

**COUNTY OF EL DORADO**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2008**

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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, 2008, 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 and the Children and Families Commission as of and for the year ended June 30, 2008, 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	4.39 %	45.01 %	12.37 %
Discretely Presented Component Units	34.65%	10.29%	27.35%

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 opinion.

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, 2008, 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 February 25, 2009, 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 (MD & A), the Budgetary Comparison Schedules – General Fund, Road Fund, and the schedule of funding progress 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.

BARTIG, BASLER & RAY, LLP  
A GALLINA LLP Company



Roseville, California  
February 25, 2009



# 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

January 8, 2009

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, 2008. 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 \$544.0 million (net assets). Of this, \$29.9 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors, \$157.6 million is restricted for specific purposes (restricted net assets), and \$356.5 million is invested in capital assets, net of depreciation and related debts.
- The County experienced an overall increase in net assets of \$18.4 million. This is almost entirely attributable to governmental activities and is \$38.0 million less than the prior year's increase of \$56.4 million.
- As of June 30, 2008, the County's governmental funds reported combined fund balances of \$188.3 million. Approximately 80.5 percent of this amount, or \$151.6 million, is available to meet the County's current and future needs.
- At the end of the fiscal year, unreserved undesignated fund balance for the General Fund was \$14.2 million or 8.0 percent of the General Fund expenditures during the year.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

**Fiduciary funds** are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the County's programs. The County retains 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 and Road 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	
	2008	2007	2008	2007	2008	2007
<b>Assets:</b>						
Current and other assets	\$ 267,615	\$ 295,394	\$ 602	\$ 1,396	\$ 268,217	\$ 296,790
Capital assets	359,662	323,819	4,121	2,702	363,783	326,521
Total assets	<u>627,277</u>	<u>619,213</u>	<u>4,723</u>	<u>4,098</u>	<u>632,000</u>	<u>623,311</u>
<b>Liabilities:</b>						
Current and other liabilities	34,057	42,515	235	402	34,292	42,917
Long-term liabilities	53,684	53,239	50	60	53,734	53,299
Total liabilities	<u>87,741</u>	<u>95,754</u>	<u>285</u>	<u>462</u>	<u>88,026</u>	<u>96,216</u>
<b>Net Assets:</b>						
Invested in capital assets, net of related debt	352,415	314,422	4,094	2,666	356,509	317,088
Restricted net assets	157,557	176,318	40	16	157,597	176,334
Unrestricted net assets	29,564	32,719	304	954	29,868	33,673
Total net assets	<u>\$ 539,536</u>	<u>\$ 523,459</u>	<u>\$ 4,438</u>	<u>\$ 3,636</u>	<u>\$ 543,974</u>	<u>\$ 527,095</u>

**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 \$544.0 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, \$157.6 million or 29.0 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance, \$29.9 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	
	2008	2007	2008	2007	2008	2007
<b>Revenues</b>						
Program Revenues:						
Charges for services	\$ 53,973	\$ 81,599	\$ 760	\$ 756	\$ 54,733	\$ 82,355
Operating grants and contributions	122,743	118,120	54	300	122,797	118,420
Capital grants and contributions	2,789	2,832	1,533	1,016	4,322	3,848
General Revenues:						
Taxes	106,973	103,171	-	-	106,973	103,171
Use of money and property	10,515	12,909	26	14	10,541	12,923
Other revenues	5,152	4,772	2	4	5,154	4,776
Total revenues	<u>302,145</u>	<u>323,403</u>	<u>2,375</u>	<u>2,090</u>	<u>304,520</u>	<u>325,493</u>
<b>Expenses</b>						
General government	34,796	38,706	-	-	34,796	38,706
Public protection	110,970	104,298	-	-	110,970	104,298
Public ways and facilities	33,278	29,107	-	-	33,278	29,107
Health and sanitation	54,115	49,749	-	-	54,115	49,749
Public assistance	45,552	40,809	-	-	45,552	40,809
Education	3,719	3,479	-	-	3,719	3,479
Recreation and culture	1,292	989	-	-	1,292	989
Interest on long-term debt	686	499	-	-	686	499
Airports	-	-	1,068	1,012	1,068	1,012
SLT Transit Program	-	-	599	428	599	428
Total expenses	<u>284,408</u>	<u>267,636</u>	<u>1,667</u>	<u>1,440</u>	<u>286,075</u>	<u>269,076</u>
Excess (deficiency) before special items and transfers	17,737	55,767	708	650	18,445	56,417
Transfers	(94)	(143)	94	143	-	-
Change in net assets	<u>17,643</u>	<u>55,624</u>	<u>802</u>	<u>793</u>	<u>18,445</u>	<u>56,417</u>
Net assets at beginning of year	523,459	468,024	3,636	2,843	527,095	470,867
Restate net assets, see a) b) below	<u>(1,566)</u>	<u>(189)</u>	<u>-</u>	<u>-</u>	<u>(1,566)</u>	<u>(189)</u>
Net assets at beginning of year – restated	<u>521,893</u>	<u>467,835</u>	<u>3,636</u>	<u>2,843</u>	<u>525,529</u>	<u>470,678</u>
Net assets at end of year	<u>\$ 539,536</u>	<u>\$ 523,459</u>	<u>\$ 4,438</u>	<u>\$ 3,636</u>	<u>\$ 543,974</u>	<u>\$ 527,095</u>

- a) The net assets at the beginning of 2008 were reduced by \$1.6 million. The majority of this was an adjustment to the landfill liability that was understated in the prior year.
- b) Net assets at the beginning of 2007 were restated by a net decrease of \$189 thousand. This negative adjustment was due to an increase of the Risk Management Internal Service Fund's self-insurance liability (\$2 million), reduced by a restatement of the permanent fund balances' for revenues previously deferred (\$1.8 million).

