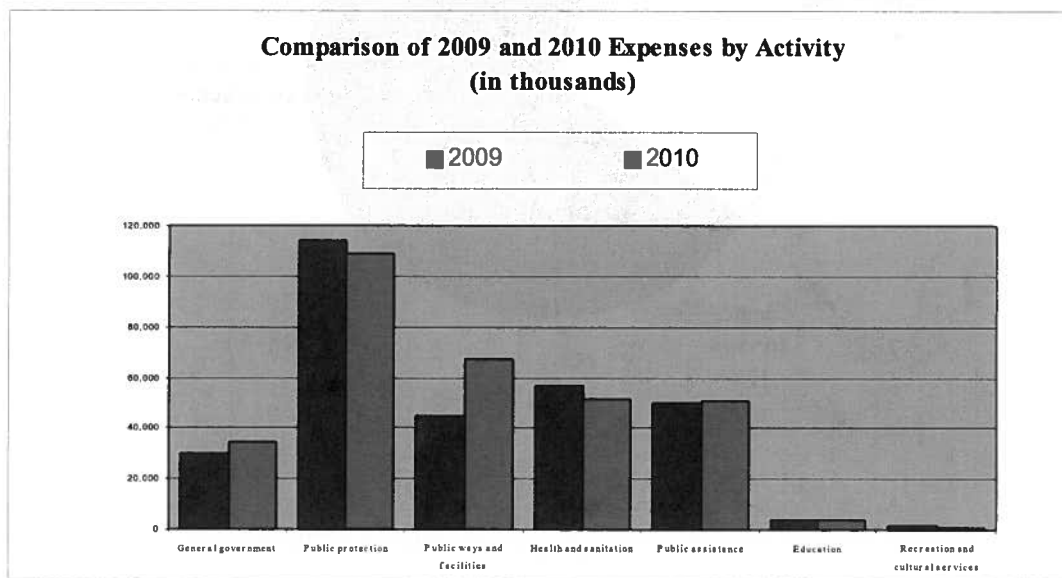
that was received in 2009. These increases in operating and capital grants and contributions occurred under the public ways and facilities function and included the following:

- \$10.6 million increase in federal Surface Transport Programs revenues,
- \$10.4 million increase in State Prop 1B revenues, and
- \$13.9 million increase in donated road improvements from private developers.

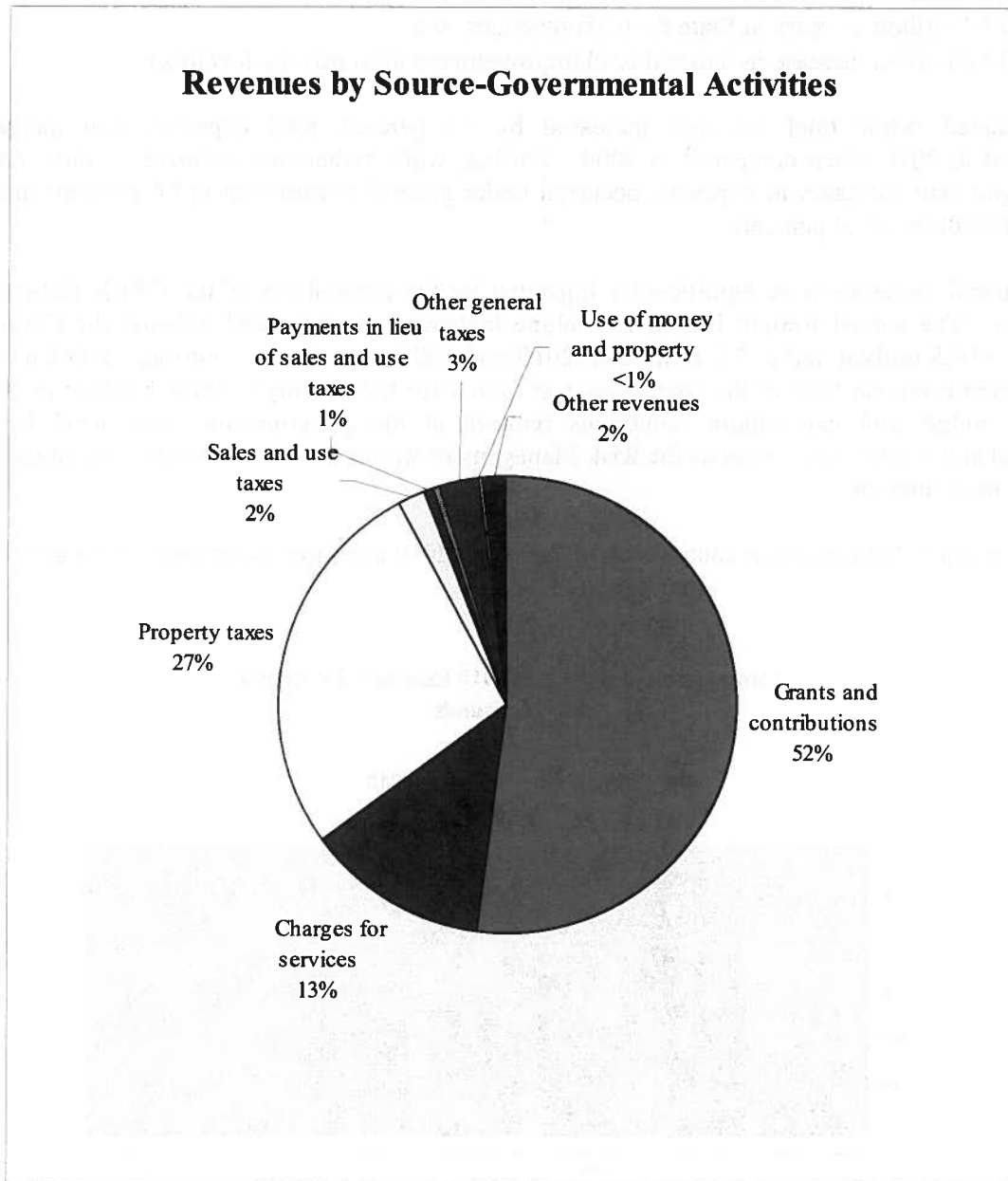
As mentioned, while total revenues increased by 7.8 percent, total expenses also increased by 5.0 percent in 2010 when compared to 2009. Further, while reductions occurred in most functional areas, significant increases in expenses occurred under general government (13.6 percent) and public ways and facilities (49.4 percent).

All functional expenses were significantly impacted by the recognition of the OPEB Retiree Health obligation. The annual Retiree Health cost alone increased expenses and reduced the County’s net assets by \$19.5 million and \$13.2 million in 2010 and 2009 respectively. Further, with County Risk Management reverting back to the “pay-as-you-go” basis for the funding of these benefits in 2010, any resulting budget and expenditure reductions realized at the governmental fund level have been eliminated at the entity-wide level as the Risk Management Authority’s \$17.9 million operating loss was spread to each function.

Below is a graph that presents a comparison of 2009 and 2010 expenses under each of the governmental activities,



Following is a graphical presentation of the various revenue sources at the entity-wide level. As presented, the County received most of its recognized revenues from grants and contributions (52 percent), property taxes (27 percent), and charges for services (13 percent),



**Business-type activities.** Business-type activities decreased the County’s net assets by \$340 thousand. This net decrease is the result of \$771 thousand in operating losses, plus net non-operating expenses of \$3 thousand, reduced by transfers in of \$72 thousand, and capital contributions of \$362 thousand.

Similar to prior years, the County Airports continue to operate at a loss, \$481 thousand in 2010 compared to \$462 thousand last year. As in prior years, both the Placerville and Georgetown Airports had a loss from operations, whereby operating expenses exceeded operating revenues (charges for services).

To help finance the operations of business-type activities in 2010, County governmental funds contributed \$72 thousand to the County Airports during the year.

## **FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

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

**Governmental funds.** Governmental activities are accounted for under the General, special revenue, permanent, 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 of expendable 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, 2010 the County's governmental funds reported a combined ending fund balance of \$172.3 million, compared to the \$168.2 million fund balance of the previous year. Approximately 71.9 percent of this fund balance, or \$123.9 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, 2010, the General Fund's unreserved undesignated fund balance was \$18.5 million, an increase of \$8.8 million from last year. This increase is mostly due to a net change (increase) in the General Fund's balance of \$3.9 million during the year, plus a \$4.4 million decrease in designations for economic uncertainty and capital projects, plus the \$265 thousand decrease in General Fund reserves.

The June 30, 2010 unreserved undesignated fund balance, as compared to General Fund expenditures for the year, is approximately 11.6 percent, compared to 5.7 percent last year. Thus, without any additional revenue inflows, this fund balance could support the General Fund's activities for approximately 42 days, compared to 21 days last year.

In addition to the General Fund, the County maintains three major governmental funds, the Road Fund, the Mental Health Fund, and the Silva Valley Interchange Road Impact Fee (RIF) Fund. The Road Fund accounts for the planning, design, construction, maintenance, and administration of the County's transportation activities (public ways and facilities). The Road Fund recorded revenues of \$42.6 million in 2010, compared to \$23.2 million last year. This increase was primarily due to \$18.7 million in additional intergovernmental revenues and \$1.2 million increase in charges for services. In contrast, expenditures remained relatively the stable, going from \$57.7 million in 2009 to \$58.0 million in 2010. This \$19.4 million growth in revenues, offset by just \$256 thousand increase in expenditures, resulted in

a \$19.2 million decrease in the deficiency of revenues to expenditures when compared to prior year, going from a \$34.6 million decrease in 2009 to a \$15.4 million decrease in 2010. However, due to the \$14.4 million decrease in the transfers in from other funds, the relative net change (increase) in fund balance went from an increase of \$522 thousand in 2009 to a \$5.2 million increase in 2010.

The Mental Health Fund accounts for the administration and provision of mental health services to promote mental health and public safety, prevent mental illness, and serve persons with mental illness and severe emotional disorders. In 2010 the Mental Health Fund experienced an operating deficit of \$2.3 million, compared to a \$5.3 million operating deficit in 2009. Specifically, while revenues decreased by \$1.8 million, expenditures decreased by \$4.7 million. Further, while the reduction to the Mental Health Fund's operating deficit can be mostly attributable to the \$2.6 million decrease in expenditures, there was also a \$2.1 million increase in expenditure abatements or charges for services provided to other funds. Similar to the prior year, most of these abatements or inter-fund charges came from the Mental Health Services Act Fund, going from \$2.6 million in 2009 to \$3.9 million in 2010. Also similar to prior years, additional transfers in from other funds eliminated the operating deficit and resulted in a net increase in fund balance of \$854 thousand, compared to \$1.5 million in 2009. However, and unlike prior years, these transfers came from the Mental Health Realignment fund and not the General Fund. As of June 30, 2010, the 2008 General Fund advance of \$3.3 million remains outstanding and has not been repaid.

The Silva Valley Interchange Road Impact Fee (RIF) Fund is also a major fund. However, and unlike the Mental Health Fund, this major fund designation is due to the fund's cash or assets rather than its liabilities. Specifically, the Silva Valley Interchange RIF Fund had over \$20.5 million in cash as of June 30, 2010, just \$2.3 million less than the General Fund, and greater than the \$19.2 million in the Road Fund. Further, this fund's cash decreased by only \$312 thousand during the year, with just \$65 thousand in revenue (interest), less \$45 thousand in expenditures and \$328 thousand in transfers to the Road Fund.

The combined governmental fund balances increased by \$4.1 million during 2010, compared to a \$20.1 million decrease last year. This increase in the governmental fund balances was the result of expenditures decreasing by 5.5 percent, \$291.5 million in 2010 compared to \$308.4 million in 2009, accompanied by a slight increase in revenues of 2.5 percent, \$295.6 million in 2010 compared to \$288.4 million in 2009.

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

The internal service funds include the Fleet Management and Risk Management Authority funds. In fiscal year 2010, the Fleet Management realized net operating income of \$25 thousand, the Risk Management Authority a net operating loss of \$17.9 million. The loss by Risk Management is almost entirely attributable to the recognition of the OPEB Retiree Health obligation. In prior fiscal years this obligation was partially funded in addition to pay-as-you-go via the Retiree Health internal service rates charges to the various County departments and programs. In fiscal year 2010 this practice was discontinued and the County reverted back to a pay-as-you-go basis. Thus, while this pay-as-you-go funding reduced the expenditures incurred at the governmental fund level, the recognition of this liability and expense solely by the Risk Management Authority has resulted in a deficit fund balance.

Further, none of these costs were passed to the other funds, programs, or restricted funding sources via the internal service rates.

In addition to pay-as-you-go expenses, the Risk Management Authority's Retiree Health Plan sub-fund paid \$573 thousand to individual employee health savings accounts in fiscal year 2010 as part of a retirement incentive. Since the source of this funding was the Retiree Health Plan sub-fund that had accumulated over \$16.0 million in funds from Retiree Health Plan internal service rates charged to the County departments, the General Fund may be required to either reimburse the Risk Management Retiree Health sub-fund for these health savings plan contributions or rebate these funds to the individual departments and programs that contributed these funds through the internal service fund's Retiree Health Plan rates.

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

### **GENERAL FUND BUDGETARY ANALYSIS**

The original and the final amended budgeted revenues increased by \$2.3 million, or 1.3 percent, while budgeted expenditures increased by \$2.3 million, or 1.2 percent. The largest of the revenue budget modifications included:

- \$1.4 million increase in other financing sources,
- \$537 thousand increase in Federal intergovernmental revenues,
- \$500 thousand increase in taxes and assessments,
- \$320 thousand increase in State intergovernmental revenues,

While the largest expenditure budget modifications included:

- \$1.1 million reduction to appropriations for contingency,
- \$101 thousand increase to the County Administrative Office's overall expenditure budget,
- \$453 thousand increase to the general government's budgeted contributions to other funds,
- \$393 thousand increase to the Sheriff's budgeted salaries and employee benefits,
- \$345 thousand increase to the Sheriff's budgeted fixed assets,
- \$205 thousand increase to the Planning and Zoning budgeted services and supplies,
- \$103 thousand increase to the Probation Department's overall budget,
- \$441 thousand increase to the Superior Court's MOE budgeted other charges,
- \$328 thousand increase to the District Attorney's budgeted salaries and benefits,
- \$500 thousand increase to public assistance categorical aids budget,
- \$114 thousand increase to the Social Services Administration fixed assets budget,
- \$339 thousand increase to the County Library's total budget,

The overall variance between final revenues budgeted and the actual amounts received were minor, with a positive variance of \$1.1 million or less than one percent. Specifically, compared to a final resource budget of \$181.7 million, actual funding equaled \$182.8 million. However, this relative small net variance consisted of significant budget to actual variances, including but not limited to, taxes and

assessments (\$6.6 million over budget), licenses and permits (\$237 thousand over budget), intergovernmental revenues (net \$1.4 million under budget), revenues charges for services (\$661 thousand under budget) and other financing sources (\$4.0 million under budget).

The differences between the budgeted and actual expenditures were significant. Specifically, expenditures fell \$18.1 million or 9.2 percent below the final budget. Variances occurred under each of the governmental activities, whereby departments' expenditures fell below projections, the most significant of which included:

- General Government – Actual expenditures fell below final budget by \$5.7 million or 11.4 percent. While almost all of the general government operating units had expenditures that fell below their final budget, some showed considerable differences (budget exceeded actual expenditures by over \$200 thousand), including the Buildings and Grounds, Real Property, Information Technologies, County Engineer, and Contributions to Other Funds,
- Public Protection – Actual expenditures fell below final budget by \$6.9 million or 7.0 percent. Similar to the general government function, most of the departments under public protection fell below their budgets, with many departments falling significantly below budget (budget exceeded actual expenditures by over \$200 thousand) including Child Support Services, Public Defender, Sheriff, Sheriff Central Dispatch, Jail, Juvenile Hall, Probation, Recorder-Clerk, Planning and Zoning, and Animal Services. There were also departments under public protection that exceeded their final budgets. Those departments were the Building Inspector, Coroner, and Emergency Services,
- Health and Sanitation Environmental Management – Actual expenditures fell below final budget by \$113 thousand or 5.0 percent with services and supplies making up the majority, falling below budget by \$95 thousand.
- Public Assistance – Actual expenditures fell below final budget by \$1.3 million or 3.5 percent under budget, mostly due to the Social Services Administration and Programs Unit falling below budget by \$1.2 million and \$220 thousand respectively. Public assistance's Categorical Aids, however, exceeded its budget by \$207 thousand.

In general, County management's practice of over budgeting both General Fund inflows and outflows continues. Further, while budget amendments and adjustments lessened the gap between budgeted and actual revenues, the opposite was true of the amendments to budgeted expenditures. Specifically, the budgeted expenditures increased from \$189.8 million (original budget not including contingency) to \$193.2 million (final budget not including contingency). The total General Fund charges to appropriations or actual total expenditures was \$178.9 million, or \$14.3 million less than was budgeted.

## **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, 2010 amounts to \$373.5 million (net of accumulated depreciation). The investment in capital assets includes land and improvements, construction in progress, infrastructure, structures and improvements, and equipment. Additions to capital assets totaled \$31.2 million in 2010.



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

- \$662 thousand in additions to the land and improvements, consisting entirely of right of way land acquisitions for the construction of County roads,
- \$3.0 million for the construction of new roads, including the El Dorado Hills Saratoga Realignment (\$689 thousand) and the Diamond Springs Parkway (\$854 thousand),
- \$7.9 million on the reconstruction of County roads, including the overlay of Lotus Road (\$1.9 million) and the Latrobe Road reconstruction, Sunset Lane to Golden Foothill South (\$1.8 million),
- \$14.6 million in donated properties, including the West Valley Collector Roads (\$14.1 million) and Rite Aid at Cameron Ranch (\$519 thousand), and
- \$1.8 million in equipment additions, including \$595 thousand in information technology equipment, \$94 thousand in law enforcement equipment, and \$801 thousand in new vehicle purchases.

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

**Debt Administration and Long-Term Debt.** As of June 30, 2010 the County’s outstanding long-term debt totaled \$3.9 million. The largest components of this obligation consist of \$3.4 million notes payable and \$527 thousand in capital lease obligations.