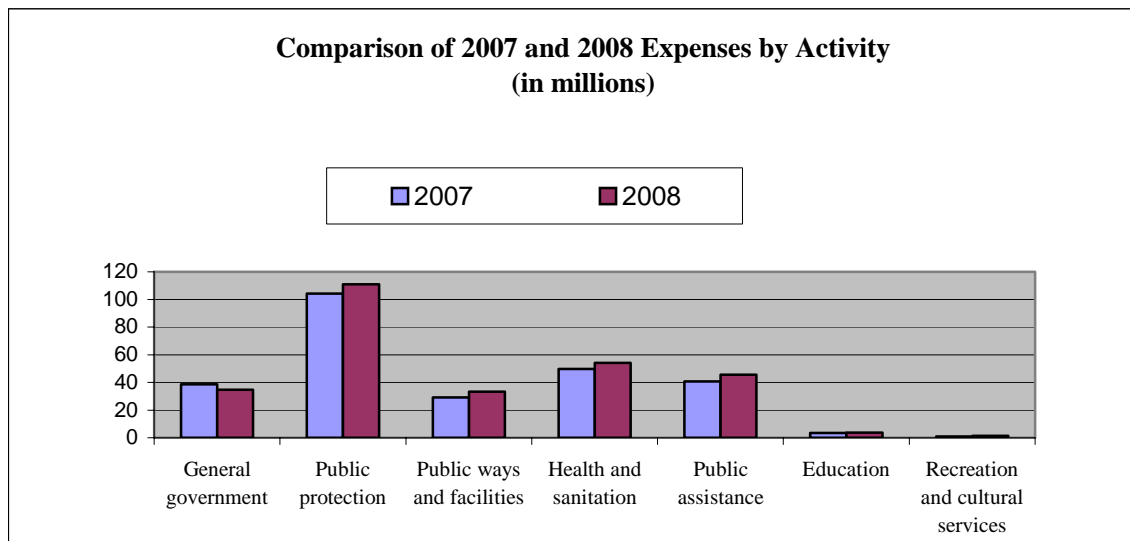
**Governmental activities.** The County experienced an overall increase in net assets of \$18.4 million in 2008, less than a third of the net increase experienced in 2007. This is almost entirely attributable to *governmental activities* and \$38.0 million less than the prior year's increase of \$56.4 million. This decrease in excess revenues was the result of a 6.4 percent decrease in revenues accompanied by a 6.3 percent increase in expenses when compared to the prior year.

The most significant revenue decrease, 33.5 percent or \$27.6 million, occurred in the charges for services category and included:

- \$23.3 million decrease in traffic impact mitigation fees from the 2005 El Dorado Hills West Valley project recorded in 2007, compared to zero in 2008,
- \$828 thousand decrease in revenue recorded from State traffic impact mitigation fees,
- \$665 thousand less in Interim Highway 50 traffic impact mitigation fees received in 2008, compared to 2007.

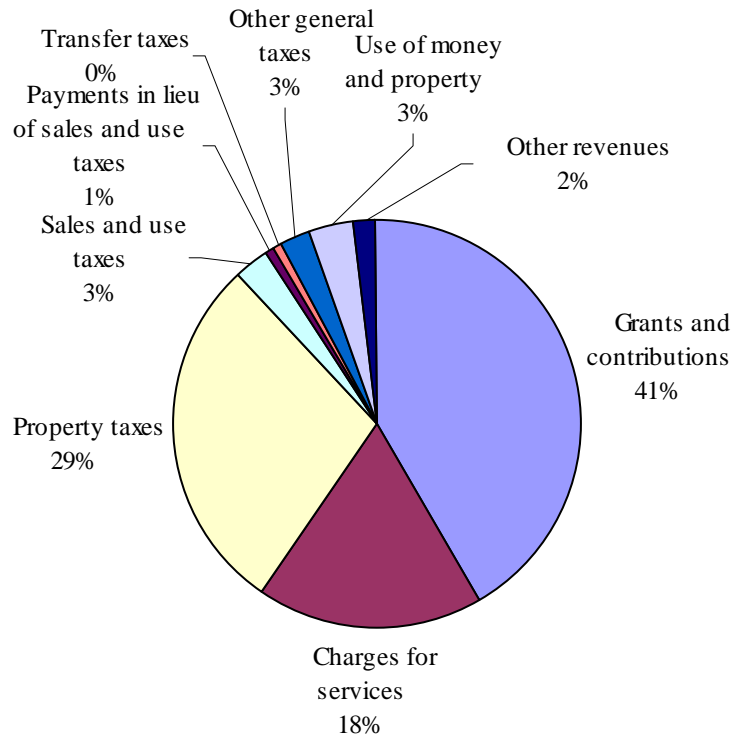
As mentioned, while total revenues decreased by 6.4 percent, total expenses increased by 6.3 percent in 2008 when compared to 2007. Further, increases occurred under almost all of the governmental activity functional areas, including public protection (6.4 percent), public ways and facilities (14.3 percent), health and sanitation (8.78 percent) and public assistance (11.62 percent).

Below is a graph that presents a comparison of 2007 and 2008 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 (41 percent), property taxes (29 percent), and charges for services (18 percent):

## Revenues by Source-Governmental Activities



**Business-type activities.** Business-type activities increased the County's net assets by \$802 thousand. This net increase is primarily the result of \$1.5 million of federal revenues (capital contributions) received and awarded to County Airports for capital improvements.

Similar to prior years, the County Airports operated at a loss, \$354 thousand in 2008 compared to \$299 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 2008, County governmental funds contributed \$94 thousand to the County Airports during the year.

## FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

**Governmental funds.** Governmental activities are generally accounted for under the General, special revenue, 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 spendable resources. Such information is useful in assessing the County's short-term financing requirements. In particular, unreserved fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

As of June 30, 2008 the County's governmental funds reported a combined ending fund balance of \$188.3 million, compared to the \$211.9 million fund balance of the previous year. Approximately 80.5 percent of this fund balance, or \$151.6 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, 2008, the General Fund's unreserved undesignated fund balance was \$14.2 million, a decrease of \$12.2 million from last year. This decrease is due to a net change (decrease) in the General Fund's balance of \$5.1 million during the year, an increase in reserves for advances to other funds of \$3.3 million and an increase in capital project designations of \$3.8 million. The \$3.3 million increase in reserves was due to a General Fund advance to the County Mental Health special revenue fund to cover operating and cash deficits.

The June 30, 2008 unreserved undesignated fund balance, as compared to General Fund expenditures for the year, is approximately 8.0 percent, compared to 15.3 percent last year. Thus, without any additional revenue inflows, this fund balance could support the General Fund's activities for approximately 29 days, compared 56 days last year.

In addition to the General Fund, the County maintains two major governmental funds, the Road Fund and the Debt Service 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 \$21.3 million in revenues in 2008, compared to \$18.3 million last year. Similarly, expenditures recorded in this fund increased by over \$13.7 million, \$64.5 million in 2008 compared to \$50.8 million in 2007, and may be attributed to increased road maintenance and administration activities during the year. While the Road Fund reported expenditures over revenues by \$43.3 million, \$47.4 million of transfers in of special taxes and road fees from other County special revenue funds resulted in the Road Fund increasing its fund balance by \$4.1 million in 2008.

The Debt Service Fund accounts for the accumulation of resources and payment of general long-term debt principal and interest. The Debt Service Fund's revenues totaled \$643 thousand in

2008, compared to \$609 thousand in 2007. The \$2.2 million of expenditures in 2008 were also comparable to the prior year.

The combined governmental fund balances decreased by \$23.8 million during 2008, compared to a \$23.8 million increase last year. This decrease in fund balances was the result of expenditures increasing by 10.2 percent, \$334.1 million in 2008 compared to \$303.1 million in 2007, accompanied by a decrease in revenues of 5.2 percent, \$310.6 million in 2008 compared to \$327.5 million in 2007. Thus, and unlike prior years, the combined governmental funds realized a significant deficiency in revenues, or excess of expenditures, in 2008. Further, while the other governmental funds column reports excess revenues over expenditures of \$24.2 million in 2008, significant revenue deficits occurred among some special revenue funds. Those special revenue funds with the most significant losses, whereby expenditures exceeded revenues and necessitated the use of available beginning fund balances or transfers from other funds in 2008, included:

- Department of Transportation Special Revenue Funds incurred a \$22 million operating deficit in 2008, most of which was due to the transfer of \$17.6 million of traffic impact mitigation (TIM) fees earned in prior periods to the Road Fund in 2008 for road improvements, and
- Mental Health Special Revenue Fund - \$2.7 million operating deficit in 2008, compared to a \$2.4 million operating deficit in 2007, due to further decreases in revenues accompanied by increases in expenditures when compared to prior years.

While sufficient fund balances were available and budgeted to fund transfers from DOT special revenue funds for road improvements to the Road Fund, the Mental Health fund did not have sufficient fund balance available to compensate for operating deficits occurring over the past two fiscal years. As a result, and as of June 30, 2008, the Mental Health Fund has a fund deficit balance of \$1.4 million and required a cash advance of \$3.3 million from the General Fund. County management is aware of this trend and is actively working to stabilize this fund's activity and avoid fund deficits in the future.

***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.

As discussed earlier, the net assets of enterprise funds increased by \$802 thousand primarily due to non-operating capital improvement revenues received by the County Airports. Also discussed earlier, the County enterprise funds have not been able to generate sufficient operating revenues to cover expenses, which in turn necessitated governmental fund contribution of \$94 thousand in 2008.

Net assets of the internal service funds increased by \$1.6 million. While the majority of the increase is attributable to an increase in net assets realized by the Risk Management Authority, the Fleet Management Internal Service Fund also realized an increase of net assets of \$216 thousand.

## GENERAL FUND BUDGETARY ANALYSIS

The original and the final amended budgeted revenues increased by \$1.7 million, less than one percent, while budgeted expenditures increased by \$3.0 million, or 1.32 percent. The largest of the revenue budget modifications included:

- \$636 thousand increase in estimated State intergovernmental revenues,
- \$658 thousand increase in estimated Federal intergovernmental revenues,
- \$720 thousand decrease in estimated charges for services,
- \$1 million increase in estimated other financing sources,

While the largest expenditures budget modifications included:

- \$500 thousand increase in budgeted contributions to other funds,
- \$540 thousand increase in the public protection's Superior Court MOE budget,
- \$269 thousand increase in the District Attorney's budgeted expenditures,
- \$1.6 million increase in the Sheriff's budgeted expenditures,
- \$300 thousand increase in the Building Inspector's budget,
- \$291 thousand decrease in the Planning and Zoning budget, and
- \$402 thousand increase in Categorical Aid.

The variance between resources budgeted (original and final) and the actual amounts received were more significant, with a negative variance of \$14 million or 6.8 percent. Specifically, compared to a final resource budget of \$205.5 million, actual funding equaled \$191.5 million. This budget shortage of revenues can be attributed to the over-forecasting of revenue sources including but not limited, taxes and assessments (\$2.7 million under budget), interest revenue (\$1.2 million under budget), State revenues (\$6.2 million under budget), and other financing sources (\$3.8 million under budget).

The difference between the budgeted expenditures and actual were also significant. Specifically, expenditures fell \$28.9 million or 12.8 percent below the final budget. This variance occurred under each government activity, whereby department's expenditures fell below projections, the most significant of which included:

- General Government – Actual expenditures fell below final budget by \$16.1 million or 23.0 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 Auditor/Controller, Treasurer/Tax Collector, County Counsel, Recorder-Elections, Buildings and Grounds, Information Technologies, Surveyor, County Engineer, and Chief Administration Office's Contributions to Other Funds.
- Public Protection – Actual expenditures fell below final budget by \$10.9 million or 9.8 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's Office, Sheriff, Sheriff-Bailiff, Central

Dispatch, Jail, Juvenile Hall, Probation, Emergency Services, and Planning and Zoning departments.

- Health and Sanitation Environmental Management – Actual expenditures fell below final budget by \$259.6 thousand or 8.85 percent with salaries and benefits making up the majority, falling below budget by over \$183 thousand.
- Public Assistance – Actual expenditures fell below final budget by \$1.2 million or 3.2 percent mostly due to the Social Services Administration Unit falling below budget by \$992 thousand.

In general, County management's practice of over budgeting both General Fund inflows and outflows continues. Further, budget amendments increasing budgeted revenues during the year increased rather than decreased the revenue budget to actual variances at year-end. Similarly, amendments to increase budgeted expenditures also broadened the gap between budget and actual expenditures. As noted, while both the revenue and expenditure budgets were inflated, the expenditure budget was considerably more so (12.8 percent excess budgeted expenditures compared to 6.8 percent excess budgeted revenues). Further, while an anticipated \$4.4 million remained budgeted as an increase in fund balance (contingency), the actual deficiency of revenues to expenditures or reduction to fund balance was a \$5.1 million. Had actual or authorized expenditures been closer to estimate, the use of contingency or fund balance could have been as great as \$34.0 million (\$229.9 million budgeted appropriations, less \$4.4 million budgeted increase to contingency, less actual inflows/revenues of \$191.5 million). Thus, while management's budget practices meet the legal requirements for a "balanced" budget, the inflated budget is limited in its ability to provide management with a useful tool for monitoring performance and controlling expenditures and could ultimately result in a General Fund cash deficit at year-end.

## **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, 2008 amounts to \$363.8 million (net of accumulated depreciation). The investment in capital assets includes land and improvements, construction in progress, infrastructure, structures and improvements, and equipment. Fixed assets increased by a net of \$37.3 million in 2008.

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

- \$3.7 million in additions to land and improvements consisting of \$3.0 million in right of way purchases for road improvements plus \$692 thousand Chili Bar land purchase.
- \$6.1 million increase in the governmental activity construction projects, including \$2.5 million for construction of a new animal control facility and \$453.2 thousand in construction costs related to the El Dorado Hills Senior Center.
- \$45.0 million in infrastructure additions and reconstructions (county roads). While a portion of these additions were donated by private parties (\$848 thousand), most were the result of County funded additions and improvements and included the Missouri Flat Interchange expansion (\$17.6 million), Cameron Park and Palmer Drives intersection reconstruction (\$1.3 million), road improvements to White Rock Road west of Latrobe Road (\$1.2 million), Latrobe Road US 50 to White Rock Road (\$2.8 million), Latrobe



Road Suncast Lane to Golden Foothill South (\$1.6 million), and Mother Lode Drive two-way turn widening in Shingle Springs (\$1.8 million).

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

**Debt Administration.** As of June 30, 2008 the County's outstanding long-term debt totaled \$10.9 million. The largest components of this obligation consist of \$6.0 million in bond debt, followed by \$3.7 million notes payable and \$1.2 million capital lease obligations. Additional information on the County's long-term debt can be found in note 6 in the notes to the financial statements.

## 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. Although these obligations are described in the notes to the financial statements, only the Retiree's Health obligation has been partially presented, in year one of a 20-year amortization, as a liability on the County's financial statements.

As of June 30, 2008 the County calculated its unfunded or net obligation at \$211.6 million, using actuarial reports dated June 30, 2007 for the CalPERS plans and June 30, 2008 for Retiree's Health plan. The resulting computation of the unfunded or net obligation as of June 30, 2008 may be summarized as follows:

<b>Post Retirement Benefit Plan</b>	<b>Liability</b>	<b>Actuarial Value of Plan Assets</b>	<b>Unfunded Liability (UL)</b>
CalPERS Safety	\$ 167,483,888	\$ 131,342,533	\$ 36,141,355
CalPERS Misc	379,808,188	316,605,643	63,202,545
Retiree's Health	112,218,000		112,218,000
<b>Total</b>	<b>\$ 659,510,076</b>	<b>\$ 447,948,176</b>	<b>\$ 211,561,900</b>

The above Retiree's Health liability of \$112.2 million is based on the assumption that the Board of Supervisors will not enforce a cap on the County's contribution. 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 sharing 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 set aside cash to fund this obligation, which as of June 30, 2008 totaled \$11,967,793.