In addition to long-term debt, the County has long-term liabilities of \$79.9 million associated with compensated absences (\$13.7 million), landfill closure (\$8.1 million), self-insurance (\$17.9 million), and other post-employment benefits (\$40.2 million). Additional information on the County’s long-term debt can be found in note 6 in the notes to the financial statements. Additional information on the County’s other obligations follows.

## OTHER COUNTY OBLIGATIONS

The County has contractually obligated itself with various labor organizations to provide post retirement benefits to its employees and former employees. As a result, the County has assumed significant unfunded obligations to its retirees and future retirees. These obligations are described in the notes to the financial statements, and the Retiree’s Health obligation has been partially presented, in year three of a 20-year amortization, as a liability on the County’s financial statements.

As of June 30, 2010 the County calculated its unfunded liability at \$431.5 million, based on the market value of assets and actuarial reports dated June 30, 2009 and June 30, 2010 for the CalPERS and Retiree’s Health OPEB respectively. The resulting computation of the unfunded liability as of June 30, 2010 may be summarized as follows:

<b>Post Retirement Benefit Plan</b>	<b>Liability</b>	<b>Market Value of Plan Assets</b>	<b>Unfunded Liability (UL)</b>
CalPERS Safety	\$ 201,019,662	\$ 112,044,378	\$ 88,975,284
CalPERS Misc	442,335,224	266,973,539	175,361,685
Retiree’s Health	167,183,000	--	167,183,000
<b>Total</b>	<b>\$ 810,537,886</b>	<b>\$ 379,017,917</b>	<b>\$ 431,519,969</b>

The above Retiree's Health liability of \$167.2 million is based on the assumption that the Board of Supervisors will not enforce a cap on the County's contribution as required by generally accepted accounting principles. If the County does enforce the 1.2 percent cap in the County's required contribution as described in the agreement with various labor organizations, the County's unfunded obligation for Retiree's Health is \$68,078,000. Because the Retiree's Health benefit plan is a defined benefit plan, generally accepted accounting principles require the County to recognize its retiree's health obligation without the cap limitation for financial reporting purposes until such cap is enforced and thereby begins to alter the established pattern of shared costs. The Retiree's Health actuarial value of plan assets is valued at zero because the assets are not held in a qualifying trust. However, the County has charged departments and programs to set aside cash to fund this obligation, which as of June 30, 2010 and 2009 totaled \$16,014,759 and \$16,747,337 respectively.

During the 2010 fiscal year, the County used a portion of the Retiree Health fund's cash for early retirement incentives. In addition, the County stopped its practice of setting aside cash to fund the Retiree Health 20-year amortization of prior service costs and reverted back to a pay-as-you-go basis. Since the Retiree Health Plan's internal service rates charged to the County departments in 2010 were designed to recover only the pay-as-you-go costs, there was a \$732,578 reduction in the Retiree Health Plan's internal service fund's cash. Further, while this was due in part to the under-funding of pay-as-you-go costs in 2010 (\$1,667,993 actual pay-as-you-go expenses less the \$1,500,000 Retiree Health charges for services to departments), most of this reduction was due to the \$573,092 of early retirement incentives paid by the fund during the fiscal year. In fiscal year 2011 County management budgeted Retiree Health funding similarly. Specifically, \$1,790,000 pay-as-you-go costs, offset by the same amount in charges for services, plus additional expenses of \$2,511,616 for early retirement incentives, to be funded and paid by the Retiree Health fund's beginning fund equity. It is uncertain at this time whether the State, as the County's federal oversight agency, will require the refund of the early retirement incentives that have been paid from the Retiree Health fund.

## **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.

**BASIC FINANCIAL STATEMENTS –  
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**COUNTY OF EL DORADO**

Statement of Net Assets  
June 30, 2010

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Totals	
<b>ASSETS</b>				
Cash and investments	\$ 218,863,937	\$ 131,889	\$ 218,995,826	\$ 7,453,895
Restricted cash and investments	1,722,110	40,639	1,762,749	71,387
Cash with fiscal agents	277,820	--	277,820	--
Accounts receivable	4,239,185	26,142	4,265,327	72,290
Special assessments receivable	146,004	--	146,004	--
Interest receivable	--	--	--	1,615
Due from other governments	31,416,714	27,294	31,444,008	2,765,774
Notes receivable	3,140,864	--	3,140,864	--
Inventory and prepayments	1,782,905	67,676	1,850,581	106,382
Internal balances	52,071	(52,071)	--	--
Notes receivable, long term	3,000,000	--	3,000,000	--
Capital Assets:				
Nondepreciable	49,898,749	239,005	50,137,754	610,571
Depreciable, net	319,673,576	3,694,684	323,368,260	10,021,162
Total Assets	<u>\$ 634,213,935</u>	<u>\$ 4,175,258</u>	<u>\$ 638,389,193</u>	<u>\$ 21,103,076</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 14,566,598	\$ 101,368	\$ 14,667,966	\$ 1,050,384
Accrued salaries and benefits	4,866,187	5,399	4,871,586	85,158
Accrued interest payable	1,076	392	1,468	--
Due to other governments	2,530,178	--	2,530,178	--
Unearned revenue	11,923,866	--	11,923,866	1,002,260
Other liabilities	189,605	--	189,605	--
Long-term liabilities:				
Liability for other post-employment benefits:				
Due beyond one year	40,203,809	--	40,203,809	18,103
Liability for self-insurance:				
Due within one year	4,496,633	--	4,496,633	--
Due beyond one year	13,362,614	--	13,362,614	410,767
Liability for landfill closure and post-closure:				
Due beyond one year	8,109,469	--	8,109,469	--
Compensated absences:				
Due within one year	851,730	1,281	853,011	137,098
Due beyond one year	12,836,901	20,068	12,856,969	137,097
Other liabilities:				
Due within one year	424,085	6,487	430,572	--
Due beyond one year	3,461,412	4,499	3,465,911	--
Total Liabilities	<u>117,824,163</u>	<u>139,494</u>	<u>117,963,657</u>	<u>2,840,867</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	369,045,486	3,922,703	372,968,189	10,631,733
Restricted for:				
Capital projects	16,498,043	--	16,498,043	--
Debt service	1,920,873	--	1,920,873	--
Public safety	8,083,220	--	8,083,220	--
Community resources and public facilities	68,202,548	--	68,202,548	--
Health and public assistance	31,059,110	--	31,059,110	--
General government and support programs	15,958,497	--	15,958,497	--
Other purposes	1,418,271	40,639	1,458,910	4,655,900
Unrestricted	4,203,724	72,422	4,276,146	2,974,576
Total Net Assets	<u>516,389,772</u>	<u>4,035,764</u>	<u>520,425,536</u>	<u>18,262,209</u>
Total Liabilities and Net Assets	<u>\$ 634,213,935</u>	<u>\$ 4,175,258</u>	<u>\$ 638,389,193</u>	<u>\$ 21,103,076</u>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF EL DORADO**

Statement of Activities  
For the Year Ended June 30, 2010

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary Government:</b>				
Governmental Activities:				
General government	\$ 33,931,032	\$ 7,807,501	\$ 6,021,478	\$ --
Public protection	108,467,174	10,473,545	21,908,478	--
Public ways and facilities	66,910,862	5,333,713	45,540,216	14,591,389
Health and sanitation	51,368,468	15,177,895	28,647,620	--
Public assistance	50,854,089	706,718	44,715,881	--
Education	3,805,565	428,554	257,384	--
Recreation and cultural services	727,870	204,525	--	5,954
Debt Service:				
Interest and fiscal charges	111,694	--	--	--
<b>Total Governmental Activities</b>	<u>316,176,754</u>	<u>40,132,451</u>	<u>147,091,057</u>	<u>14,597,343</u>
Business-Type Activities:				
Airports	1,126,274	640,468	--	24,255
South Lake Tahoe Transit Program	371,415	81,761	--	338,067
<b>Total Business-Type Activities</b>	<u>1,497,689</u>	<u>722,229</u>	<u>--</u>	<u>362,322</u>
<b>Total Primary Government</b>	<u>\$ 317,674,443</u>	<u>\$ 40,854,680</u>	<u>\$ 147,091,057</u>	<u>\$ 14,959,665</u>
<b>Components Units:</b>				
El Dorado Transit Authority	\$ 5,704,913	\$ 1,360,711	\$ 3,599,869	\$ 5,546,308
Children and Families Commission	2,823,209	--	1,507,716	--
<b>Total Component Units</b>	<u>\$ 8,528,122</u>	<u>\$ 1,360,711</u>	<u>\$ 5,107,585</u>	<u>\$ 5,546,308</u>

General Revenues:

Taxes:

Property taxes

Sales and use taxes

Payments in lieu of sales and use taxes

Transfer taxes

Other general taxes

Unrestricted interest and investment earnings

Other revenues

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net assets - July 1, restated

Net assets - June 30

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and  
Changes in Net Assets

Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
\$ (20,102,053)	\$ --	\$ (20,102,053)	\$ --
(76,085,151)	--	(76,085,151)	--
(1,445,544)	--	(1,445,544)	--
(7,542,953)	--	(7,542,953)	--
(5,431,490)	--	(5,431,490)	--
(3,119,627)	--	(3,119,627)	--
(517,391)	--	(517,391)	--
<u>(111,694)</u>	<u>--</u>	<u>(111,694)</u>	<u>--</u>
<u>(114,355,903)</u>	<u>--</u>	<u>(114,355,903)</u>	<u>--</u>
--	(461,551)	(461,551)	--
--	48,413	48,413	--
--	<u>(413,138)</u>	<u>(413,138)</u>	<u>--</u>
<u>(114,355,903)</u>	<u>(413,138)</u>	<u>(114,769,041)</u>	<u>--</u>
--	--	--	4,801,975
--	--	--	<u>(1,315,493)</u>
--	--	--	<u>3,486,482</u>
85,686,013	--	85,686,013	--
6,142,430	--	6,142,430	--
1,841,824	--	1,841,824	--
1,230,381	--	1,230,381	--
9,163,081	--	9,163,081	--
751,068	984	752,052	43,252
5,004,443	189	5,004,632	--
(71,927)	71,927	--	--
<u>109,747,313</u>	<u>73,100</u>	<u>109,820,413</u>	<u>43,252</u>
(4,608,590)	(340,038)	(4,948,628)	3,529,734
<u>520,998,362</u>	<u>4,375,802</u>	<u>525,374,164</u>	<u>14,732,475</u>
<u>\$ 516,389,772</u>	<u>\$ 4,035,764</u>	<u>\$ 520,425,536</u>	<u>\$ 18,262,209</u>



**COUNTY OF EL DORADO**

Balance Sheet  
Governmental Funds  
June 30, 2010

	General	Road Fund	Mental Health Fund	Silva Valley Interchange RIF Fund	Other Governmental Funds	Total Governmental Funds
<b><u>ASSETS</u></b>						
Cash and investments	\$ 22,766,389	\$ 19,230,620	\$ 2,934,841	\$ 20,510,859	\$ 103,624,908	\$ 169,067,617
Restricted cash and investments	--	--	--	--	1,722,110	1,722,110
Accounts receivable	351,208	95,921	72,009	--	3,464,193	3,983,331
Special assessments receivable	--	--	--	--	146,004	146,004
Due from other governments	8,863,258	12,545,678	1,822,807	--	8,184,971	31,416,714
Notes receivable	--	--	--	--	3,140,864	3,140,864
Due from other funds	1,952,393	120,946	269,981	--	855,719	3,199,039
Advances to other funds	3,749,000	--	--	1,405,601	--	5,154,601
Inventories	--	616,378	--	--	56,290	672,668
Prepaid expenses	580,360	35,437	41,159	--	335,360	992,316
<b>Total Assets</b>	<b>\$ 38,262,608</b>	<b>\$ 32,644,980</b>	<b>\$ 5,140,797</b>	<b>\$ 21,916,460</b>	<b>\$ 121,530,419</b>	<b>\$ 219,495,264</b>
<b><u>LIABILITIES</u></b>						
Accounts payable	\$ 2,260,222	\$ 7,799,247	\$ 589,765	\$ --	\$ 2,781,283	\$ 13,430,517
Accrued salaries and benefits	3,569,136	628,634	241,223	--	403,510	4,842,503
Due to other governments	228,585	106,868	--	--	2,194,725	2,530,178
Due to other funds	407,605	--	--	--	2,739,363	3,146,968
Advances from other funds	--	--	3,319,000	--	1,835,601	5,154,601
Deferred revenue	3,580	7,556,084	--	--	10,527,669	18,087,333
<b>Total Liabilities</b>	<b>\$ 6,469,128</b>	<b>\$ 16,090,833</b>	<b>\$ 4,149,988</b>	<b>\$ --</b>	<b>\$ 20,482,151</b>	<b>\$ 47,192,100</b>
<b><u>FUND BALANCES</u></b>						
Reserved for:						
Capital projects	--	--	--	--	84,448	84,448
Encumbrances	377,227	321,307	11,016	--	705,097	1,414,647
Advances	3,749,000	--	--	1,405,601	--	5,154,601
Inventory	--	616,378	--	--	56,290	672,668
Prepaid expenses	580,360	35,437	41,159	--	335,360	992,316
Imprest cash	9,840	3,500	5,040	--	1,460	19,840
Purpose restricted grants	--	15,577,525	933,594	--	--	16,511,119
Other	--	--	--	--	3,314,369	3,314,369
Unreserved:						
Designated for:						
Economic uncertainty	8,625,183	--	--	--	--	8,625,183
Capital projects	--	--	--	--	11,599,182	11,599,182
Undesignated and reported in:						
General fund	18,451,870	--	--	--	--	18,451,870
Special revenue funds	--	--	--	20,510,859	77,673,980	98,184,839
Permanent funds	--	--	--	--	546,857	546,857
Debt service funds	--	--	--	--	1,920,873	1,920,873
Capital projects funds	--	--	--	--	4,810,352	4,810,352
<b>Total Fund Balances</b>	<b>\$ 31,793,480</b>	<b>\$ 16,554,147</b>	<b>\$ 990,809</b>	<b>\$ 21,916,460</b>	<b>\$ 101,048,268</b>	<b>\$ 172,303,164</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 38,262,608</b>	<b>\$ 32,644,980</b>	<b>\$ 5,140,797</b>	<b>\$ 21,916,460</b>	<b>\$ 121,530,419</b>	<b>\$ 219,495,264</b>

The accompanying notes are an integral part of these financial statements.



**COUNTY OF EL DORADO**

Reconciliation of the Governmental Funds Balance Sheet  
to the Government-Wide Statement of Net Assets  
June 30, 2010

Fund Balance - total governmental funds	\$ 172,303,164
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.	3,000,000
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the governmental funds.	364,175,091
Other long-term assets are not available to pay for current period expenditures, and therefore, are deferred in the governmental funds	6,163,467
Internal service funds are used by the County to charge the cost of self-insurance risk management and management of fleet maintenance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. Internal service fund net assets are:	(3,437,624)
Interest payable on long-term debt does not require the use of current financial resources and, therefore, is not accrued as a liability in the governmental funds.	(1,076)
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in the governmental funds.	
Notes payable	(3,358,658)
Capital leases	(526,839)
Compensated absences	(13,628,679)
Liability for landfill closure and post-closure	(8,109,469)
Other long-term liabilities	<u>(189,605)</u>
Net assets of governmental activities	<u>\$ 516,389,772</u>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF EL DORADO**

Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2010

	General	Road Fund	Mental Health Fund	Silva Valley Interchange RIF Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Taxes	\$ 88,717,562	\$ 195,603	\$ --	\$ --	\$ 15,329,308	\$ 104,242,473
Licenses and permits	4,498,877	51,375	--	--	2,121,980	6,672,232
Intergovernmental revenue	54,295,592	40,267,752	5,732,486	--	46,820,946	147,116,776
Use of money or property	119,963	39,727	--	64,824	388,479	612,993
Charges for current services	10,975,340	1,506,553	469,985	--	17,505,140	30,457,018
Fines, forfeits and penalties	1,010,806	--	--	--	1,660,914	2,671,720
Other revenue	1,290,341	505,925	28,858	--	2,045,257	3,870,381
<b>Total Revenues</b>	<b>160,908,481</b>	<b>42,566,935</b>	<b>6,231,329</b>	<b>64,824</b>	<b>85,872,024</b>	<b>295,643,593</b>
<b>Expenditures:</b>						
Current:						
General government	24,361,922	--	--	--	3,276,579	27,638,501
Public protection	91,796,613	--	--	--	5,908,210	97,704,823
Public ways and facilities	--	55,212,090	--	44,755	825,321	56,082,166
Health and sanitation	1,732,651	--	8,480,334	--	38,792,532	49,005,517
Public assistance	36,234,085	--	--	--	12,065,357	48,299,442
Education	3,273,590	--	--	--	--	3,273,590
Recreation and cultural services	568,963	--	--	--	1,478	570,441
Capital outlay	887,565	2,624,590	3,757	--	641,974	4,157,886
Debt service:						
Principal	110,397	135,771	--	--	4,342,123	4,588,291
Interest and fiscal charges	17,673	11,871	--	--	115,658	145,202
<b>Total Expenditures</b>	<b>158,983,459</b>	<b>57,984,322</b>	<b>8,484,091</b>	<b>44,755</b>	<b>65,969,232</b>	<b>291,465,859</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,925,022	(15,417,387)	(2,252,762)	20,069	19,902,792	4,177,734
<b>Other Financing Sources (Uses):</b>						
Transfers in	16,606,655	20,660,909	3,238,531	--	14,375,864	54,881,959
Transfers out	(14,628,099)	--	(132,126)	(327,916)	(39,865,745)	(54,953,886)
<b>Total Other Financing Sources (Uses)</b>	<b>1,978,556</b>	<b>20,660,909</b>	<b>3,106,405</b>	<b>(327,916)</b>	<b>(25,489,881)</b>	<b>(71,927)</b>
<b>Net change in fund balances</b>	<b>3,903,578</b>	<b>5,243,522</b>	<b>853,643</b>	<b>(307,847)</b>	<b>(5,587,089)</b>	<b>4,105,807</b>
Fund Balance - Beginning of Year	27,669,902	11,310,625	137,166	22,224,307	106,855,357	168,197,357
Restatement of beginning fund balance	220,000	--	--	--	(220,000)	--
Fund Balance - Beg. of Year (Restated)	27,889,902	11,310,625	137,166	22,224,307	106,635,357	168,197,357
Fund Balance - End of Year	\$ 31,793,480	\$ 16,554,147	\$ 990,809	\$ 21,916,460	\$ 101,048,268	\$ 172,303,164

The accompanying notes are an integral part of these 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  
For the Year Ended June 30, 2010**

Net change to fund balance - total governmental funds \$ 4,105,807

Amounts reported for governmental activities in the statement of activities are different because:

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.