**REQUEST FOR INFORMATION**

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

Respectfully submitted,



Joe Harn  
El Dorado County Auditor-Controller

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

**COUNTY OF EL DORADO**

Statement of Net Assets  
June 30, 2008

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Totals	
<b><u>ASSETS</u></b>				
Cash and investments	\$ 224,213,538	\$ 518,823	\$ 224,732,361	\$ 12,049,318
Restricted cash and investments	1,761,654	39,911	1,801,565	152,209
Cash with fiscal agents	2,378,770	--	2,378,770	--
Accounts receivable	5,551,864	24,620	5,576,484	97,437
Special assessments receivable	1,845,641	--	1,845,641	--
Interest receivable	--	--	--	31,170
Due from other governments	24,920,276	22,990	24,943,266	1,230,539
Notes receivable	2,309,657	--	2,309,657	--
Inventory and prepayments	1,547,125	82,564	1,629,689	131,196
Internal balances	86,818	(86,818)	--	--
Notes receivable, long term	3,000,000	--	3,000,000	--
Capital Assets:				
Nondepreciable	54,236,322	238,042	54,474,364	639,246
Depreciable, net	305,425,667	3,882,897	309,308,564	4,576,196
Total Assets	<u>\$ 627,277,332</u>	<u>\$ 4,723,029</u>	<u>\$ 632,000,361</u>	<u>\$ 18,907,311</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ 14,048,463	\$ 92,342	\$ 14,140,805	\$ 685,804
Accrued salaries and benefits	3,894,421	5,684	3,900,105	57,604
Accrued interest payable	49,969	942	50,911	--
Due to other governments	649,480	--	649,480	--
Unearned revenue	6,976,192	126,465	7,102,657	3,369,209
Other liabilities	189,605	--	189,605	--
Long-term liabilities:				
Liability for other post-employment benefits:				
Due beyond one year	11,250,000	--	11,250,000	--
Liability for self-insurance:				
Due within one year	5,071,944	--	5,071,944	--
Due beyond one year	12,760,316	--	12,760,316	540,930
Liability for landfill closure and post-closure:				
Due beyond one year	8,109,469	--	8,109,469	--
Compensated absences:				
Due within one year	972,739	--	972,739	118,596
Due beyond one year	12,900,795	32,745	12,933,540	118,596
Other liabilities:				
Due within one year	2,394,146	9,463	2,403,609	--
Due beyond one year	8,473,787	17,472	8,491,259	--
Total Liabilities	<u>87,741,326</u>	<u>285,113</u>	<u>88,026,439</u>	<u>4,890,739</u>
<b><u>NET ASSETS</u></b>				
Invested in capital assets, net of related debt	352,414,775	4,094,004	356,508,779	5,215,442
Restricted for:				
Capital projects	11,514,557	--	11,514,557	--
Debt service	4,575,400	--	4,575,400	--
Public safety	7,150,561	--	7,150,561	--
Community resources and public facilities	105,264,061	--	105,264,061	--
Health and public assistance	14,689,755	--	14,689,755	--
General government and support programs	13,441,229	--	13,441,229	--
Other purposes	921,871	39,911	961,782	6,047,761
Unrestricted	29,563,797	304,001	29,867,798	2,753,369
Total Net Assets	<u>539,536,006</u>	<u>4,437,916</u>	<u>543,973,922</u>	<u>14,016,572</u>
Total Liabilities and Net Assets	<u>\$ 627,277,332</u>	<u>\$ 4,723,029</u>	<u>\$ 632,000,361</u>	<u>\$ 18,907,311</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, 2008

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental Activities:				
General government	\$ 34,796,271	\$ 13,648,115	\$ 3,496,903	\$ 14,064
Public protection	110,969,621	13,244,156	27,371,067	30,142
Public ways and facilities	33,277,501	15,228,310	17,287,966	861,117
Health and sanitation	54,115,236	10,838,882	31,380,321	--
Public assistance	45,551,954	409,406	42,974,340	--
Education	3,719,284	413,529	191,071	--
Recreation and cultural services	1,292,106	190,588	41,162	1,883,781
Debt Service:				
Interest and fiscal charges	686,457	--	--	--
Total Governmental Activities	<u>284,408,430</u>	<u>53,972,986</u>	<u>122,742,830</u>	<u>2,789,104</u>
Business-Type Activities:				
Airports	1,068,174	709,235	--	1,009,471
South Lake Tahoe Transit Program	599,329	50,841	54,404	523,043
Total Business-Type Activities	<u>1,667,503</u>	<u>760,076</u>	<u>54,404</u>	<u>1,532,514</u>
<b>Total Primary Government</b>	<u>\$ 286,075,933</u>	<u>\$ 54,733,062</u>	<u>\$ 122,797,234</u>	<u>\$ 4,321,618</u>
<b>Components Units:</b>				
El Dorado Transit Authority	\$ 6,212,509	\$ 1,119,927	\$ 4,093,495	\$ 564,216
Children and Families Commission	1,787,444	--	2,012,396	--
<b>Total Component Units</b>	<u>\$ 7,999,953</u>	<u>\$ 1,119,927</u>	<u>\$ 6,105,891</u>	<u>\$ 564,216</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
\$ (17,637,189)	\$ --	\$ (17,637,189)	\$ --
(70,324,256)	--	(70,324,256)	--
99,892	--	99,892	--
(11,896,033)	--	(11,896,033)	--
(2,168,208)	--	(2,168,208)	--
(3,114,684)	--	(3,114,684)	--
823,425	--	823,425	--
(686,457)	--	(686,457)	--
<u>(104,903,510)</u>	<u>--</u>	<u>(104,903,510)</u>	<u>--</u>
--	650,532	650,532	--
--	28,959	28,959	--
--	<u>679,491</u>	<u>679,491</u>	<u>--</u>
<u>(104,903,510)</u>	<u>679,491</u>	<u>(104,224,019)</u>	<u>--</u>
--	--	--	(434,871)
--	--	--	224,952
--	--	--	<u>(209,919)</u>
86,825,013	--	86,825,013	--
8,079,981	--	8,079,981	--
2,452,222	--	2,452,222	--
1,453,961	--	1,453,961	--
8,162,716	--	8,162,716	--
10,515,064	26,369	10,541,433	411,299
5,151,732	1,913	5,153,645	53,754
(94,057)	94,057	--	--
<u>122,546,632</u>	<u>122,339</u>	<u>122,668,971</u>	<u>465,053</u>
17,643,122	801,830	18,444,952	255,134
521,892,884	3,636,086	525,528,970	13,761,438
<u>\$ 539,536,006</u>	<u>\$ 4,437,916</u>	<u>\$ 543,973,922</u>	<u>\$ 14,016,572</u>

**BASIC FINANCIAL STATEMENTS –  
FUND FINANCIAL STATEMENTS**

**COUNTY OF EL DORADO**

Balance Sheet  
Governmental Funds  
June 30, 2008

	General	Road Fund	Debt Service	Other Governmental Funds	Total Governmental Funds
<b><u>ASSETS</u></b>					
Cash and investments	\$ 23,156,744	\$ 11,200,977	\$ 2,138,173	\$ 142,186,930	\$ 178,682,824
Restricted cash and investments	--	--	--	1,761,654	1,761,654
Cash with fiscal agents	--	--	2,221,341	17,490	2,238,831
Accounts receivable	431,328	476,566	14,791	4,359,558	5,282,243
Special assessments receivable	--	--	1,737,171	108,470	1,845,641
Due from other governments	9,616,977	4,406,845	--	10,896,454	24,920,276
Notes receivable	--	--	--	2,309,657	2,309,657
Due from other funds	2,227,044	1,379,027	17,490	1,483,867	5,107,428
Advances to other funds	3,529,000	--	--	2,118,667	5,647,667
Inventories	--	602,085	--	41,440	643,525
Prepaid expenses	395,171	41,335	--	345,496	782,002
	<u>\$ 39,356,264</u>	<u>\$ 18,106,835</u>	<u>\$ 6,128,966</u>	<u>\$ 165,629,683</u>	<u>\$ 229,221,748</u>
<b>Total Assets</b>					
<b><u>LIABILITIES</u></b>					
Accounts payable	\$ 2,487,670	\$ 6,589,336	\$ --	\$ 3,354,435	\$ 12,431,441
Accrued salaries and benefits	2,818,846	456,170	--	596,527	3,871,543
Due to other governments	177,701	203,228	--	268,550	649,479
Due to other funds	603,511	23,430	6,000	4,411,099	5,044,040
Advances from other funds	--	--	--	5,647,667	5,647,667
Deferred revenue	791,865	45,786	1,737,171	10,668,398	13,243,220
Total Liabilities	<u>6,879,593</u>	<u>7,317,950</u>	<u>1,743,171</u>	<u>24,946,676</u>	<u>40,887,390</u>
<b>FUND BALANCES</b>					
Reserved for:					
Debt service	--	--	2,221,341	189,605	2,410,946
Capital projects	--	--	--	84,448	84,448
Encumbrances	654,500	50,914	--	3,774,878	4,480,292
Advances	3,529,000	--	--	2,118,667	5,647,667
Inventory	--	602,085	--	41,440	643,525
Prepaid expenses	395,171	41,335	--	345,496	782,002
Imprest cash	13,640	3,500	--	6,800	23,940
Other	--	--	--	3,067,173	3,067,173
Unreserved:					
Designated for:					
Economic uncertainty	9,932,874	--	--	--	9,932,874
Capital projects	3,774,167	--	--	5,860,221	9,634,388
Undesignated and reported in:					
General fund	14,177,319	--	--	--	14,177,319
Special revenue funds	--	10,091,051	--	121,993,638	132,084,689
Permanent funds	--	--	--	481,997	481,997
Debt service funds	--	--	2,164,454	--	2,164,454
Capital projects funds	--	--	--	2,718,644	2,718,644
Total Fund Balances	<u>32,476,671</u>	<u>10,788,885</u>	<u>4,385,795</u>	<u>140,683,007</u>	<u>188,334,358</u>
	<u>\$ 39,356,264</u>	<u>\$ 18,106,835</u>	<u>\$ 6,128,966</u>	<u>\$ 165,629,683</u>	<u>\$ 229,221,748</u>
<b>Total Liabilities and Fund Balances</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, 2008

Fund Balance - total governmental funds	\$ 188,334,358
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.	353,282,050
Other long-term assets are not available to pay for current period expenditures, and therefore, are deferred in the governmental funds	6,267,028
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:	20,967,434
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.	(49,969)
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in the governmental funds.	
Bonds payable	(6,070,000)
Notes payable	(3,620,719)
Capital leases	(1,177,214)
Compensated absences	(13,815,680)
Liability for landfill closure and post-closure	(8,109,469)
Adjustment to liability for other post-employment benefits	717,792
Other long-term liabilities	<u>(189,605)</u>
Net assets of governmental activities	<u>\$ 539,536,006</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 Fiscal Year Ended June 30, 2008

	General	Road Fund	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 91,159,908	\$ 16,053	\$ --	\$ 15,774,812	\$ 106,950,773
Licenses and permits	6,302,589	80,955	--	2,727,230	9,110,774
Intergovernmental revenue	52,896,417	16,798,067	--	53,859,350	123,553,834
Use of money or property	1,663,419	158,722	215,784	6,966,305	9,004,230
Charges for current services	19,292,370	3,445,747	8,000	30,363,018	53,109,135
Fines, forfeits and penalties	897,189	--	419,414	1,379,199	2,695,802
Other revenue	1,982,672	752,630	--	3,406,449	6,141,751
Total Revenues	<u>174,194,564</u>	<u>21,252,174</u>	<u>643,198</u>	<u>114,476,363</u>	<u>310,566,299</u>
<b>Expenditures:</b>					
Current:					
General government	34,603,011	--	78,134	806,700	35,487,845
Public protection	98,653,388	--	--	10,652,086	109,305,474
Public ways and facilities	--	63,234,008	--	782,221	64,016,229
Health and sanitation	2,667,832	--	--	56,599,912	59,267,744
Public assistance	35,016,956	--	--	12,286,523	47,303,479
Education	3,461,871	--	--	15	3,461,886
Recreation and cultural services	1,069,238	--	--	100,000	1,169,238
Capital outlay	1,460,329	1,152,181	--	6,705,553	9,318,063
Debt service:					
Principal	144,895	124,855	1,810,000	2,015,056	4,094,806
Interest and fiscal charges	30,756	22,787	329,010	318,340	700,893
Total Expenditures	<u>177,108,276</u>	<u>64,533,831</u>	<u>2,217,144</u>	<u>90,266,406</u>	<u>334,125,657</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,913,712)</u>	<u>(43,281,657)</u>	<u>(1,573,946)</u>	<u>24,209,957</u>	<u>(23,559,358)</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	17,283,863	47,443,179	2,071,416	17,185,659	83,984,117
Transfers out	<u>(19,492,883)</u>	<u>(18,774)</u>	<u>--</u>	<u>(64,663,802)</u>	<u>(84,175,459)</u>
Total Other Financing Sources (Uses)	<u>(2,209,020)</u>	<u>47,424,405</u>	<u>2,071,416</u>	<u>(47,478,143)</u>	<u>(191,342)</u>
<b>Net change in fund balances</b>	(5,122,732)	4,142,748	497,470	(23,268,186)	(23,750,700)
Fund Balance - beginning of Fiscal Year	37,599,403	6,646,137	3,888,325	163,802,020	211,935,885
Prior period adjustments	<u>--</u>	<u>--</u>	<u>--</u>	<u>149,173</u>	<u>149,173</u>
Fund Balance, End of Fiscal Year	<u>\$ 32,476,671</u>	<u>\$ 10,788,885</u>	<u>\$ 4,385,795</u>	<u>\$ 140,683,007</u>	<u>\$ 188,334,358</u>