Capital outlays	\$ 13,154,936	
Depreciation	<u>(23,928,698)</u>	(10,773,762)

Disposal of capital assets: proceeds from the sale of capital assets are a financial resource in governmental funds, but only the net gain or loss is presented in the statement of net assets. (1,386,875)

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 revenues increased by this amount this year. 664,129

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 4,588,291

Donated capital assets reported in the statement of activities do not result in the increase of current financial resources and, therefore, are not reported as revenues in governmental funds. 14,571,624

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 the governmental funds.

Change in compensated absences		164,076
Change in accrued interest payable		33,508

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenues (expense) of the internal service funds is reported with governmental activities. (16,575,388)

Change in net assets of governmental activities		<u>\$ (4,608,590)</u>
---	--	-----------------------

The accompanying notes are an integral part of these financial statements.

**COUNTY OF EL DORADO**

Statement of Fund Net Assets  
Proprietary Funds  
June 30, 2010

	Business-Type Activities - Enterprise Funds			Governmental
	South Lake		Total	Activities
	County	Tahoe		Internal
	Airports	Transit		Service
				Funds
<b>ASSETS</b>				
Current Assets:				
Cash and investments	\$ 75,149	\$ 56,740	\$ 131,889	\$ 49,796,320
Cash with fiscal agents	--	--	--	277,820
Accounts receivable	26,142	--	26,142	255,854
Due from other governments	27,294	--	27,294	--
Deposits	20,250	--	20,250	83,100
Inventory	47,426	--	47,426	34,741
Prepaid expenses	--	--	--	80
<b>Total Current Assets</b>	<b>196,261</b>	<b>56,740</b>	<b>253,001</b>	<b>50,447,915</b>
Non-current Assets:				
Capital assets:				
Land	213,711	--	213,711	40,000
Construction in progress	25,294	--	25,294	--
Structures and improvements	8,018,434	--	8,018,434	659,905
Equipment	25,300	120,533	145,833	10,217,703
Accumulated depreciation	(4,408,669)	(60,914)	(4,469,583)	(5,520,374)
<b>Total capital assets, net of accumulated depreciation</b>	<b>3,874,070</b>	<b>59,619</b>	<b>3,933,689</b>	<b>5,397,234</b>
Restricted assets:				
Restricted cash	--	40,639	40,639	--
<b>Total Non-current Assets</b>	<b>3,874,070</b>	<b>100,258</b>	<b>3,974,328</b>	<b>5,397,234</b>
<b>Total Assets</b>	<b>\$ 4,070,331</b>	<b>\$ 156,998</b>	<b>\$ 4,227,329</b>	<b>\$ 55,845,149</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	\$ 46,718	\$ 54,650	\$ 101,368	\$ 1,136,081
Accrued salaries and benefits	5,399	--	5,399	23,684
Interest payable	392	--	392	--
Due to other funds	52,071	--	52,071	--
Liability for self-insurance	--	--	--	4,496,633
Compensated absences	1,281	--	1,281	3,597
Notes payable, current portion	6,487	--	6,487	--
<b>Total Current Liabilities</b>	<b>112,348</b>	<b>54,650</b>	<b>166,998</b>	<b>5,659,995</b>
Noncurrent Liabilities:				
Liability for self-insurance	--	--	--	13,362,614
Liability for other post-employment benefits	--	--	--	40,203,809
Compensated absences	20,068	--	20,068	56,355
Notes payable	4,499	--	4,499	--
<b>Total Noncurrent Liabilities</b>	<b>24,567</b>	<b>--</b>	<b>24,567</b>	<b>53,622,778</b>
<b>Total Liabilities</b>	<b>136,915</b>	<b>54,650</b>	<b>191,565</b>	<b>59,282,773</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	3,863,084	59,619	3,922,703	5,397,234
Restricted	--	40,639	40,639	2,630,878
Unrestricted	70,332	2,090	72,422	(11,465,736)
<b>Total Net Assets</b>	<b>3,933,416</b>	<b>102,348</b>	<b>4,035,764</b>	<b>(3,437,624)</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 4,070,331</b>	<b>\$ 156,998</b>	<b>\$ 4,227,329</b>	<b>\$ 55,845,149</b>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF EL DORADO**

**Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended June 30, 2010**

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>County</u>	<u>South Lake</u>	<u>Total</u>	<u>Internal</u>
		<u>Tahoe</u>		<u>Service</u>
	<u>Airports</u>	<u>Transit</u>		<u>Funds</u>
<b>Operating Revenues:</b>				
Fares	\$ --	\$ 81,761	\$ 81,761	\$ --
Service fees	640,468	--	640,468	34,181,964
Total Operating Revenues	<u>640,468</u>	<u>81,761</u>	<u>722,229</u>	<u>34,181,964</u>
<b>Operating Expenses:</b>				
Salaries and benefits	144,279	--	144,279	828,476
Services and supplies	681,482	310,501	991,983	50,290,408
Depreciation	295,913	60,914	356,827	899,289
Total Operating Expenses	<u>1,121,674</u>	<u>371,415</u>	<u>1,493,089</u>	<u>52,018,173</u>
<b>Operating Income (Loss)</b>	<u>(481,206)</u>	<u>(289,654)</u>	<u>(770,860)</u>	<u>(17,836,209)</u>
<b>Non-Operating Revenues (Expenses):</b>				
Interest income	712	272	984	138,075
Interest expense	(3,744)	--	(3,744)	--
Gain (loss) on sale of capital assets	--	--	--	(82,434)
Miscellaneous nonoperating revenue	189	--	189	1,205,180
Miscellaneous nonoperating expense	(856)	--	(856)	--
Total Non-Operating Revenues (Expenses)	<u>(3,699)</u>	<u>272</u>	<u>(3,427)</u>	<u>1,260,821</u>
Income (Loss) Before Transfers and Capital Contributions	(484,905)	(289,382)	(774,287)	(16,575,388)
Transfers in	71,927	--	71,927	--
Capital contributions	<u>24,255</u>	<u>338,067</u>	<u>362,322</u>	<u>--</u>
<b>Change in Net Assets</b>	<u>(388,723)</u>	<u>48,685</u>	<u>(340,038)</u>	<u>(16,575,388)</u>
Net Assets - Beginning of Year	<u>4,322,139</u>	<u>53,663</u>	<u>4,375,802</u>	<u>13,137,764</u>
<b>Net Assets - End of Year</b>	<u>\$ 3,933,416</u>	<u>\$ 102,348</u>	<u>\$ 4,035,764</u>	<u>\$ (3,437,624)</u>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF EL DORADO**

Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2010

	Business-Type Activities - Enterprise Funds			Governmental Activities
	County Airports	South Lake Tahoe Transit	Total	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash receipts from customers and users	\$ 645,208	\$ 81,761	\$ 726,969	\$ --
Cash receipts from interfund services provided	--	--	--	33,951,747
Cash paid to suppliers for goods and services	(717,713)	(294,398)	(1,012,111)	(34,426,041)
Cash paid to employees for salaries and benefits	(144,051)	--	(144,051)	(797,968)
Net cash provided (used) by operating activities	(216,556)	(212,637)	(429,193)	(1,272,262)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Cash received from other governmental agencies	59,556	--	59,556	--
Non-operating receipts	189	--	189	1,205,180
Non-operating payments	(856)	--	(856)	--
Cash received from or paid to other funds	37,008	--	37,008	--
Net cash provided (used) by noncapital financing activities	95,897	--	95,897	1,205,180
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Principal repayments on debt	(6,486)	--	(6,486)	--
Proceeds from sale of capital assets	--	--	--	94,603
Capital contributions	24,255	338,067	362,322	--
Interest paid on debt	(3,975)	--	(3,975)	--
Payments related to the acquisition of capital assets	(32,895)	(120,533)	(153,428)	(437,564)
Net cash provided (used) by capital and related financing activities	(19,101)	217,534	198,433	(342,961)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received (paid)	712	272	984	138,075
Net cash provided by investing activities	712	272	984	138,075
Net increase (decrease) in cash and cash equivalents	(139,048)	5,169	(133,879)	(271,968)
Cash and cash equivalents, beginning of year	214,197	92,210	306,407	50,346,108
Cash and cash equivalents, end of year	\$ 75,149	\$ 97,379	\$ 172,528	\$ 50,074,140

continued

The accompanying notes are an integral part of these financial statements.

**COUNTY OF EL DORADO**

Statement of Cash Flows (continued)  
 Proprietary Funds  
 For the Year Ended June 30, 2010

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>County</u>	<u>South Lake</u>	<u>Total</u>	<u>Internal</u>
		<u>Tahoe</u>		<u>Service</u>
	<u>Airports</u>	<u>Transit</u>		<u>Funds</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	\$ (481,206)	\$ (289,654)	\$ (770,860)	\$ (17,836,209)
Adjustments to reconcile operating income (loss) to cash flows from operating activities:				
Depreciation	295,913	60,914	356,827	899,289
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	4,740	--	4,740	(230,217)
Inventory	8,991	--	8,991	(5,389)
Prepaid expenses	(11,968)	--	(11,968)	(80)
Increase (decrease) in:				
Accounts payable	(33,254)	16,103	(17,151)	(814,375)
Salaries payable	771	--	771	4,814
Liability for compensated absences	(543)	--	(543)	25,694
Liability for self-insurance	--	--	--	(452,817)
Liability for other post employment benefits	--	--	--	17,137,028
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ (216,556)</u>	<u>\$ (212,637)</u>	<u>\$ (429,193)</u>	<u>\$ (1,272,262)</u>

The accompanying notes are an integral part of these financial statements.

**COUNTY OF EL DORADO**

Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2010

	<u>Investment Trust</u>	<u>Agency Funds</u>
<b><u>ASSETS</u></b>		
Cash and investments	\$ 201,153,645	\$ --
Interest receivable	243,858	--
Taxes receivable	--	32,192,275
	<hr/>	<hr/>
Total Assets	201,397,503	32,192,275
<b><u>LIABILITIES</u></b>		
Cash deficit	--	3,930,694
Accounts payable	2,310,113	1,521,853
Accrued salaries and benefits	878,187	--
Interest payable	--	4,969
Fiduciary liabilities	--	26,734,759
	<hr/>	<hr/>
Total Liabilities	3,188,300	32,192,275
<b><u>NET ASSETS</u></b>		
Net assets held in trust for investment pool participants	198,209,203	--
Total Net Assets	<u>\$ 198,209,203</u>	<u>\$ --</u>

The accompanying notes are an integral part of these financial statements.



**COUNTY OF EL DORADO**

Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
For the Year Ended June 30, 2010

	<u>Investment Trust</u>
<b>Additions:</b>	
Contributions to investment pool	\$ 1,057,421,847
Interest and investment income	<u>853,196</u>
Total additions	<u>1,058,275,043</u>
<b>Deductions:</b>	
Distributions from investment pool	<u>1,038,734,432</u>
Total deductions	<u>1,038,734,432</u>
Change in net assets	19,540,611
<b>Net assets - beginning</b>	<u>178,668,592</u>
<b>Net assets - ending</b>	<u>\$ 198,209,203</u>

The accompanying notes are an integral part of these financial statements.

STATE OF TEXAS

COMPTROLLER OF PUBLIC ACCOUNTS

REPORT

OF THE COMPTROLLER OF PUBLIC ACCOUNTS

STATE OF TEXAS  
COMPTROLLER OF PUBLIC ACCOUNTS  
REPORT

OF THE COMPTROLLER OF PUBLIC ACCOUNTS

STATE OF TEXAS  
COMPTROLLER OF PUBLIC ACCOUNTS  
REPORT

**BASIC FINANCIAL STATEMENTS –  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

OF THE COMPTROLLER OF PUBLIC ACCOUNTS

STATE OF TEXAS  
COMPTROLLER OF PUBLIC ACCOUNTS  
REPORT

OF THE COMPTROLLER OF PUBLIC ACCOUNTS

STATE OF TEXAS  
COMPTROLLER OF PUBLIC ACCOUNTS  
REPORT

OF THE COMPTROLLER OF PUBLIC ACCOUNTS

STATE OF TEXAS  
COMPTROLLER OF PUBLIC ACCOUNTS  
REPORT

OF THE COMPTROLLER OF PUBLIC ACCOUNTS

## COUNTY OF EL DORADO

### Notes to the Basic Financial Statements For the Year Ended June 30, 2010

#### Note 1: Summary of Significant Accounting Policies

##### A. Description of the Reporting Entity

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

The governmental reporting entity consists of the County (Primary Government) and its component units. Component units are legally separate organizations for which the Board is financially accountable or other organizations whose nature and significant relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Financial responsibility 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 units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government. For financial reporting purposes, the County's basic financial statements include all financial activities that are controlled by or are dependent upon activities taken by the County's Board. Financial information on these component units may be obtained from the County Auditor/Controller's Office.

**Blended Component Units:** The following component units are blended into the County's financial statements because the governing board members are substantively the same as the County Board of Supervisors.

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

## COUNTY OF EL DORADO

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2010

Note 1: **Summary of Significant Accounting Policies** (continued)

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

**Blended Component Units** (continued):

- The County Water Agency is a separate legal entity formed to provide water service within the County.
- The El Dorado Hills Business Park Light and Landscape District was formed to provide lighting and landscaping to the business park in El Dorado Hills.
- The Air Quality Control District was established as a separate legal entity to maintain and improve the County's air quality.
- The El Dorado Redevelopment Agency was created under the Community Redevelopment Law of the State to address blighted areas within the County.
- The El Dorado County Housing Authority was formed to issue certificates and vouchers for Section 8 housing.
- The El Dorado County Bond Authority was established pursuant to a joint exercise of powers agreement between the County and the El Dorado Redevelopment Agency to obtain financing for public capital improvements.
- The In-Home Supportive Services Public Authority was created for the purpose of collective bargaining for in-home supportive services (IHSS) providers.

**Discretely Presented Component Units:** The following component units are discretely presented because the governing boards are different.

- 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 substantively the same as that of the County.

## COUNTY OF EL DORADO

### Notes to the Basic Financial Statements For the Year Ended June 30, 2010

Note 1: **Summary of Significant Accounting Policies** (continued)

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

**Discretely Presented Component Units** (continued):

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

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

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

## COUNTY OF EL DORADO

### Notes to the Basic Financial Statements For the Year Ended June 30, 2010

Note 1: **Summary of Significant Accounting Policies** (continued)

**B. 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 units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

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

When both restricted and unrestricted net assets are available, restricted resources are used just before the unrestricted resources are used.

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

## COUNTY OF EL DORADO

### Notes to the Basic Financial Statements For the Year Ended June 30, 2010

Note 1: **Summary of Significant Accounting Policies** (continued)

**B. Basis of Presentation** (continued)

*Fund Financial Statements* (continued)

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 Mental Health Fund is a special revenue fund used to account for the administration and provision of mental health services to promote mental health and public safety, prevent mental illness, and serve persons with mental illness and severe emotional disorders.
- The Silva Valley Interchange Road Impact Fee (RIF) Fund is a special revenue fund used to account for road impact fees received from individual property owners in the El Dorado Hills area to mitigate traffic impacts and to fund the future construction of the Silva Valley interchange.

The County reports the following nonmajor enterprise funds:

- The South Lake Tahoe Transit Fund accounts for the costs of providing transit services throughout the unincorporated area in the Tahoe Basin.
- The County Airports Fund accounts for the activities of the County airports.

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

- Internal Service Funds – Fleet Management and Risk Management Authority are internal service funds used to account for the County's fleet maintenance provided to other departments and self-insurance programs including workers' compensation, employee and retiree health benefits and personal injury and property damage on a cost-reimbursement basis.
- Investment Trust Fund – The Investment Trust Fund accounts for the assets, primarily cash and investments, of legally separate entities that deposit cash with the County Treasurer in an investment pool, which commingles resources in an investment portfolio for the benefit of all participants. These participants include school and community college districts, other special districts governed by local boards, regional boards and authorities.

## COUNTY OF EL DORADO

### Notes to the Basic Financial Statements For the Year Ended June 30, 2010

#### Note 1: **Summary of Significant Accounting Policies** (continued)

##### **B. Basis of Presentation** (continued)

###### *Fund Financial Statements* (continued)

- **Agency Funds** – Agency Funds are custodial in nature and do not involve measurement of the results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. These funds account for assets held by the County as an agent for individuals and other government units.

##### **C. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The government-wide and proprietary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

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

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



## COUNTY OF EL DORADO

### Notes to the Basic Financial Statements For the Year Ended June 30, 2010

Note 1: **Summary of Significant Accounting Policies** (continued)

**C. Basis of Accounting** (continued)

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 codifications of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

**D. Cash and Investments**

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

Investments are reported at fair value. The fair value represents the amount the County could reasonably expect to receive for an investment in a current sale between a willing buyer and seller. The fair value of investments is obtained by using quotations obtained from independent published sources.

Participants' equity in the investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Amortized premiums and accreted discounts, accrued interest, and realized gains and losses, net of expenses, are apportioned to pool participants every month. This method differs from the fair value method used to value investments in these financial statements, on an annual basis, as unrealized gains or losses are not apportioned to pool participants.

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

**COUNTY OF EL DORADO**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2010

Note 1: **Summary of Significant Accounting Policies** (continued)

**E. Cash and Cash Equivalents**

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

**F. Mortgages Receivable**

Governmental 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 revenue.