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, 2008

Net change to fund balance - total governmental funds \$ (23,750,700)

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	\$ 55,651,145	
Depreciation	<u>(21,945,746)</u>	33,705,399

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. (133,476)

Because long-term receivables will not be collected within the year, they are not considered available resources and are deferred in the governmental funds. Also, repayment from long-term receivables are recognized as revenues in the governmental funds.

Decrease in long-term receivables	\$ (1,800,000)	
Decrease in deferred revenue	<u>(114,910)</u>	(1,914,910)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 4,094,806

Some revenues reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as revenues in the governmental funds. 1,947,958

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		(328,797)
Change in accrued interest payable		14,436
Change in liability for postclosure landfill costs		1,715,311
Change in liability for other post-employment benefits		717,793
Change in other long-term liabilities		17,996

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. 1,557,306

Change in net assets of governmental activities		<u>\$ 17,643,122</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, 2008

	Business-Type Activities - Enterprise Funds			Governmental
	South Lake			Internal
	County Airports	Tahoe Transit	Total	Service Funds
<b><u>ASSETS</u></b>				
Current Assets:				
Cash and investments	\$ 352,556	\$ 166,267	\$ 518,823	\$ 45,530,714
Cash with fiscal agents	--	--	--	139,939
Accounts receivable	24,620	--	24,620	269,621
Due from other governments	22,990	--	22,990	--
Due from other funds	--	--	--	23,430
Deposits	12,344	--	12,344	83,100
Inventory	70,220	--	70,220	38,498
Total Current Assets	<u>482,730</u>	<u>166,267</u>	<u>648,997</u>	<u>46,085,302</u>
Non-current Assets:				
Capital assets:				
Land	213,711	--	213,711	40,000
Construction in progress	24,331	--	24,331	--
Structures and improvements	7,654,343	--	7,654,343	659,905
Equipment	25,300	109,504	134,804	11,057,958
Accumulated depreciation	(3,801,887)	(104,363)	(3,906,250)	(5,377,924)
Total capital assets, net of accumulated depreciation	<u>4,115,798</u>	<u>5,141</u>	<u>4,120,939</u>	<u>6,379,939</u>
Restricted assets:				
Restricted cash	--	39,911	39,911	--
Total Non-current Assets	<u>4,115,798</u>	<u>45,052</u>	<u>4,160,850</u>	<u>6,379,939</u>
<b>Total Assets</b>	<u><u>\$ 4,598,528</u></u>	<u><u>\$ 211,319</u></u>	<u><u>\$ 4,809,847</u></u>	<u><u>\$ 52,465,241</u></u>
<b><u>LIABILITIES</u></b>				
Current Liabilities:				
Accounts payable	\$ 51,415	\$ 40,927	\$ 92,342	\$ 1,617,022
Accrued salaries and benefits	5,684	--	5,684	22,878
Interest payable	942	--	942	--
Due to other funds	86,818	--	86,818	--
Liability for self-insurance	--	--	--	5,071,944
Notes payable, current portion	9,463	--	9,463	--
Deferred revenues	--	126,465	126,465	--
Total Current Liabilities	<u>154,322</u>	<u>167,392</u>	<u>321,714</u>	<u>6,711,844</u>
Noncurrent Liabilities:				
Liability for self-insurance	--	--	--	12,760,316
Liability for other post-employment benefits	--	--	--	11,967,793
Compensated absences	32,745	--	32,745	57,854
Notes payable	17,472	--	17,472	--
Total Noncurrent Liabilities	<u>50,217</u>	<u>--</u>	<u>50,217</u>	<u>24,785,963</u>
<b>Total Liabilities</b>	<u>204,539</u>	<u>167,392</u>	<u>371,931</u>	<u>31,497,807</u>
<b><u>NET ASSETS</u></b>				
Invested in capital assets, net of related debt	4,088,863	5,141	4,094,004	6,379,939
Restricted	--	39,911	39,911	1,699,749
Unrestricted	305,126	(1,125)	304,001	12,887,746
Total Net Assets	<u>4,393,989</u>	<u>43,927</u>	<u>4,437,916</u>	<u>20,967,434</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 4,598,528</u></u>	<u><u>\$ 211,319</u></u>	<u><u>\$ 4,809,847</u></u>	<u><u>\$ 52,465,241</u></u>

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 Fiscal Year Ended June 30, 2008