**G. 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 consumed. Reported inventory is equally offset by a fund balance reservation that indicates that a portion of fund balance is not available for future appropriation.

**H. Capital Assets and Depreciation**

Capital assets (including infrastructure) are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated 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 and equipment with an initial, individual cost of more than \$1,500 and an estimated useful life in excess of one year.

The estimated useful lives are as follows:

Infrastructure (except for the maintained pavement subsystem)	15 to 25 years
Structures and improvements	50 years
Equipment	3 to 15 years

**COUNTY OF EL DORADO**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2010

Note 1: **Summary of Significant Accounting Policies** (continued)

**H. Capital Assets and Depreciation** (continued)

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

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

**I. Property Tax Levy, Collection and Maximum Rates**

The State 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 2009-2010 net assessed valuation of the County was \$27,380,380,279.

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 Basic Financial Statements For the Year Ended June 30, 2010

Note 1: **Summary of Significant Accounting Policies** (continued)

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

The County's policy allows employees to accumulate earned but unused vacation, sick leave, and compensatory time-off. Vacation pay may be accumulated to a maximum of six to eight weeks depending on the employee's years of service and is payable upon termination. Employees with at least five years of service receive a percentage of their unused sick leave upon termination ranging from 20% at five years to 100% at twenty years up to a maximum cap between 500-504 hours. Compensated time off may be accumulated up to a maximum of 150 hours and, similar to vacation pay, is payable upon termination.

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

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

**K. Interfund Transactions**

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due from/to other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the *governmental activities* and the *business-type activities* are reported in the government-wide financial statements as "internal balances". Advances 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 benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

## COUNTY OF EL DORADO

### Notes to the Basic Financial Statements For the Year Ended June 30, 2010

Note 1: **Summary of Significant Accounting Policies** (continued)

**L. 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.

**M. 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.

**N. New Accounting Pronouncement**

**Governmental accounting Standards Board Statement No. 54**

In March 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which is effective for the year ending June 30, 2011. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions.

Note 2: **Cash and Investments**

The County sponsors an investment pool that is managed by the County Treasurer for the purpose of increasing interest earnings through investment activities. Cash and investments for most County activities are included in the investment pool. Interest earned on the investment pool is distributed to the participating funds using a formula based on the average daily cash balance of each fund.

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

**COUNTY OF EL DORADO**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2010

Note 2: **Cash and Investments** (continued)

The County investment pool is not registered with the Securities and Exchange Commission as an investment company. Investments made by the Treasurer are regulated by the California Government Code and by the County's investment policy. The objectives of the policy are in order of priority, safety, liquidity, public trust, and yield. The County has established a treasury oversight committee to monitor and review the management of public funds maintained in the investment pool in accordance with Article 6 Section 27131 of the California Government Code. The oversight committee and the Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the members of the oversight committee and the investment pool participants every quarter. The report covers the type of investments in the pool, maturity dates, par value, actual costs and fair value.

At June 30, 2010, total County cash and investments were as follows:

	<u>Pooled Treasury</u>	<u>External to Pool</u>	<u>Total</u>
Cash:			
Imprest cash	\$ --	\$ 20,140	\$ 20,140
Cash on hand	500	--	500
Deposits	54,023,274	2,085,467	56,108,741
Total Cash	<u>54,023,774</u>	<u>2,105,607</u>	<u>56,129,381</u>
Investments	<u>368,490,229</u>	<u>1,165,019</u>	<u>369,655,248</u>
Total Cash and Investments	<u>\$ 422,514,003</u>	<u>\$ 3,270,626</u>	<u>\$ 425,784,629</u>

Total cash and investments at June 30, 2010 were presented on the County's financial statements as follows:

	<u>Primary Government</u>	<u>Fiduciary Funds</u>	<u>Component Units</u>	<u>Total</u>
County Investment Pool:				
Unrestricted	\$ 218,975,886	\$ 197,054,635	\$ 4,720,733	\$ 420,751,254
Restricted	1,762,749	--	--	1,762,749
Total in County Investment Pool	<u>220,738,635</u>	<u>197,054,635</u>	<u>4,720,733</u>	<u>422,514,003</u>
External to Pool:				
Cash with fiscal agents	277,820	--	--	277,820
Other restricted cash and investments	--	--	71,387	71,387
Other unrestricted cash and investments	--	168,316	2,732,963	2,901,279
Imprest cash	19,940	--	200	20,140
Total External to Pool	<u>297,760</u>	<u>168,316</u>	<u>2,804,550</u>	<u>3,270,626</u>
Total Cash and Investments	<u>\$ 221,036,395</u>	<u>\$ 197,222,951</u>	<u>\$ 7,525,283</u>	<u>\$ 425,784,629</u>

**COUNTY OF EL DORADO**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2010

Note 2: **Cash and Investments** (continued)

The fiduciary funds' cash and investments balance of \$197,222,951 includes, and is decreased by, the net agency fund types' deficit cash balance of \$3,930,694, presented as a liability in the Statement of Fiduciary Net Assets. Further, the net deficit cash balance in the agency fund type is due almost entirely to the negative cash balances maintained by the agency funds used to allocate property taxes under the alternate method of tax apportionment (TEETER plan). The total cash deficits of these TEETER plan funds of \$18,512,363 is entirely offset by, and is significantly less than, the total \$25,163,699 that has been recorded by these funds as taxes receivable.

Cash and investments were restricted at June 30, 2010, for the following purposes:

	Primary Government	Component Units	Total
Closure and Post-closure costs	\$ 1,722,110	\$ --	\$ 1,722,110
Transit grant expenditures	40,639	--	40,639
Risk financing	--	71,387	71,387
	<u>\$ 1,762,749</u>	<u>\$ 71,387</u>	<u>\$ 1,834,136</u>

**Investments**

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
Bankers Acceptances	180 days	40%	5% *
Domestic Commercial Paper	31 days	20%	5% *
Certificates of Deposit, Negotiable	5 years	30%	5% *
Certificates of Deposit, Non-negotiable	5 years	None	None
Repurchase Agreements	1 year	None	5% *
U.S. Agency Obligations	3 years	None	5% *
Demand Deposit Savings Accounts	5 years	None	None
State Warrants	1 year	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Medium-Term Notes U.S. Corporations under the Temporary Liquidity Guarantee Program (TLGP)	3 years	30%	None
Commercial Paper under TLGP	270 days	40%	None

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

**COUNTY OF EL DORADO**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2010

Note 2: **Cash and Investments** (continued)

**Investments** (continued)

At June 30, 2010, the County had the following investments:

	Interest Rates	Maturities	Par Value	Book Value	Fair Value	WAM (Years)
<b>Investments in Investment Pool</b>						
Treasury Securities - Coupon	0.750%-1.125%	12/31/10-12/15/12	\$ 79,000,000	\$ 79,072,729	\$ 79,369,886	1.32
Treasury Securities - Discount	0.071%-0.285%	07/01/10-11/18/10	199,500,000	199,391,196	199,445,745	0.17
Bankers Acceptances	0.230%-0.500%	07/06/10-10/04/10	28,400,177	28,371,713	28,388,430	0.14
California Local Agency Investment Fund	0.56%	On Demand	48,500,000	48,500,000	48,500,000	0.00
Medium Term Notes under TLGP	1.700%-3.125%	12/01/10-12/01/11	12,978,000	13,154,591	13,214,561	0.82
<b>Total Investments in Investment Pool</b>			<b>\$ 368,378,177</b>	<b>\$ 368,490,229</b>	<b>\$ 368,918,622</b>	<b>0.41</b>
<b>Investments Outside Investment Pool</b>						
<b>Component Units:</b>						
<i>El Dorado County Transit Authority</i>						
California Local Agency Investment Fund	0.56%	On Demand	\$ 1,165,019	\$ 1,165,019	\$ 1,165,019	--
<b>Total Investments Outside Investment Pool</b>			<b>\$ 1,165,019</b>	<b>\$ 1,165,019</b>	<b>\$ 1,165,019</b>	<b>--</b>

At June 30, 2010, the difference between the carrying value and fair value of cash and investments was not material (fair value was 100.12% of carrying value). No adjustment has been recorded on the financial statements.

**Interest Rate Risk**

The County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years or less in accordance with its investment policy. As of June 30, 2010, the investment pool had a weighted average maturity of 0.41 years.

**Credit Risk**

State law and the County's Investment Policy limit investments in commercial paper to the rating of A1 by Standards & Poor's or P-1 by Moody's Investors Service. State law and the County's Investment Policy also limit investments in corporate bonds to the rating of A by Standard & Poor's and Moody's Investors Service. The County does not have credit limits on government agency securities.



**COUNTY OF EL DORADO**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2010

Note 2: **Cash and Investments** (continued)

**Credit Risk** (continued)

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of the County Investment Pool's fair value at June 30, 2010.

	<u>Standard &amp; Poor's Rating</u>	<u>% of Portfolio</u>
Treasury Securities - Coupon	AAA	21.51%
Treasury Securities - Discount	AAA	54.06%
Bankers Acceptances	A-1	7.70%
Local Agency Investment Fund	Unrated	13.15%
Medium Term Notes under TLGP (see below)	A-1	3.58%
Total		<u>100.00%</u>

The Federal Deposit Insurance Corporation (FDIC) sponsored a Temporary Liquidity Guarantee Program (TLGP), which took effect October 14, 2008 and will not extend beyond June 30, 2012. This program established that senior unsecured debt, clearly identified as "guaranteed by the FDIC" would be guaranteed up to 125 percent of the par or face value. The Medium Term Notes held by the County are considered to be senior unsecured debt and therefore guaranteed by the program. Another component to the TLGP is that all funds in non-interest bearing transaction deposit accounts held in domestic offices of FDIC insured financial institutions are fully guaranteed, provided the financial institution did not withdraw from the program.

**Custodial Credit Risk**

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

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

## COUNTY OF EL DORADO

### Notes to the Basic Financial Statements For the Year Ended June 30, 2010

Note 2: **Cash and Investments** (continued)

**Local Agency Investment Fund**

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

At June 30, 2010, the County's investment position in LAIF was \$48.5 million, which approximates fair value and is the same as value of the pool shares. The total amount invested by all public agencies in LAIF on that day was \$23.3 billion. LAIF is part of the State of California Pooled Money Investment Account (PMIA), whose balance at June 30, 2010 was \$69.4 billion. Of that amount, 5.42% was invested in structured notes and asset-backed securities. Fair value is based on information provided by the State for the Local Agency Investment Fund.

**County Investment Pool Condensed Financial Statements**

The following represents a condensed statement of net assets and changes in net assets for the Treasurer's investment pool as of June 30, 2010:

**Statement of Net Assets**

Net assets held for pool participants	\$ 422,514,003
Equity of internal pool participants	221,360,358
Equity of external pool participants	201,153,645
Total net assets	<u>\$ 422,514,003</u>

**Statement of Changes in Net Assets**

Net assets at July 1, 2009	\$ 394,278,460
Investment income	1,662,073
Investment expenses	(490,908)
Net contributions (withdrawals) by pool participants	27,064,378
Net assets at June 30, 2010	<u>\$ 422,514,003</u>

**COUNTY OF EL DORADO**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2010

**Note 3: Long-Term Notes and Assessment Receivables**

The governmental funds include notes receivable of \$3,140,864 and special assessment receivables of \$146,004 (net of uncollectible amounts of \$1,737,171), which are not expected to be fully collected in the next fiscal year. The accounts receivable balances reported in other governmental funds include an allowance for uncollectible amounts of \$720,000. The governmental activities include a long-term note receivable of \$3,000,000, which is offset by a long-term note payable.

**Note 4: Capital Assets**

Capital Assets activity for the year ended June 30, 2010 was as follows:

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers &amp; Adjustments</u>	<u>Balance</u> <u>June 30, 2010</u>
<b>Governmental Activities</b>					
Capital assets, not being depreciated					
Land and improvements	\$ 47,312,010	\$ 662,040	\$ --	\$ --	\$ 47,974,050
Construction in progress	6,163,403	566,557	(2,889,370)	(1,915,891)	1,924,699
<b>Total capital assets not being depreciated</b>	<b>53,475,413</b>	<b>1,228,597</b>	<b>(2,889,370)</b>	<b>(1,915,891)</b>	<b>49,898,749</b>
Capital assets, being depreciated					
Infrastructure	440,492,597	28,165,081	--	(55,178,287)	413,479,391
Structures and improvements	103,586,418	--	(3,000,505)	1,781,529	102,367,442
Equipment	46,549,405	1,659,816	(2,047,985)	134,362	46,295,598
<b>Total capital assets being depreciated</b>	<b>590,628,420</b>	<b>29,824,897</b>	<b>(5,048,490)</b>	<b>(53,262,396)</b>	<b>562,142,431</b>
Less accumulated depreciation for					
Infrastructure	(215,686,301)	(19,207,121)	--	55,178,287	(179,715,135)
Structures and improvements	(32,825,770)	(2,084,266)	1,650,106	--	(33,259,930)
Equipment	(27,791,662)	(3,536,600)	1,834,472	--	(29,493,790)
<b>Total accumulated depreciation</b>	<b>(276,303,733)</b>	<b>(24,827,987)</b>	<b>3,484,578</b>	<b>55,178,287</b>	<b>(242,468,855)</b>
<b>Total capital assets being depreciated, net</b>	<b>314,324,687</b>	<b>4,996,910</b>	<b>(1,563,912)</b>	<b>1,915,891</b>	<b>319,673,576</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 367,800,100</b>	<b>\$ 6,225,507</b>	<b>\$ (4,453,282)</b>	<b>\$ --</b>	<b>\$ 369,572,325</b>

**COUNTY OF EL DORADO**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2010

Note 4: **Capital Assets** (continued)

	Balance July 1, 2009	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2010
<b>Business Type Activities</b>					
Capital assets, not being depreciated					
Land	\$ 213,711	\$ --	\$ --	\$ --	\$ 213,711
Construction in progress	332,674	32,895	--	(340,275)	25,294
<b>Total capital assets not being depreciated</b>	<b>546,385</b>	<b>32,895</b>	<b>--</b>	<b>(340,275)</b>	<b>239,005</b>
Capital assets, being depreciated					
Structures and improvements	7,678,159	--	--	340,275	8,018,434
Equipment	25,300	120,533	--	--	145,833
<b>Total capital assets being depreciated</b>	<b>7,703,459</b>	<b>120,533</b>	<b>--</b>	<b>340,275</b>	<b>8,164,267</b>
Less Accumulated depreciation for					
Structures and improvements	(4,088,684)	(295,584)	--	--	(4,384,268)
Equipment	(24,072)	(61,243)	--	--	(85,315)
<b>Total accumulated depreciation</b>	<b>(4,112,756)</b>	<b>(356,827)</b>	<b>--</b>	<b>--</b>	<b>(4,469,583)</b>
<b>Total capital assets being depreciated, net</b>	<b>3,590,703</b>	<b>(236,294)</b>	<b>--</b>	<b>340,275</b>	<b>3,694,684</b>
<b>Business type activities capital assets, net</b>	<b>\$ 4,137,088</b>	<b>\$ (203,399)</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 3,933,689</b>

**Depreciation**

Depreciation expense was charged to governmental activities as follows:

General government	\$ 1,152,219
Public protection	1,776,718
Public ways and facilities	20,068,133
Health and sanitation	377,874
Public assistance	196,261
Education	238,604
Recreation and cultural services	118,889
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	899,289
<b>Total depreciation expense governmental activities</b>	<b>\$ 24,827,987</b>

**COUNTY OF EL DORADO**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2010

Note 4: **Capital Assets** (continued)

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

Airports	\$ 295,913
Other	60,914
Total depreciation expense business-type activities	<u>\$ 356,827</u>

Note 5: **Deferred Revenue**

Governmental funds report deferred revenue in connection with receivables for revenues considered unavailable to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. As of June 30, 2010, the various components of deferred revenue in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
<b>Governmental Funds:</b>			
<b>General Fund:</b>			
Various grants and charges	\$ --	\$ 3,580	\$ 3,580
<b>Road Fund:</b>			
Various grants and charges	--	7,556,084	7,556,084
<b>Other Governmental Funds:</b>			
Various grants, charges, special assessments and loans	<u>6,163,467</u>	<u>4,364,202</u>	<u>10,527,669</u>
	<u>\$ 6,163,467</u>	<u>\$ 11,923,866</u>	<u>\$ 18,087,333</u>

**COUNTY OF EL DORADO**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2010

Note 6: **Long-Term Liabilities**

Long-term debt at June 30, 2010 consisted of the following:

	<u>Date of Issue</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding as June 30, 2010</u>
<b><u>Governmental Activities</u></b>						
Notes Payable:						
California Energy Commission	2005	2013	4.00%	\$24,880-\$124,324	\$ 800,000	\$ 358,658
HUD HOME Program <sup>(1)</sup>	2003	2058	0.00%	(2)	3,000,000	3,000,000
						<u>3,358,658</u>
Capital Leases:						
Banc of America (road equipment)	2005	2012	4.28%	\$133,719-\$171,943	1,065,167	141,582
Banc of America (motor graders)	2006	2012	3.36%	\$106,788-\$173,357	1,109,188	385,257
						<u>526,839</u>
Total Governmental Activities						<u>\$ 3,885,497</u>
<sup>1)</sup> Note payable is offset by a long-term note receivable that is secured by a deed of trust. <sup>2)</sup> Principal payment is due in total at the end of note maturity.						
<b><u>Business-Type Activities</u></b>						
Notes Payable:						
Loan #ED-1-85-L-1	9/23/85	2011	8.26%	\$2,919	\$ 72,987	\$ 2,919
Loan #ED-1-86-L-2	9/16/86	2012	6.94%	1,577	39,426	3,155
Loan #ED-1-86-L-1	9/16/86	2012	6.94%	1,060	26,503	2,121
Loan #ED-1-87-L-3	10/6/87	2012	6.94%	930	23,251	2,791
						<u>2,791</u>
Total Business-Type Activities						<u>\$ 10,986</u>

**COUNTY OF EL DORADO**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2010

Note 6: **Long-Term Liabilities** (continued)

The following is a summary of long-term liabilities transactions for the year ended June 30, 2010:

	Balance July 1, 2009	Additions	Retirements	Balance June 30, 2010	Amounts Due Within One Year
<b>Governmental Activities</b>					
Lease revenue bonds	\$ 4,180,000	\$ --	\$ 4,180,000	\$ --	\$ --
Notes payable:					
California Energy Commission II	469,055	--	110,397	358,658	114,857
HUD Home Program	3,000,000	--	--	3,000,000	--
Compensated absences	13,827,013	713,348	851,730	13,688,631	851,730
Capital lease obligation	824,733	--	297,894	526,839	309,228
Landfill closure / post-closure liability	8,109,469	--	--	8,109,469	--
Liability for self-insurance claims	18,312,064	32,419,769	32,872,586	17,859,247	4,496,633
Other postemployment benefits	23,066,781	19,467,021	2,329,993	40,203,809	--
	<u>\$ 71,789,115</u>	<u>\$ 52,600,138</u>	<u>\$ 40,642,600</u>	<u>\$ 83,746,653</u>	<u>\$ 5,772,448</u>
<b>Business-Type Activities</b>					
Compensated absences	\$ 21,892	\$ 738	\$ 1,281	\$ 21,349	\$ 1,281
Notes payable	17,472	--	6,486	10,986	6,487
	<u>\$ 39,364</u>	<u>\$ 738</u>	<u>\$ 7,767</u>	<u>\$ 32,335</u>	<u>\$ 7,768</u>

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

As of June 30, 2010, annual debt service requirements of governmental activities having fixed maturities are shown below. The \$3,000,000 HUD Home Program note payable is not included in the schedule.

Year Ending June 30:	Governmental Activities	
	Notes Payables	
	Principal	Interest
2011	\$ 114,857	\$ 13,213
2012	119,477	8,593
2013	124,324	3,746
	<u>\$ 358,658</u>	<u>\$ 25,552</u>

**COUNTY OF EL DORADO**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2010

Note 6: **Long-Term Liabilities** (continued)

As of June 30, 2010, annual debt service requirements of business-type activities to maturity are as follows:

Year Ending June 30:	Business-Type Activities	
	Notes Payables	
	Principal	Interest
2011	\$ 6,487	\$ 801
2012	3,568	312
2013	931	65
	<u>\$ 10,986</u>	<u>\$ 1,178</u>

Note 7: **Leases**

**Operating Lease Obligations**

The County leases various office space and buildings under various noncancelable operating leases. Annual rent expenditures were approximately \$3.6 million for the year ended June 30, 2010.

Future minimum operating lease commitments are as follows:

Year Ending June 30:	
2011	\$ 2,478,717
2012	1,918,508
2013	887,690
2014	236,775
2015	65,023
	<u>\$ 5,586,713</u>



**COUNTY OF EL DORADO**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2010

Note 7: **Leases** (continued)

**Capital Lease Obligations**

The County accounts for capital leases in the governmental fund types in accordance with the provisions of National Council on Governmental Accounting (NCGA) Statement No. 5. Under this statement, when a capital lease represents the acquisition or construction of a capital 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 \$326,148 for which \$28,254 represented interest cost.

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

Year Ending June 30:		
2011	\$	326,148
2012		178,506
2013		<u>44,626</u>
Total minimum lease payments		549,280
Less amount representing interest		<u>(22,441)</u>
Total	\$	<u><u>526,839</u></u>

Capital assets and accumulated depreciation held under capital leases are as follows:

	Governmental Activities
Road equipment	\$ 3,171,465
Less: accumulated depreciation	<u>(1,196,919)</u>
Net Value	<u><u>\$ 1,974,546</u></u>

## COUNTY OF EL DORADO

### Notes to the Basic Financial Statements For the Year Ended June 30, 2010

Note 8: **Liability for Closure and Post-Closure Costs**

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

The County ceased accepting waste from the public in 1997 and 8.2 acres or 19.4 percent of the landfill's 42.3 acres remain open to waste generated onsite. The estimated landfill closure care liability of \$1,717,069 reported as of June 30, 2010, is the current cost estimate of closing the remaining 8.2 acres. Because the landfill is no longer accepting waste from the public, the additional liability of \$6,392,400 representing postclosure costs for the entire 42.3 acres has been recognized and is a cumulative amount reported to date based on County staff estimates and adjustments for CPI (Consumer Price Index) rate changes.

State and federal laws require the County to make contributions to a special fund in order to finance closure care. At June 30, 2010, cash and investments held of \$1,722,110 are part of the pooled funds held by the County treasurer and are reported as restricted assets on the Statement of Net Assets. Currently, the amount held as restricted cash is sufficient to cover the entire closure liability.

The County has filed a Pledge of Revenue with the California Integrated Waste Management Board that waives the requirement to make contributions to a special fund to finance postclosure costs. The estimated postclosure costs of \$6,392,400, to be paid over a 30-year period upon final closure, may need to be funded by charges to future landfill users and/or from future tax revenue.

**COUNTY OF EL DORADO**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2010

**Note 9: Interfund Transactions**

The composition of interfund balances as of June 30, 2010 is as follows:

**Due From/To Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Enterprise Fund - County Airports	\$ 52,071	Advance for cash flow
	Other Governmental Funds	464,727	Realignment funds
	Other Governmental Funds	437,000	Advance to Community Services funds to cover cash shortfall
	Other Governmental Funds	69,000	Advance to Health funds to cover cash shortfall
	Other Governmental Funds	574,000	Advance to Erosion Control funds to cover cash shortfall
	Other Governmental Funds	163,386	Reimbursement for Auto Fraud program expenditures
	Other Governmental Funds	41,462	Reimbursement for SLESF expenditures
	Other Governmental Funds	8,054	Reimbursement for Standards and Training Corrections expenditures
	Other Governmental Funds	5,682	Reimbursement for Title IV E/Group Home Monthly Visit expenditures
	Other Governmental Funds	137,011	Reimbursement for Child Support administration expenditures
		<u>1,952,393</u>	
Road Fund	Other Governmental Funds	120,946	Billing for road improvements
		<u>120,946</u>	
Mental Health Fund	Other Governmental Funds	212,677	Mental Health Sales Tax Realignment Funds
	Other Governmental Funds	57,304	Mental Health Vehicle License Fees
		<u>269,981</u>	
Other Governmental Funds	Other Governmental Funds	111,257	Sales Tax Realignment funds for Health programs
	Other Governmental Funds	335,299	Vehicle License Fees for Health programs
	Other Governmental Funds	1,558	Community Services - Senior Day Care due from MAA
	General Fund	335,299	Vehicle License Fees Health
	General Fund	57,304	Vehicle License Fees Mental Health
	General Fund	15,002	Vehicle License Fees Social Services
		<u>855,719</u>	
	Total	<u>\$ 3,199,039</u>	

**Advances To/From Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Other Governmental Funds	\$ 100,000	Advance to Housing Authority
	Other Governmental Funds	330,000	Advance to Public Authority
	Mental Health Fund	3,319,000	Advance to Mental Health
		<u>3,749,000</u>	
Silva Valley Interchange RIF Fund	Other Governmental Funds	1,405,601	Cash advance to El Dorado Hills TIM for Road Construction
		<u>1,405,601</u>	
	Total	<u>\$ 5,154,601</u>	

**COUNTY OF EL DORADO**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2010

Note 9: **Interfund Transactions** (continued)

**Transfers**

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

<b>Transfer to</b>	<b>Transfer from</b>	<b>Amount</b>	<b>Purpose</b>
General Fund	Mental Health Fund	\$ 132,126	Return 08/09 Excess General Fund Contribution
	Other Governmental Funds	227,158	Timber Tax to Sheriff's Office Patrol, Search and Rescue
	Other Governmental Funds	1,154,494	County Service Area #10 Special Tax Revenues to Library General Fund Operating
	Other Governmental Funds	37,777	State Off-Highway Vehicle Funds to Sheriff Operating
	Other Governmental Funds	515,987	Time Share and Redemption Fees to Auditor / TTC / Assessor
	Other Governmental Funds	3,346	Overages Treasurer Tax Collector Operating
	Other Governmental Funds	2,568	Museum Donation to General Fund Operating
	Other Governmental Funds	821,342	Grant Revenues to District Attorney General Fund Operating
	Other Governmental Funds	473,490	Sheriff's Restricted Revenues (Fingerprint Identification, Grants) to Sheriff's Operating
	Other Governmental Funds	687,613	Grant Funding (TANF Block Grant, Title IV E Grant) and DNA Identification funds to Probation Operating
	Other Governmental Funds	100,569	Faxed in Permits and Commercial Grading to Building Operating
	Other Governmental Funds	707,195	Micro, Computer System, Notary Public Confidential Marriage, Vital Health Statistics to Recorder Operating
	Other Governmental Funds	656,210	Planning Projects Revenues to Planning; Ecological Preserve Fee Distribution to Building and Planning
	Other Governmental Funds	124,963	Engineer Time and Materials to DOT County Engineer
	Other Governmental Funds	252,690	Park Fees to Parks and Grounds General Fund Operating
	Other Governmental Funds	12,023	Mountain Democrat Kincade Commuter/Bookmobile Funds to Library Operating
	Other Governmental Funds	191,614	Realignment funds to Animal Control
	Other Governmental Funds	161,335	Realignment funds to Environmental Health
	Other Governmental Funds	4,662,426	Realignment funds to Social Services
	Other Governmental Funds	157,256	Realignment funds to Probation
Other Governmental Funds	775,078	Supplemental Law Enforcement Services Fund (SLESF) to Sheriff/DA/Probation Operating	
Other Governmental Funds	4,748,959	Child Support Enforcement Administration Funding to Operating	
Other Governmental Funds	436	Jensen Memorial Trust Funds to Library Operating	
		<u>16,606,655</u>	
Road Fund	General Fund	1,146,703	General Fund Billing and Contribution
	Silva Valley Interchange RIF Fund	327,916	Road Impact Fee to Road Fund Operating
	Other Governmental Funds	19,186,290	Road District Tax, Public Utility Franchise Fees, HOV Project, and Traffic Impact Fees to Road Fund Operating
		<u>20,660,909</u>	
Mental Health Fund	Other Governmental Funds	3,238,531	Realignment Funds to Mental Health
		<u>3,238,531</u>	

**COUNTY OF EL DORADO**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2010

Note 9: **Interfund Transactions** (continued)

**Transfers** (continued)

<b>Transfer to</b>	<b>Transfer from</b>	<b>Amount</b>	<b>Purpose</b>
Enterprise Fund - Airports	General Fund	\$ 61,370	General Fund Contribution
	Other Governmental Funds	10,557	Special Aviation, Community Enhancement Funding, and ACO Fund Match
		<u>71,927</u>	
Other Governmental Funds	General Fund	912,678	General Fund Contribution to Community Services
	General Fund	6,544,364	General Fund Contribution to Public Health
	General Fund	3,123	Social Services SB163 Wraparound Funding
	General Fund	47,987	General Fund Contribution to IHSS Public Authority Fund
	General Fund	3,693	General Fund Transfer to Change Difference Shortage
	General Fund	12,780	General Fund Return DA Grants
	General Fund	272,036	General Fund Return Revenue to Planning T&M
	General Fund	25,000	General Fund Contribution to Human Services
	General Fund	3,870,053	General Fund Contribution to Health and Welfare
	General Fund	224,774	General Fund Contribution to ACO Fund
	General Fund	1,503,539	General Fund Contribution to Debt Service Fund
	Other Governmental Funds	566,000	Transfer ACO Fund Bond Reserve to Debt Service Fund
	Other Governmental Funds	388,396	Criminal Justice Facility/Courthouse Construction Fund Contribution to ACO Fund
	Other Governmental Funds	262	El Dorado Trail TEA Grant Interest to ACO Fund
Other Governmental Funds	1,179	Ecological Preserve Special Revenues to Rare Plant Preserve Permanent Fund	
		<u>14,375,864</u>	
Total		<u>\$ 54,953,886</u>	

Note 10: **Pension Plan**

The County contributes to the California Public Employees' Retirement System (PERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Copies of PERS' annual financial report may be obtained from their executive office located at 400 P Street, Sacramento, California 95814.

**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 12.907% for non-safety employees and 23.942% for safety employees. The contribution requirements of plan members and the County are established and may be amended by PERS.

**COUNTY OF EL DORADO**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2010

Note 10: **Pension Plan** (continued)

**Annual Pension Cost**

For fiscal year 2009-2010, the County's annual pension cost of \$16,180,837 for PERS was equal to the County's required and actual contributions. The required contribution was determined as part of the June 30, 2007 actuarial. Assumptions included 7.75% investment rate of return (net of administrative expenses) and projected annual salary increases that vary by duration of service ranging from 3.25% to 14.45% for miscellaneous members and 3.25% to 13.15% depending on age, service and type of employment for safety members. An inflation component of 3.0% was included. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a two to five year period depending on the size of investment gains and/or losses. PERS unfunded actuarial accrued liability (or surplus) is being amortized as a level percentage of projected payroll on a closed basis.

**Three-Year Trend Information for PERS (thousands)**

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/08	\$ 16,709	100%	--
6/30/09	17,268	100%	--
6/30/10	16,181	100%	--

**Funded Status and Funding Progress**

The following is the funded status information for each plan as of June 30, 2009, the most recent actuarial valuation date:

<u>Valuation Date</u>	<u>Accrued Liability</u>	<u>Market Value Of Assets</u>	<u>Unfunded/ (Overfunded) Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
Miscellaneous	\$ 442,335,224	\$ 266,973,539	\$ 175,361,685	60.4%	\$ 85,641,930	204.8%
Safety	201,019,662	112,044,378	88,975,284	55.7%	27,574,676	322.7%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the market value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

## COUNTY OF EL DORADO

### Notes to the Basic Financial Statements For the Year Ended June 30, 2010

#### Note 11: **Other Post-Employment Benefits (OPEB)**

**Plan Description.** The County of El Dorado (County) Retiree Healthcare Plan is a single-employer defined benefit healthcare plan administered by the County. The Plan provides healthcare insurance benefits to employees who retire from active service after the age of 50 and are eligible to commence pension benefits.

- **County Contribution Subsidy** – The County pays a monthly amount up to a percentage of the premium for the County sponsored Blue Shield Plan plus dental coverage. The applicable percentage is based on the retiree’s years of service with the County.
- **Implicit Subsidy** – For coverage prior to age 65, the retiree pays premiums that are developed by blending active and retiree costs. Since retirees are older and generally cost more than actives, the premium paid by the retiree is less than the “true cost” of coverage for retirees.

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

**Funding Policy.** The contribution requirements of the plan members and the County are established and may be amended by the County. The annual required contribution (ARC) is an amount actuarially determined in accordance with the parameters of GASB Statement 45. The County ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize the unfunded actuarial liability over a period of 20 years. The 2009-2010 ARC is \$20,100,000.

#### ***Annual OPEB Cost and Net OPEB Obligation.***

For 2010, the County’s annual OPEB cost (expense) was \$19,467,021 and the Net OPEB Obligation was \$40,203,809. Actual contributions made during the year were \$2,329,993.

**COUNTY OF EL DORADO**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2010

Note 11: **Other Post-Employment Benefits (OPEB)** (continued)

The County's Annual OPEB Cost, the percentage of Annual OPEB Cost contributed to the Plan (as described in the funding policy above), and the Net OPEB Obligation for the past three fiscal years are as follows (dollar amounts in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/08	\$12,521	10.2%	\$11,250
6/30/09	\$13,224	10.6%	\$23,067
6/30/10	\$19,467	12.0%	\$40,204

***Funded Status and Funding Progress.*** The funded status of the plan as of June 30, 2010, the plan's most recent actuarial valuation date, was as follows (dollar amounts in thousands):

Actuarial accrued liability (AAL)	\$167,183
Market value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$167,183
Funded ratio (market value of plan assets/AAL)	0%
Covered payroll (active Plan members)	\$134,540
UAAL as a percentage of covered payroll	124.3%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the market value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

***Actuarial Methods and Assumptions.*** Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.



**COUNTY OF EL DORADO**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2010

**Note 11: Other Post-Employment Benefits (OPEB) (continued)**

In the June 30, 2010 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.5% investment rate of return based on the assumption that benefits will be paid from general County assets earmarked for purposes of County Postretirement Benefits, and not invested in a separate trust. This rate includes a 3.0% inflation assumption. The actuarial value of assets is equal to the market value. The UAAL is being amortized as a level percentage of projected payroll over 20 years on a closed basis. The remaining amortization period at June 30, 2010 was 17 years.

**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, \$1,000,000 for each general liability claim, and \$25,000 for each property damage claim and up to a maximum lifetime benefit of \$2 million in health insurance benefits through its Blue Shield health insurance program. The County's self-insured retention for its health insurance program is \$175,000 per employee. The County also offers two other health insurance programs to its employees which are not self-insured. Health benefits through Kaiser and Pacificare are based on monthly premiums with no lifetime maximums per employee. The County purchases general liability commercial insurance for claims in excess of coverage provided by the Risk Management Fund and for all other risks of loss. The amount of general liability settlements did not exceed coverage provided by the Risk Management Fund in each of the last three years.

All funds of the County participate in the program and make payments to the Risk Management Fund based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. The claims liability of \$17,859,247 reported in the Risk Management Fund at June 30, 2010 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the County's claims liability for the fiscal years ended June 30, 2010 and 2009 were as follows:

	<u>2010</u>	<u>2009</u>
Unpaid claims, beginning of year	\$ 18,312,064	\$ 17,832,260
Plus estimated claims incurred	32,419,769	30,825,532
Less claims payments	<u>(32,872,586)</u>	<u>(30,345,728)</u>
Unpaid claims, end of year	<u>\$ 17,859,247</u>	<u>\$ 18,312,064</u>

Nonincremental claims adjustment expenses have not been included as part of the unpaid claims liability.

## COUNTY OF EL DORADO

### Notes to the Basic Financial Statements For the Year Ended June 30, 2010

#### 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.

##### **Construction Commitments**

At June 30, 2010, the County has on going construction commitments that totaled approximately \$31.8 million.

#### Note 14: **Net Assets/Fund Balances**

##### **A. Net Assets/Fund Balances**

The government-wide and proprietary 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. Included in governmental activities restricted net assets at June 30, 2010, are net assets restricted by enabling legislation of \$83.3 million.

## COUNTY OF EL DORADO

### Notes to the Basic Financial Statements For the Year Ended June 30, 2010

#### Note 14: Net Assets/Fund Balances (continued)

##### A. Net Assets/Fund Balances (continued)

- *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 balances 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.

The County has “reserved” fund balances as follows:

- *Capital Projects:* To reflect resources set aside for capital projects of the County.
- *Encumbrances:* To reflect the outstanding contractual obligations for which goods and services have not been received.
- *Advances:* To reflect the portion of assets set aside for advances to other funds which do not represent available spendable resources.
- *Inventory:* To reflect the portion of assets set aside for inventory which do not represent available spendable resources.
- *Prepaid Expenses:* To reflect the portion of assets set aside for prepaid expenses which do not represent available spendable resources.
- *Imprest Cash:* To reflect the portion of cash that is not an available spendable resource.
- *Purpose Restricted Goals:* To reflect the portion of assets set aside for purpose restricted grants.
- *Other:* To reflect resources set aside for other purposes.

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. Such plans or intent are subject to change and have not been legally authorized or may not result in expenditures. Fund balance designations include:

- *Economic Uncertainty:* To reflect management’s intent to expend funds during poor economic times or in times when the cost of services rises dramatically.
- *Capital Projects:* To reflect management’s intent to expend certain funds solely for planned capital projects.

**COUNTY OF EL DORADO**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2010

Note 14: **Net Assets/Fund Balances** (continued)

**B. Prior Period Adjustments**

Adjustments resulting from errors or changes to comply with provisions of the accounting standards are treated as adjustments to prior periods. Accordingly, the County reports these changes as restatements of beginning fund balances/net assets.

The impact of the restatements on the fund balances/net assets as previously reported is presented below:

	Primary Government			Component Units	
	Governmental Activities				
	Fund Financial Statements		Government-Wide Statement of Net Assets	Statement of Net Assets	
	General Funds	Other Governmental Funds	Total Governmental Activities	Children and Family Commission	Total Component Units
Fund Balances/Net assets, June 30, 2009, as previously reported	\$ 27,669,902	\$ 106,855,357	\$ 520,998,362	\$ 6,084,764	\$ 14,745,113
Restatements:					
Adjust unrecorded liability	--	--	--	(12,638)	(12,638)
Adjust advance to (from) other funds	220,000	(220,000)	--	--	--
Total restatements	220,000	(220,000)	--	(12,638)	(12,638)
Fund Balances/Net assets, June 30, 2009, as restated	\$ 27,889,902	\$ 106,635,357	\$ 520,998,362	\$ 6,072,126	\$ 14,732,475

**C. Deficit Fund Balances**

The following funds had fund balance deficits as of June 30, 2010:

**Nonmajor Governmental Funds:**

Community Services: Multi Purpose Senior Services	\$ 2,036
Health: Tobacco Settlement In-Kind	35,560
Health: Alcohol Drug Program	5,800
Health: Bicycle Helmet Fines	327
Health: HPP H1N1	4,333
Health: EDC IHSS Public Authority	2,153

**Internal Service Fund:**

Risk Management Authority	11,802,155
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The deficits in those nonmajor governmental funds are expected to be eliminated in future years through future revenues and/or transfers from other funds. The deficit in the internal service fund is expected to be eliminated in future years through either a reduction of the benefits or an increase in charges to other funds.

**COUNTY OF EL DORADO**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2010

**Note 15: Condensed Segment Information on Component Units**

The County has two Discretely Presented Component Units. Condensed Segment information as of and for the year ended June 30, 2010, is as follows:

	<u>Children and Families Commission</u>	<u>El Dorado Transit Authority</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Current and other assets	\$ 4,944,932	\$ 5,455,024	\$ 10,399,956
Capital assets	116,968	10,514,765	10,631,733
Restricted cash	--	71,387	71,387
<b>Total Assets</b>	<b><u>\$ 5,061,900</u></b>	<b><u>\$ 16,041,176</u></b>	<b><u>\$ 21,103,076</u></b>
<b><u>LIABILITIES</u></b>			
Current liabilities	\$ 289,032	\$ 2,003,971	\$ 2,293,003
Long-term liabilities	--	547,864	547,864
<b>Total Liabilities</b>	<b><u>289,032</u></b>	<b><u>2,551,835</u></b>	<b><u>2,840,867</u></b>
<b><u>NET ASSETS</u></b>			
Invested in capital assets, net of related debt	116,968	10,514,765	10,631,733
Restricted	4,655,900	--	4,655,900
Unrestricted	--	2,974,576	2,974,576
<b>Total Net Assets</b>	<b><u>4,772,868</u></b>	<b><u>13,489,341</u></b>	<b><u>18,262,209</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 5,061,900</u></b>	<b><u>\$ 16,041,176</u></b>	<b><u>\$ 21,103,076</u></b>

**COUNTY OF EL DORADO**

Notes to the Basic Financial Statements  
For the Year Ended June 30, 2010

Note 15: **Condensed Segment Information on Component Units** (continued)

Component Units Statement of Activities  
For the Year Ended June 30, 2010

	<u>Children and Families Commission</u>	<u>El Dorado Transit Authority</u>	<u>Total</u>
<b>Revenues:</b>			
<b>Program Revenues:</b>			
Charges for current services	\$ --	\$ 1,360,711	\$ 1,360,711
Operating grants and contributions	1,507,716	3,599,869	5,107,585
Capital grants and contributions	--	5,546,308	5,546,308
<b>General Revenues:</b>			
Interest and investment earnings	16,235	27,017	43,252
<b>Total Revenues</b>	<u>1,523,951</u>	<u>10,533,905</u>	<u>12,057,856</u>
<b>Expenses:</b>			
Health and sanitation	2,823,209	--	2,823,209
Public ways and facilities	--	5,704,913	5,704,913
<b>Total Expenses</b>	<u>2,823,209</u>	<u>5,704,913</u>	<u>8,528,122</u>
<b>Change in net assets</b>	(1,299,258)	4,828,992	3,529,734
Net Assets - Beginning of Year, Restated	<u>6,072,126</u>	<u>8,660,349</u>	<u>14,732,475</u>
<b>Net Assets - End of Year</b>	<u>\$ 4,772,868</u>	<u>\$ 13,489,341</u>	<u>\$ 18,262,209</u>

Note 16: **Proposition 1A Borrowing by the State of California**

Under the provisions of Proposition 1A and as part of the 2009-2010 budget package passed by the California Legislature on July 28, 2009, the State of California (State) borrowed 8% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in lieu sales tax, and supplemental property tax, apportioned to cities, counties and special districts, excluding redevelopment agencies. The state is required to repay this borrowing plus interest by June 30, 2013. After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period. The amount of this borrowing pertaining to the County was \$7,368,843.

## COUNTY OF EL DORADO

### Notes to the Basic Financial Statements For the Year Ended June 30, 2010

Note 16: **Proposition 1A Borrowing by the State of California** (continued)

Authorized with the 2009-2010 State budget package, the Proposition 1A Securitization Program was instituted by the California Statewide Communities Development Authority (California Communities), a joint powers authority sponsored by the California State Association of Counties and the League of California Cities, to enable local governments to sell their Proposition 1A receivables to California Communities. Under the Securitization Program, California Communities simultaneously purchased the Proposition 1A receivables and issued bonds (Prop 1A Bonds) to provide local agencies with cash proceeds in two equal installments, on January 15, 2010 and May 3, 2010. The purchase price paid to the local agencies equaled 100% of the amount of the property tax reduction. All transaction cost of issuance and interest were paid by the State of California. Participating local agencies have no obligation on the bonds and no credit exposure to the State. The County participated in the securitization program and accordingly property taxes have been recorded in the same manner as if the State had not exercised its rights under Proposition 1A. The receivable sale proceeds were equal to the book value and, as a result, no gain or loss was recorded.

COURT'S ORDER

State of Tennessee  
County of Hamilton

In re: The Estate of [Name], Plaintiff

And whereas the Court has reviewed the accounts of the estate and the same are found to be correct and true and the same are hereby approved and the same are hereby ordered to be paid to the persons named in the accounts.

**REQUIRED SUPPLEMENTARY INFORMATION**

The Court hereby orders that the accounts of the estate be paid to the persons named in the accounts and that the same be paid to the persons named in the accounts.



**COUNTY OF EL DORADO**

Required Supplementary Information  
Notes to the Budgetary Comparison Schedule  
For the Year Ended June 30, 2010

**SCHEDULES OF FUNDING PROGRESS**

The tables below show a three-year comparison of the market value of plan assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll for the County Employee's Retirement Pension Plan as of the actuarial valuation date. Unlike prior years, as of June 30, 2009 CALPERS reported the actuarial value of plan assets greater than the market value of plan assets. Because this is the first time that the actuarial value of plan assets was significantly greater than the market value, the market value of plan assets was used in the below schedules of funding progress for each respective year.

Miscellaneous Plan

<u>Actuarial Valuation Date</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Market Value of Assets</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
6/30/07	\$ 379,808,188	\$ 365,481,900	\$ 14,326,288	96.2%	\$ 92,029,127	15.6%
6/30/08	408,587,433	350,332,594	58,254,839	85.7%	93,261,130	62.5%
6/30/09	442,335,224	266,973,539	175,361,685	60.4%	85,641,930	204.8%

Safety Plan

<u>Actuarial Valuation Date</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Market Value of Assets</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
6/30/07	\$ 167,483,888	\$ 152,187,644	\$ 15,296,244	90.9%	\$ 24,034,538	63.6%
6/30/08	180,264,741	146,226,743	34,037,998	81.1%	26,230,636	129.8%
6/30/09	201,019,662	112,044,378	88,975,284	55.7%	27,574,676	322.7%

The table below shows actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll for the County Retiree's Health Benefit Plan as of the actuarial valuation date for the past two valuations.

Retiree's Health

<u>Actuarial Valuation Date</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Market Value of Assets</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
7/1/08	\$ 112,218,000	\$ --	\$ 112,218,000	0.0%	\$ 129,300,000	86.8%
6/30/10	167,183,000	--	167,183,000	0.0%	134,540,000	124.3%

**COUNTY OF EL DORADO**

Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund  
 For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Budgetary fund balances, July 1	\$ 15,268,907	\$ 15,268,907	\$ 15,268,907	\$ --
<b>Resources (inflows):</b>				
Taxes	81,598,072	82,098,072	88,717,562	6,619,490
Licenses, permits and franchises	4,420,104	4,262,175	4,498,877	236,702
Fines, forfeits and penalties	838,952	812,865	1,010,806	197,941
Use of money or property	120,588	120,588	119,963	(625)
Intergovernmental revenue - State	28,900,609	29,221,425	31,307,917	2,086,492
Intergovernmental revenue - Federal	22,203,129	22,740,573	18,405,604	(4,334,969)
Revenue other governmental agencies	3,767,059	3,779,118	4,582,071	802,953
Charges for services	17,052,493	16,931,326	16,269,924	(661,402)
Miscellaneous revenue	1,225,890	1,120,632	1,289,916	169,284
Other financing sources	19,277,380	20,647,892	16,607,080	(4,040,812)
	<u>179,404,276</u>	<u>181,734,666</u>	<u>182,809,720</u>	<u>1,075,054</u>
Amounts available for appropriation	<u>194,673,183</u>	<u>197,003,573</u>	<u>198,078,627</u>	<u>1,075,054</u>
<b>Charges to appropriations (outflows):</b>				
<b>General Government</b>				
<b>Board of Supervisors</b>				
Salaries and employee benefits	1,277,804	1,280,218	1,265,995	14,223
Services and supplies	106,443	104,029	79,293	24,736
Other charges	--	--	55	(55)
Intrafund transfers	58,997	58,997	51,103	7,894
Intrafund abatement	(668)	(668)	(668)	--
	<u>1,442,576</u>	<u>1,442,576</u>	<u>1,395,778</u>	<u>46,798</u>
<b>County Administrative Office</b>				
Salaries and employee benefits	1,341,604	1,357,107	1,299,946	57,161
Services and supplies	73,347	138,788	117,567	21,221
Other charges	--	14,758	13,758	1,000
Capital assets	--	5,400	4,537	863
Intrafund transfers	59,010	59,010	33,685	25,325
	<u>1,473,961</u>	<u>1,575,063</u>	<u>1,469,493</u>	<u>105,570</u>
<b>Annual Audit</b>				
Services and supplies	80,970	80,970	99,170	(18,200)
	<u>80,970</u>	<u>80,970</u>	<u>99,170</u>	<u>(18,200)</u>

continued

**COUNTY OF EL DORADO**

Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund (continued)  
 For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Auditor/Controller</b>				
Salaries and employee benefits	\$ 2,636,632	\$ 2,636,632	\$ 2,548,018	\$ 88,614
Services and supplies	110,866	110,866	81,691	29,175
Intrafund transfers	319,009	319,009	300,559	18,450
Intrafund abatement	(66,962)	(66,962)	(65,262)	(1,700)
	<u>2,999,545</u>	<u>2,999,545</u>	<u>2,865,006</u>	<u>134,539</u>
<b>Treasurer/Tax Collector</b>				
Salaries and employee benefits	1,716,592	1,717,292	1,717,239	53
Services and supplies	468,245	468,645	466,634	2,011
Other charges	--	100	84	16
Other financing uses	3,500	3,700	3,694	6
Intrafund transfers	399,128	397,728	391,253	6,475
Intrafund abatement	(5,500)	(5,500)	(3,658)	(1,842)
	<u>2,581,965</u>	<u>2,581,965</u>	<u>2,575,246</u>	<u>6,719</u>
<b>Assessor</b>				
Salaries and employee benefits	3,197,154	3,197,154	3,171,606	25,548
Services and supplies	144,467	144,467	107,534	36,933
Other charges	1,000	1,000	--	1,000
Intrafund transfers	303,693	303,693	300,829	2,864
	<u>3,646,314</u>	<u>3,646,314</u>	<u>3,579,969</u>	<u>66,345</u>
<b>Purchasing</b>				
Salaries and employee benefits	306,985	306,985	304,152	2,833
Services and supplies	18,967	18,967	16,468	2,499
Intrafund transfers	15,363	15,363	20,958	(5,595)
	<u>341,315</u>	<u>341,315</u>	<u>341,578</u>	<u>(263)</u>
<b>Revenue Recovery</b>				
Salaries and employee benefits	461,058	461,058	383,749	77,309
Services and supplies	95,904	95,904	83,369	12,535
Intrafund transfers	11,631	11,631	11,603	28
Intrafund abatement	(56,438)	(38,438)	(15,510)	(22,928)
	<u>512,155</u>	<u>530,155</u>	<u>463,211</u>	<u>66,944</u>

continued

**COUNTY OF EL DORADO**

Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund (continued)  
 For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>County Counsel</b>				
Salaries and employee benefits	\$ 2,203,531	\$ 2,203,531	\$ 2,179,478	\$ 24,053
Services and supplies	243,958	243,958	191,398	52,560
Intrafund transfers	47,004	47,004	36,056	10,948
Intrafund abatement	--	--	(25,466)	25,466
	<u>2,494,493</u>	<u>2,494,493</u>	<u>2,381,466</u>	<u>113,027</u>
<b>Human Resources</b>				
Salaries and employee benefits	591,774	592,212	571,444	20,768
Services and supplies	105,290	104,852	71,711	33,141
Intrafund transfers	31,759	31,759	29,217	2,542
	<u>728,823</u>	<u>728,823</u>	<u>672,372</u>	<u>56,451</u>
<b>Recorder - Elections</b>				
Salaries and employee benefits	788,922	803,922	804,137	(215)
Services and supplies	420,247	406,853	344,806	62,047
Intrafund transfers	44,435	49,829	50,610	(781)
	<u>1,253,604</u>	<u>1,260,604</u>	<u>1,199,553</u>	<u>61,051</u>
<b>Communications</b>				
Salaries and employee benefits	607,655	607,655	595,697	11,958
Services and supplies	1,856,041	1,856,041	1,459,718	396,323
Services and supplies abatements	(406,200)	(406,200)	(287,626)	(118,574)
Capital assets	70,000	70,000	60,182	9,818
Intrafund transfers	2,916	2,916	2,231	685
Intrafund abatement	(877,000)	(877,000)	(771,236)	(105,764)
	<u>1,253,412</u>	<u>1,253,412</u>	<u>1,058,966</u>	<u>194,446</u>
<b>Mail and Courier</b>				
Salaries and employee benefits	77,284	77,284	73,584	3,700
Services and supplies	23,818	23,818	24,765	(947)
Intrafund transfers	184	184	184	--
Intrafund abatement	(73,168)	(73,168)	(72,375)	(793)
	<u>28,118</u>	<u>28,118</u>	<u>26,158</u>	<u>1,960</u>

continued

**COUNTY OF EL DORADO**

Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund (continued)  
 For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Buildings and Grounds</b>				
Salaries and employee benefits	\$ 2,235,293	\$ 2,235,293	\$ 1,984,641	\$ 250,652
Services and supplies	1,673,968	1,671,468	1,771,172	(99,704)
Other charges	1,114,583	1,064,583	566,151	498,432
Capital assets	16,900	19,400	425	18,975
Intrafund transfers	--	50,000	72,487	(22,487)
Intrafund abatement	(394,005)	(394,005)	(144,040)	(249,965)
	<u>4,646,739</u>	<u>4,646,739</u>	<u>4,250,836</u>	<u>395,903</u>
<b>Property Management</b>				
Salaries and employee benefits	26,450	26,450	10,078	16,372
Other charges	367,939	367,939	136,803	231,136
Intrafund transfers	--	--	3,031	(3,031)
	<u>394,389</u>	<u>394,389</u>	<u>149,912</u>	<u>244,477</u>
<b>County Promotion</b>				
Salaries and employee benefits	125,000	125,000	125,000	--
Services and supplies	876,827	860,188	704,697	155,491
Other charges	--	16,639	16,639	--
Intrafund transfers	20,000	20,000	20,000	--
	<u>1,021,827</u>	<u>1,021,827</u>	<u>866,336</u>	<u>155,491</u>
<b>Information Technologies</b>				
Salaries and employee benefits	4,154,492	4,154,492	4,130,071	24,421
Services and supplies	2,007,905	1,987,905	1,463,688	524,217
Capital assets	98,000	118,000	90,180	27,820
Intrafund transfers	137,725	137,725	125,260	12,465
Intrafund abatement	(3,401,912)	(3,401,912)	(3,210,566)	(191,346)
	<u>2,996,210</u>	<u>2,996,210</u>	<u>2,598,633</u>	<u>397,577</u>
<b>Surveyor</b>				
Salaries and employee benefits	1,734,317	1,734,317	1,656,053	78,264
Services and supplies	104,271	103,271	62,555	40,716
Other charges	--	--	241	(241)
Capital assets	3,255	4,255	1,675	2,580
Intrafund transfers	136,249	136,249	128,450	7,799
Intrafund abatement	(6,000)	(6,000)	(5,363)	(637)
	<u>1,972,092</u>	<u>1,972,092</u>	<u>1,843,611</u>	<u>128,481</u>

continued

**COUNTY OF EL DORADO**

Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund (continued)  
 For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Employee Benefits</b>				
Salaries and employee benefits	\$ 15,000	\$ 15,000	\$ 9,954	\$ 5,046
	<u>15,000</u>	<u>15,000</u>	<u>9,954</u>	<u>5,046</u>
<b>Engineer</b>				
Services and supplies	140,000	140,000	29,000	111,000
Other charges	1,036,362	1,036,362	606,591	429,771
Intrafund transfers	45,000	45,000	22,894	22,106
	<u>1,221,362</u>	<u>1,221,362</u>	<u>658,485</u>	<u>562,877</u>
<b>Contribution to Other Funds</b>				
Services and supplies	450,000	450,000	250,127	199,873
Other charges	169,411	169,411	166,140	3,271
Other financing uses	16,562,892	17,015,772	14,285,051	2,730,721
	<u>17,182,303</u>	<u>17,635,183</u>	<u>14,701,318</u>	<u>2,933,865</u>
<b>Contribution to Other Agencies</b>				
Services and supplies	100,000	100,000	99,918	82
Other charges	396,323	396,323	396,323	--
	<u>496,323</u>	<u>496,323</u>	<u>496,241</u>	<u>82</u>
<b>Contribution to Airports</b>				
Other financing uses	66,477	66,477	61,369	5,108
	<u>66,477</u>	<u>66,477</u>	<u>61,369</u>	<u>5,108</u>
<b>Other General</b>				
Services and supplies	30,000	30,000	12,059	17,941
Other financing uses	228,323	228,323	240,206	(11,883)
Intrafund abatement	(44,890)	(44,890)	(44,890)	--
	<u>213,433</u>	<u>213,433</u>	<u>207,375</u>	<u>6,058</u>

continued

**COUNTY OF EL DORADO**

Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund (continued)  
 For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Central Services</b>				
Salaries and employee benefits	\$ 87,322	\$ 87,322	\$ 91,247	\$ (3,925)
Services and supplies	324,637	324,637	258,502	66,135
Services and supplies abatements	(298,000)	(298,000)	(240,444)	(57,556)
Other charges	--	--	569	(569)
Intrafund transfers	12,233	12,233	(24,489)	36,722
Intrafund abatement	(88,255)	(88,255)	(48,702)	(39,553)
	<u>37,937</u>	<u>37,937</u>	<u>36,683</u>	<u>1,254</u>
<b>General Government</b>	<u>49,101,343</u>	<u>49,680,325</u>	<u>44,008,719</u>	<u>5,671,606</u>
<b>Public Protection</b>				
<b>Superior Court MOE</b>				
Services and supplies	1,204,583	1,404,508	1,369,145	35,363
Other charges	1,201,283	1,642,627	1,562,203	80,424
Intrafund transfers	--	75	75	--
	<u>2,405,866</u>	<u>3,047,210</u>	<u>2,931,423</u>	<u>115,787</u>
<b>Grand Jury</b>				
Salaries and employee benefits	187	237	216	21
Services and supplies	92,364	91,114	88,488	2,626
Intrafund transfers	8,586	9,786	9,091	695
	<u>101,137</u>	<u>101,137</u>	<u>97,795</u>	<u>3,342</u>
<b>District Attorney</b>				
Salaries and employee benefits	7,038,813	7,367,263	7,230,800	136,463
Services and supplies	698,725	695,798	660,426	35,372
Other charges	--	5,327	2,428	2,899
Capital assets	14,970	27,029	16,885	10,144
Other financing uses	--	12,779	12,779	--
Intrafund transfers	215,956	214,756	203,103	11,653
Intrafund abatement	(3,906)	(253,906)	(201,771)	(52,135)
	<u>7,964,558</u>	<u>8,069,046</u>	<u>7,924,650</u>	<u>144,396</u>
<b>Child Support Services</b>				
Salaries and employee benefits	4,112,240	4,022,240	3,861,379	160,861
Services and supplies	612,050	692,050	629,876	62,174
Intrafund transfers	230,098	240,098	235,555	4,543
	<u>4,954,388</u>	<u>4,954,388</u>	<u>4,726,810</u>	<u>227,578</u>

continued

**COUNTY OF EL DORADO**

Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund (continued)  
 For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Public Defender</b>				
Salaries and employee benefits	\$ 2,562,778	\$ 2,562,778	\$ 2,485,329	\$ 77,449
Services and supplies	421,710	421,710	235,493	186,217
Intrafund transfers	59,343	59,343	58,344	999
	<u>3,043,831</u>	<u>3,043,831</u>	<u>2,779,166</u>	<u>264,665</u>
<b>Sheriff-Bailiff</b>				
Salaries and employee benefits	2,795,115	2,795,115	2,799,933	(4,818)
Services and supplies	208,929	208,929	146,034	62,895
Other charges	--	--	699	(699)
Intrafund transfers	994	994	2,415	(1,421)
	<u>3,005,038</u>	<u>3,005,038</u>	<u>2,949,081</u>	<u>55,957</u>
<b>Sheriff</b>				
Salaries and employee benefits	26,327,298	26,720,346	25,718,624	1,001,722
Services and supplies	5,384,777	5,467,230	4,097,350	1,369,880
Other charges	92,580	92,580	115,211	(22,631)
Capital assets	720,406	1,065,046	506,961	558,085
Other financing uses	104,000	104,000	--	104,000
Intrafund transfers	357,846	357,846	295,178	62,668
Intrafund abatement	--	--	(3,900)	3,900
	<u>32,986,907</u>	<u>33,807,048</u>	<u>30,729,424</u>	<u>3,077,624</u>
<b>Central Dispatch</b>				
Salaries and employee benefits	2,369,248	2,369,248	2,104,756	264,492
Services and supplies	47,004	47,004	41,325	5,679
Capital assets	--	--	3,369	(3,369)
Intrafund transfers	17,124	17,124	11,931	5,193
	<u>2,433,376</u>	<u>2,433,376</u>	<u>2,161,381</u>	<u>271,995</u>
<b>Jail</b>				
Salaries and employee benefits	11,449,836	11,502,643	11,372,029	130,614
Services and supplies	2,307,468	2,307,468	2,056,964	250,504
Other charges	28,319	28,319	22	28,297
Capital assets	16,200	16,200	6,014	10,186
Intrafund transfers	101,526	101,526	51,703	49,823
	<u>13,903,349</u>	<u>13,956,156</u>	<u>13,486,732</u>	<u>469,424</u>

continued



**COUNTY OF EL DORADO**

Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund (continued)  
 For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Juvenile Hall</b>				
Salaries and employee benefits	\$ 4,625,265	\$ 4,650,265	\$ 4,382,700	\$ 267,565
Services and supplies	687,952	685,452	629,851	55,601
Other charges	112,325	112,325	96,539	15,786
Capital assets	13,536	16,036	1,791	14,245
Intrafund transfers	63,940	63,940	18,965	44,975
	<u>5,503,018</u>	<u>5,528,018</u>	<u>5,129,846</u>	<u>398,172</u>
<b>Probation Department</b>				
Salaries and employee benefits	5,953,386	6,037,816	5,713,730	324,086
Services and supplies	1,200,633	1,219,633	759,495	460,138
Other charges	6,875	6,875	146	6,729
Intrafund transfers	309,746	309,746	286,518	23,228
	<u>7,470,640</u>	<u>7,574,070</u>	<u>6,759,889</u>	<u>814,181</u>
<b>Agricultural Commission</b>				
Salaries and employee benefits	1,050,073	1,065,251	1,051,005	14,246
Services and supplies	306,271	306,271	284,607	21,664
Other charges	3,000	3,000	2,900	100
Intrafund transfers	53,751	53,751	35,834	17,917
	<u>1,413,095</u>	<u>1,428,273</u>	<u>1,374,346</u>	<u>53,927</u>
<b>Building Inspector</b>				
Salaries and employee benefits	3,029,887	3,029,887	3,074,988	(45,101)
Services and supplies	539,046	454,046	436,694	17,352
Other charges	1,000	1,000	--	1,000
Intrafund transfers	426,917	416,917	410,654	6,263
Intrafund abatement	(36,556)	(36,556)	(20,225)	(16,331)
	<u>3,960,294</u>	<u>3,865,294</u>	<u>3,902,111</u>	<u>(36,817)</u>
<b>Coroner</b>				
Salaries and employee benefits	555,400	555,400	695,783	(140,383)
Services and supplies	242,565	242,565	210,196	32,369
Intrafund transfers	2,358	2,358	1,712	646
	<u>800,323</u>	<u>800,323</u>	<u>907,691</u>	<u>(107,368)</u>

continued

**COUNTY OF EL DORADO**

Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund (continued)  
 For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Emergency Services</b>				
Salaries and employee benefits	\$ 427,444	\$ 427,444	\$ 546,875	\$ (119,431)
Services and supplies	70,792	70,792	50,108	20,684
Other charges	--	--	4,591	(4,591)
Intrafund transfers	3,930	3,930	7,295	(3,365)
	<u>502,166</u>	<u>502,166</u>	<u>608,869</u>	<u>(106,703)</u>
<b>Recorder/Clerk</b>				
Salaries and employee benefits	1,086,957	1,086,957	1,085,809	1,148
Services and supplies	556,163	546,163	275,976	270,187
Capital assets	35,500	35,500	26,999	8,501
Intrafund transfers	108,192	118,192	104,943	13,249
Intrafund abatement	(13,000)	(13,000)	(10,095)	(2,905)
	<u>1,773,812</u>	<u>1,773,812</u>	<u>1,483,632</u>	<u>290,180</u>
<b>Planning and Zoning</b>				
Salaries and employee benefits	1,608,060	1,537,060	1,489,581	47,479
Services and supplies	162,583	367,695	84,032	283,663
Intrafund transfers	--	11,000	13,432	(2,432)
	<u>1,770,643</u>	<u>1,915,755</u>	<u>1,587,045</u>	<u>328,710</u>
<b>Animal Services</b>				
Salaries and employee benefits	1,334,894	1,334,894	1,257,140	77,754
Services and supplies	662,854	662,854	568,969	93,885
Other charges	280,779	280,779	12,022	268,757
Capital assets	8,000	8,000	--	8,000
Intrafund transfers	80,206	80,206	63,400	16,806
	<u>2,366,733</u>	<u>2,366,733</u>	<u>1,901,531</u>	<u>465,202</u>
<b>Public Guardian</b>				
Salaries and employee benefits	827,359	827,359	843,068	(15,709)
Services and supplies	72,748	72,748	79,765	(7,017)
Other charges	181,116	181,116	4,016	177,100
Intrafund transfers	26,789	26,789	26,174	615
	<u>1,108,012</u>	<u>1,108,012</u>	<u>953,023</u>	<u>154,989</u>

continued

**COUNTY OF EL DORADO**

Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund (continued)  
For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Cemeteries</b>				
Services and supplies	\$ 49,250	\$ 39,250	\$ 13,483	\$ 25,767
Other charges	4,433	32,433	31,754	679
Intrafund transfers	49,217	31,217	17,620	13,597
	<u>102,900</u>	<u>102,900</u>	<u>62,857</u>	<u>40,043</u>
<b>Public Protection</b>	<u>97,570,086</u>	<u>99,382,586</u>	<u>92,457,302</u>	<u>6,925,284</u>
<b><u>Health and Sanitation</u></b>				
<b>Environmental Management</b>				
Salaries and employee benefits	1,896,190	1,930,190	1,957,864	(27,674)
Services and supplies	298,694	283,768	188,655	95,113
Other charges	325	8,325	984	7,341
Capital assets	2,500	2,500	2,318	182
Intrafund transfers	420,185	412,185	371,523	40,662
Intrafund abatement	(359,139)	(359,139)	(356,591)	(2,548)
	<u>2,258,755</u>	<u>2,277,829</u>	<u>2,164,753</u>	<u>113,076</u>
<b>Health and Sanitation</b>	<u>2,258,755</u>	<u>2,277,829</u>	<u>2,164,753</u>	<u>113,076</u>
<b><u>Public Assistance</u></b>				
<b>Social Services Administration</b>				
Salaries and employee benefits	11,228,771	11,062,525	10,509,507	553,018
Services and supplies	1,904,233	1,979,723	1,859,433	120,290
Other charges	813,419	899,059	673,899	225,160
Capital assets	250,000	364,621	125,824	238,797
Intrafund transfers	912,706	946,082	890,575	55,507
	<u>15,109,129</u>	<u>15,252,010</u>	<u>14,059,238</u>	<u>1,192,772</u>
<b>Social Services Programs</b>				
Salaries and employee benefits	3,602,612	3,602,612	3,890,811	(288,199)
Services and supplies	992,061	992,061	924,090	67,971
Other charges	1,825,996	1,825,996	1,385,253	440,743
Other financing uses	25,000	25,000	25,000	--
Intrafund abatement	--	--	625	(625)
	<u>6,445,669</u>	<u>6,445,669</u>	<u>6,225,779</u>	<u>219,890</u>
<b>Categorical Aids</b>				
Other charges	<u>14,956,962</u>	<u>15,456,962</u>	<u>15,664,392</u>	<u>(207,430)</u>
	<u>14,956,962</u>	<u>15,456,962</u>	<u>15,664,392</u>	<u>(207,430)</u>

continued

**COUNTY OF EL DORADO**

Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund (continued)  
For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Aids to Indigents</b>				
Services and supplies	\$ 22,500	\$ 22,500	\$ 27,059	\$ (4,559)
Other charges	129,300	129,300	55,245	74,055
	<u>151,800</u>	<u>151,800</u>	<u>82,304</u>	<u>69,496</u>
<b>Veterans' Services</b>				
Salaries and employee benefits	302,866	302,866	284,365	18,501
Services and supplies	59,441	59,741	57,228	2,513
Other charges	100	100	--	100
Capital assets	3,167	3,167	2,168	999
Intrafund transfers	21,167	21,167	19,102	2,065
	<u>386,741</u>	<u>387,041</u>	<u>362,863</u>	<u>24,178</u>
<b>Public Assistance</b>	<u>37,050,301</u>	<u>37,693,482</u>	<u>36,394,576</u>	<u>1,298,906</u>
<b><u>Education</u></b>				
<b>County Library</b>				
Salaries and employee benefits	2,173,300	2,286,289	2,132,766	153,523
Services and supplies	643,565	825,170	767,286	57,884
Other charges	1,200	11,200	4,990	6,210
Capital assets	14,800	42,901	38,238	4,663
Intrafund transfers	94,543	100,543	89,873	10,670
	<u>2,927,408</u>	<u>3,266,103</u>	<u>3,033,153</u>	<u>232,950</u>
<b>University of California         Cooperative Extension</b>				
Salaries and employee benefits	176,527	179,527	179,348	179
Services and supplies	21,619	18,619	14,394	4,225
Other charges	70,882	70,882	70,882	--
Intrafund transfers	17,531	17,531	14,053	3,478
	<u>286,559</u>	<u>286,559</u>	<u>278,677</u>	<u>7,882</u>
<b>Education</b>	<u>3,213,967</u>	<u>3,552,662</u>	<u>3,311,830</u>	<u>240,832</u>
<b><u>Recreation and Cultural Services</u></b>				
<b>Recreation</b>				
Salaries and employee benefits	226,312	232,312	195,232	37,080
Services and supplies	99,036	93,036	79,330	13,706
Other charges	6,032	6,032	7,908	(1,876)
Intrafund transfers	175,897	175,897	179,148	(3,251)
	<u>507,277</u>	<u>507,277</u>	<u>461,618</u>	<u>45,659</u>

continued

**COUNTY OF EL DORADO**

Required Supplementary Information  
 Budgetary Comparison Schedule  
 General Fund (continued)  
 For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Historical Museum</b>				
Salaries and employee benefits	\$ 82,468	\$ 82,468	\$ 82,137	\$ 331
Services and supplies	25,029	25,029	19,651	5,378
Intrafund transfers	7,779	7,779	5,556	2,223
	<u>115,276</u>	<u>115,276</u>	<u>107,344</u>	<u>7,932</u>
Recreation and Cultural Services	<u>622,553</u>	<u>622,553</u>	<u>568,962</u>	<u>53,591</u>
<u>Contingency</u>				
Appropriation for contingencies	<u>4,856,178</u>	<u>3,794,136</u>	<u>--</u>	<u>3,794,136</u>
	<u>4,856,178</u>	<u>3,794,136</u>	<u>--</u>	<u>3,794,136</u>
Contingency	<u>4,856,178</u>	<u>3,794,136</u>	<u>--</u>	<u>3,794,136</u>
<b>Total Charges to Appropriations</b>	<u>194,673,183</u>	<u>197,003,573</u>	<u>178,906,142</u>	<u>18,097,431</u>
<b>Budgetary Balances, June 30</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 19,172,485</u>	<u>\$ 19,172,485</u>

continued

**COUNTY OF EL DORADO**

**Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund (continued)  
For the Year Ended June 30, 2010**

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparisons schedule	\$ 198,078,627
<b>Difference budget to GAAP</b>	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(15,268,907)
Transfers in from other funds are inflows of budgetary resources, but are not revenues for financial reporting purposes.	(16,606,655)
Interfund revenues from other governmental funds are inflows of budgetary resources, but are eliminated for financial reporting purposes	<u>(5,294,584)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance governmental funds	<u>\$ 160,908,481</u>

Uses/outflow of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from budgetary comparison schedule	\$ 178,906,142
<b>Difference budget to GAAP</b>	
Intrafund transfers out are a budgetary use of funds but are not expenditures for financial reporting purposes	(14,628,099)
Interfund expenditures from other governmental funds are outflows of budgetary resources, but are eliminated for financial reporting purposes	<u>(5,294,584)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance governmental funds	<u>\$ 158,983,459</u>

**COUNTY OF EL DORADO**

Required Supplementary Information  
 Budgetary Comparison Schedule  
 Road Fund  
 For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
Budgetary fund balances, July 1	\$ (433,760)	\$ 236,735	\$ 236,735	\$ --
Resources (inflows):				
Taxes and assessments	4,545	4,545	195,603	191,058
Licenses, permits and franchises	50,000	50,000	51,375	1,375
Revenue from use of money or property	54,742	54,742	39,727	(15,015)
Intergovernmental revenue - State	33,077,883	33,077,883	25,248,677	(7,829,206)
Intergovernmental revenue - Federal	23,460,407	23,460,407	14,968,716	(8,491,691)
Revenue from other governmental agencies	5,050,199	--	50,359	50,359
Charges for services	5,406,501	5,410,725	3,411,626	(1,999,099)
Miscellaneous revenues	9,016,198	9,016,198	505,925	(8,510,273)
Other financing sources	<u>39,874,620</u>	<u>46,425,100</u>	<u>20,660,909</u>	<u>(25,764,191)</u>
	<u>115,995,095</u>	<u>117,499,600</u>	<u>65,132,917</u>	<u>(52,366,683)</u>
Amounts available for appropriations	<u>115,561,335</u>	<u>117,736,335</u>	<u>65,369,652</u>	<u>(52,366,683)</u>
Charges to appropriations (outflows):				
<u>Public Ways and Facilities</u>				
Salaries and employee benefits	22,955,448	22,955,448	21,178,558	1,776,890
Services and supplies	75,670,129	75,420,129	34,770,212	40,649,917
Other charges	16,174,278	16,174,278	2,989,686	13,184,592
Capital assets	2,808,383	4,983,383	2,624,590	2,358,793
Intrafund transfers	7,267,177	7,517,177	7,430,648	86,529
Intrafund abatement	<u>(9,314,080)</u>	<u>(9,314,080)</u>	<u>(9,104,299)</u>	<u>(209,781)</u>
Public Ways and Facilities	<u>115,561,335</u>	<u>117,736,335</u>	<u>59,889,395</u>	<u>57,846,940</u>
Total Charges to Appropriations	<u>115,561,335</u>	<u>117,736,335</u>	<u>59,889,395</u>	<u>57,846,940</u>
Budgetary fund balances, June 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 5,480,257</u>	<u>\$ 5,480,257</u>

continued

**COUNTY OF EL DORADO**

Required Supplementary Information  
 Budgetary Comparison Schedule  
 Road Fund (continued)  
 For the Year Ended June 30, 2010

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparisons schedule	\$ 65,369,652
<b>Difference budget to GAAP</b>	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(236,735)
The transfers from other funds are inflows of budgetary resources, but are not revenues for financial reporting purposes.	(20,660,909)
Interfund revenues from other governmental funds are inflows of budgetary resources, but are eliminated for financial reporting purposes	<u>(1,905,073)</u>
<b>Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance governmental funds</b>	<u><b>\$ 42,566,935</b></u>

Uses/outflow of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from budgetary comparison schedule	\$ 59,889,395
<b>Difference budget to GAAP</b>	
Interfund expenditures from other governmental funds are outflows of budgetary resources, but are eliminated for financial reporting purposes.	<u>(1,905,073)</u>
<b>Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance governmental funds</b>	<u><b>\$ 57,984,322</b></u>



**COUNTY OF EL DORADO**

Required Supplementary Information  
 Budgetary Comparison Schedule  
 Mental Health Fund  
 For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Budgetary fund balances, July 1	\$ 132,126	\$ 132,126	\$ 132,126	\$ --
<b>Resources (inflows):</b>				
Use of money or property	4,381	4,381	--	(4,381)
Intergovernmental revenue - State	5,035,709	5,035,709	1,987,486	(3,048,223)
Intergovernmental revenue - Federal	286,260	286,260	3,745,000	3,458,740
Charges for services	641,819	641,819	497,844	(143,975)
Miscellaneous revenues	70,000	70,000	28,858	(41,142)
Other financing sources	3,363,850	3,363,850	3,238,531	(125,319)
	<u>9,402,019</u>	<u>9,402,019</u>	<u>9,497,719</u>	<u>95,700</u>
 Amounts available for appropriations	 <u>9,534,145</u>	 <u>9,534,145</u>	 <u>9,629,845</u>	 <u>95,700</u>
<b>Charges to appropriations (outflows):</b>				
<u>Health and Sanitation</u>				
Salaries and employee benefits	9,269,458	9,269,458	8,340,085	929,373
Services and supplies	3,805,859	3,805,859	3,481,274	324,585
Other charges	1,743,365	1,732,784	1,401,878	330,906
Capital assets	5,875	16,456	3,757	12,699
Other financing uses	132,126	132,126	132,126	--
Intrafund transfers	7,173,943	7,173,943	--	7,173,943
Intrafund abatement	(12,596,481)	(12,596,481)	(4,715,044)	(7,881,437)
	<u>9,534,145</u>	<u>9,534,145</u>	<u>8,644,076</u>	<u>890,069</u>
Health and Sanitation	<u>9,534,145</u>	<u>9,534,145</u>	<u>8,644,076</u>	<u>890,069</u>
Total Charges to Appropriations	<u>9,534,145</u>	<u>9,534,145</u>	<u>8,644,076</u>	<u>890,069</u>
 Budgetary fund balances, June 30	 <u>\$ --</u>	 <u>\$ --</u>	 <u>\$ 985,769</u>	 <u>\$ 985,769</u>

continued

**COUNTY OF EL DORADO**

Required Supplementary Information  
 Budgetary Comparison Schedule  
 Mental Health Fund (continued)  
 For the Year Ended June 30, 2010

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparisons schedule	\$ 9,629,845
<b>Difference budget to GAAP</b>	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(132,126)
The transfers from other funds are inflows of budgetary resources, but are not revenues for financial reporting purposes.	(3,238,531)
Interfund revenues from other governmental funds are inflows of budgetary resources, but are eliminated for financial reporting purposes.	<u>(27,859)</u>
<b>Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance governmental funds</b>	<u><u>\$ 6,231,329</u></u>

Uses/outflow of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from budgetary comparison schedule	\$ 8,644,076
<b>Difference budget to GAAP</b>	
Intrafund transfers out are a budgetary use of funds but are not expenditures for financial reporting purposes	(132,126)
Interfund expenditures from other governmental funds are outflows of budgetary resources, but are eliminated for financial reporting purposes.	<u>(27,859)</u>
<b>Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance governmental funds</b>	<u><u>\$ 8,484,091</u></u>

**COUNTY OF EL DORADO**

Required Supplementary Information  
 Budgetary Comparison Schedule  
 Silva Valley Interchange RIF Fund  
 For the Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Budgetary fund balances, July 1	<u>\$ 3,910,000</u>	<u>\$ 3,910,000</u>	<u>\$ 22,224,307</u>	<u>\$ 18,314,307</u>
Resources (inflows):				
Revenue from use of money or property	<u>400,000</u>	<u>400,000</u>	<u>64,824</u>	<u>(335,176)</u>
	<u>400,000</u>	<u>400,000</u>	<u>64,824</u>	<u>(335,176)</u>
Amounts available for appropriations	<u>4,310,000</u>	<u>4,310,000</u>	<u>22,289,131</u>	<u>17,979,131</u>
Charges to appropriations (outflows):				
<u>Public Ways and Facilities</u>				
Services and supplies	--	--	44,755	(44,755)
Other financing uses	<u>4,310,000</u>	<u>4,310,000</u>	<u>327,916</u>	<u>3,982,084</u>
Public Ways and Facilities	<u>4,310,000</u>	<u>4,310,000</u>	<u>372,671</u>	<u>3,937,329</u>
Total Charges to Appropriations	<u>4,310,000</u>	<u>4,310,000</u>	<u>372,671</u>	<u>3,937,329</u>
Budgetary fund balances, June 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 21,916,460</u>	<u>\$ 21,916,460</u>

continued

**COUNTY OF EL DORADO**

**Required Supplementary Information  
Budgetary Comparison Schedule  
Silva Valley Interchange RIF Fund (continued)  
For the Year Ended June 30, 2010**

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

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparisons schedule	\$ 22,289,131
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	<u>(22,224,307)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance governmental funds	<u>\$ 64,824</u>

Uses/outflow of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from budgetary comparison schedule	\$ 372,671
Difference budget to GAAP Transfers out to other funds is a budgetary use of funds but are not expenditures for financial reporting purposes	<u>(327,916)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance governmental funds	<u>\$ 44,755</u>

## COUNTY OF EL DORADO

### Required Supplementary Information Notes to the Budgetary Comparison Schedule For the Year Ended June 30, 2010

#### **BUDGETARY BASIS OF ACCOUNTING**

In accordance with the provisions of Sections 29000 and 29143, inclusive, of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares a budget for each fiscal year on or before August 30. Budgeted expenditures are enacted into law through the passage of an Appropriation Resolution. This resolution mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

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

The County uses an encumbrances system as an extension of normal budgetary accounting for the general, special revenue, and 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 budgets for the governmental funds may include an object level known as "intrafund transfers" in the charges for appropriations. This object level is an accounting mechanism used by the County to show reimbursements between operations within the same fund (an example would be the General Fund).

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

# COUNTY OF ALBERTA

Office of the Auditor General  
10000 Jasper Avenue, Edmonton, Alberta T5J 2G6  
Tel: (780) 427-3200

## STATEMENT OF ACCOUNTS

The accompanying financial statements of the County of Alberta for the year ended 31 March 2014 were prepared in accordance with the provisions of the Financial Administration Act and the Financial Reporting Requirements for Alberta Municipalities. The financial statements are prepared on a cash basis and do not include any provisions for contingencies or liabilities that may arise in the future. The financial statements are prepared in accordance with the provisions of the Financial Administration Act and the Financial Reporting Requirements for Alberta Municipalities.

### SUPPLEMENTARY INFORMATION

The following supplementary information is provided for the year ended 31 March 2014. This information is provided for informational purposes only and is not intended to be used as a substitute for the financial statements. The supplementary information is provided in accordance with the provisions of the Financial Administration Act and the Financial Reporting Requirements for Alberta Municipalities.

The County of Alberta has a number of departments and agencies that are responsible for providing services to the community. The following supplementary information provides details of the activities of these departments and agencies for the year ended 31 March 2014. This information is provided for informational purposes only and is not intended to be used as a substitute for the financial statements.

The following supplementary information provides details of the activities of the County of Alberta for the year ended 31 March 2014. This information is provided for informational purposes only and is not intended to be used as a substitute for the financial statements.

The following supplementary information provides details of the activities of the County of Alberta for the year ended 31 March 2014. This information is provided for informational purposes only and is not intended to be used as a substitute for the financial statements.

**COUNTY OF EL DORADO**

Combining Statement of Fund Net Assets  
Internal Service Funds  
Wednesday, June 30, 2010

	Fleet Management	Risk Management Authority	Total
<b><u>ASSETS</u></b>			
Current Assets:			
Cash and investments	\$ 3,000,695	\$ 46,795,625	\$ 49,796,320
Cash with fiscal agent	--	277,820	277,820
Account receivable	331	255,523	255,854
Deposits	--	83,100	83,100
Inventory	34,741	--	34,741
Prepaid expenses	--	80	80
<b>Total Current Assets</b>	<b>3,035,767</b>	<b>47,412,148</b>	<b>50,447,915</b>
Capital assets:			
Land	40,000	--	40,000
Structures and improvements	659,905	--	659,905
Equipment	10,166,701	51,002	10,217,703
Accumulated depreciation	(5,496,591)	(23,783)	(5,520,374)
<b>Total Capital Assets, net of     accumulated depreciation</b>	<b>5,370,015</b>	<b>27,219</b>	<b>5,397,234</b>
<b>Total Assets</b>	<b>\$ 8,405,782</b>	<b>\$ 47,439,367</b>	<b>\$ 55,845,149</b>
<b><u>LIABILITIES</u></b>			
Current Liabilities:			
Accounts payable	\$ 21,403	\$ 1,114,678	\$ 1,136,081
Salaries and benefits payable	7,892	15,792	23,684
Compensated absences-due within one year	717	2,880	3,597
Liability for self-insurance	--	4,496,633	4,496,633
<b>Total Current Liabilities</b>	<b>30,012</b>	<b>5,629,983</b>	<b>5,659,995</b>
Long-Term Liabilities:			
Liability for self-insurance	--	13,362,614	13,362,614
Liability for other post-employment benefits	--	40,203,809	40,203,809
Compensated absences-due beyond one year	11,239	45,116	56,355
<b>Total Long-Term Liabilities</b>	<b>11,239</b>	<b>53,611,539</b>	<b>53,622,778</b>
<b>Total Liabilities</b>	<b>41,251</b>	<b>59,241,522</b>	<b>59,282,773</b>
<b><u>NET ASSETS</u></b>			
Invested in capital assets, net of related debt	5,370,015	27,219	5,397,234
Restricted	2,630,878	--	2,630,878
Unrestricted	363,638	(11,829,374)	(11,465,736)
<b>Total Net Assets</b>	<b>8,364,531</b>	<b>(11,802,155)</b>	<b>(3,437,624)</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 8,405,782</b>	<b>\$ 47,439,367</b>	<b>\$ 55,845,149</b>

**COUNTY OF EL DORADO**

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
Internal Service Funds  
For the Year Ended June 30, 2010

	Fleet Management	Risk Management Authority	Totals
<b>Operating Revenues:</b>			
Service fees	\$ 1,926,284	\$ 32,255,680	\$ 34,181,964
<b>Operating Expenses:</b>			
Salaries and benefits	271,211	557,265	828,476
Services and supplies	733,611	49,556,797	50,290,408
Depreciation	896,887	2,402	899,289
Total Operating Expenses	<u>1,901,709</u>	<u>50,116,464</u>	<u>52,018,173</u>
Operating Income (Loss)	<u>24,575</u>	<u>(17,860,784)</u>	<u>(17,836,209)</u>
<b>Non Operating Revenues (Expenses):</b>			
Interest income	6,275	131,800	138,075
Gain (loss) on sale of capital assets	(82,434)	--	(82,434)
Miscellaneous nonoperating revenue	4,558	1,200,622	1,205,180
Total Non-Operating Revenues (Expenses)	<u>(71,601)</u>	<u>1,332,422</u>	<u>1,260,821</u>
<b>Change in Net Assets</b>	(47,026)	(16,528,362)	(16,575,388)
Net Assets - Beginning of Year	<u>8,411,557</u>	<u>4,726,207</u>	<u>13,137,764</u>
<b>Net Assets - End of Year</b>	<u>\$ 8,364,531</u>	<u>\$ (11,802,155)</u>	<u>\$ (3,437,624)</u>



**COUNTY OF EL DORADO**

Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended June 30, 2010

	<u>Fleet Management</u>	<u>Risk Management Authority</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash receipts from internal fund services provided	\$ 1,925,953	\$ 32,025,794	\$ 33,951,747
Cash paid to suppliers for goods and services	(1,299,616)	(33,126,425)	(34,426,041)
Cash paid to employees for salaries and benefits	<u>(270,266)</u>	<u>(527,702)</u>	<u>(797,968)</u>
Net cash provided (used) by operating activities	<u>356,071</u>	<u>(1,628,333)</u>	<u>(1,272,262)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Non-operating revenues	<u>4,558</u>	<u>1,200,622</u>	<u>1,205,180</u>
Net cash provided (used) by noncapital financing activities	<u>4,558</u>	<u>1,200,622</u>	<u>1,205,180</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Proceeds from sale of capital assets	94,603	--	94,603
Payments related to the acquisition of capital assets	<u>(437,564)</u>	<u>--</u>	<u>(437,564)</u>
Net cash provided (used) by capital and related financing activities	<u>(342,961)</u>	<u>--</u>	<u>(342,961)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	<u>6,275</u>	<u>131,800</u>	<u>138,075</u>
Net cash provided by investing activities	<u>6,275</u>	<u>131,800</u>	<u>138,075</u>
Net increase (decrease) in cash and cash equivalents	23,943	(295,911)	(271,968)
Cash and cash equivalents, beginning of year	<u>2,976,752</u>	<u>47,369,356</u>	<u>50,346,108</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 3,000,695</u></u>	<u><u>\$ 47,073,445</u></u>	<u><u>\$ 50,074,140</u></u>

continued

**COUNTY OF EL DORADO**

Combining Statement of Cash Flows (continued)  
Internal Service Funds  
For the Year Ended June 30, 2010

	<u>Fleet Management</u>	<u>Risk Management Authority</u>	<u>Total</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ 24,575	\$ (17,860,784)	\$ (17,836,209)
Adjustments to reconcile operating income (loss) to cash flows from operating activities:			
Depreciation	896,887	2,402	899,289
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(331)	(229,886)	(230,217)
Inventory	(5,389)	--	(5,389)
Prepaid expenses	--	(80)	(80)
Increase (decrease) in:			
Accounts payable	(560,616)	(253,759)	(814,375)
Salaries payable	402	4,412	4,814
Liability for compensated absences	543	25,151	25,694
Liability for self-insurance	--	(452,817)	(452,817)
Liability for other post employment benefits	--	17,137,028	17,137,028
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 356,071</u>	<u>\$ (1,628,333)</u>	<u>\$ (1,272,262)</u>