	Business-Type Activities - Enterprise Funds			Governmental
	County Airports	South Lake Tahoe Transit	Total	Internal Service Funds
<b>Operating Revenues:</b>				
Fares	\$ --	\$ 50,841	\$ 50,841	\$ --
Service fees	709,235	--	709,235	34,204,243
<b>Total Operating Revenues</b>	709,235	50,841	760,076	34,204,243
<b>Operating Expenses:</b>				
Salaries and benefits	211,357	--	211,357	1,096,937
Services and supplies	560,852	581,953	1,142,805	33,190,328
Depreciation	290,858	15,691	306,549	949,165
<b>Total Operating Expenses</b>	1,063,067	597,644	1,660,711	35,236,430
<b>Operating Income (Loss)</b>	(353,832)	(546,803)	(900,635)	(1,032,187)
<b>Non-Operating Revenues (Expenses):</b>				
Intergovernmental revenues	--	54,404	54,404	--
Interest income	25,701	668	26,369	1,510,834
Interest expense	(5,107)	(1,685)	(6,792)	--
Gain (loss) on sale of capital assets	629	--	629	(334)
Miscellaneous nonoperating revenue	1,284	--	1,284	892,550
<b>Total Non-Operating Revenues (Expenses)</b>	22,507	53,387	75,894	2,403,050
Income (Loss) Before Transfers and Capital Contributions	(331,325)	(493,416)	(824,741)	1,370,863
Transfers in	94,057	--	94,057	97,285
Capital contributions	1,009,471	523,043	1,532,514	89,158
<b>Change in Net Assets</b>	772,203	29,627	801,830	1,557,306
Net Assets - Beginning of Year	3,621,786	14,300	3,636,086	19,410,128
<b>Net Assets - End of Year</b>	\$ 4,393,989	\$ 43,927	\$ 4,437,916	\$ 20,967,434

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

## COUNTY OF EL DORADO

### Statement of Cash Flows Proprietary Funds For the Fiscal Year Ended June 30, 2008

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities</u>
	South Lake			Internal Service Funds
	<u>County Airports</u>	<u>Tahoe Transit</u>	<u>Total</u>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash receipts from customers and users	\$ 755,498	\$ 50,841	\$ 806,339	\$ --
Cash receipts from interfund services provided	--	--	--	34,043,546
Cash paid to suppliers for goods and services	(862,351)	(566,026)	(1,428,377)	(28,420,387)
Cash paid to employees for salaries and benefits	(211,743)	--	(211,743)	(1,138,422)
Net cash provided (used) by operating activities	<u>(318,596)</u>	<u>(515,185)</u>	<u>(833,781)</u>	<u>4,484,737</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Cash received from other governmental agencies	99,484	180,869	280,353	--
Non-operating receipts	1,284	--	1,284	892,550
Cash received from or paid to other funds	83,461	--	83,461	73,855
Net cash provided (used) by noncapital financing activities	<u>184,229</u>	<u>180,869</u>	<u>365,098</u>	<u>966,405</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Principal repayments on debt	(9,463)	--	(9,463)	--
Proceeds from sale of capital assets	629	--	629	126,063
Capital contributions	1,009,471	523,043	1,532,514	89,158
Interest paid on debt	(5,537)	--	(5,537)	--
Payments related to the acquisition of capital assets	(1,725,422)	--	(1,725,422)	(1,398,469)
Net cash provided (used) by capital and related financing activities	<u>(730,322)</u>	<u>523,043</u>	<u>(207,279)</u>	<u>(1,183,248)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received (paid)	25,701	(1,017)	24,684	1,510,834
Net cash provided by investing activities	<u>25,701</u>	<u>(1,017)</u>	<u>24,684</u>	<u>1,510,834</u>
Net increase (decrease) in cash and cash equivalents	(838,988)	187,710	(651,278)	5,778,728
<b>Cash and cash equivalents, beginning of year</b>	<u>1,191,544</u>	<u>18,468</u>	<u>1,210,012</u>	<u>39,891,925</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 352,556</u>	<u>\$ 206,178</u>	<u>\$ 558,734</u>	<u>\$ 45,670,653</u>

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, 2008

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities</u>
	County Airports	South Lake Tahoe Transit	Total	Internal Service Funds
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	\$ (353,832)	\$ (546,803)	\$ (900,635)	\$ (1,032,187)
Adjustments to reconcile operating income (loss) to cash flows from operating activities:				
Depreciation	290,858	15,691	306,549	949,165
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	46,263	--	46,263	(160,697)
Inventory	(3,988)	--	(3,988)	42,895
Prepaid expenses	(12,344)	--	(12,344)	--
Increase (decrease) in:				
Accounts payable	(285,167)	15,927	(269,240)	746,987
Salaries payable	1,414	--	1,414	1,441
Liability for compensated absences	(1,800)	--	(1,800)	(42,926)
Liability for self-insurance	--	--	--	370,223
Liability for other post employment benefits	--	--	--	3,609,836
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ (318,596)</u>	<u>\$ (515,185)</u>	<u>\$ (833,781)</u>	<u>\$ 4,484,737</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, 2008

	<u>Investment Trust</u>	<u>Agency Funds</u>
<b><u>ASSETS</u></b>		
Cash and investments	\$ 158,387,846	\$ 1,048,035
Interest receivable	1,173,182	6,844
Taxes receivable	--	27,931,583
	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 159,561,028</u>	<u>\$ 28,986,462</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ 2,965,910	\$ 1,534,629
Accrued salaries and benefits	699,964	--
Fiduciary liabilities	--	27,451,833
	<u>                    </u>	<u>                    </u>
Total Liabilities	<u>3,665,874</u>	<u>28,986,462</u>
<b><u>NET ASSETS</u></b>		
Net assets held in trust for investment pool participants	<u>155,895,154</u>	<u>                    </u>
Total Net Assets	<u>155,895,154</u>	<u>                    </u>
	<u>                    </u>	<u>                    </u>
<b>Total Liabilities and Net Assets</b>	<u><b>\$ 159,561,028</b></u>	<u><b>\$ 28,986,462</b></u>

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



**COUNTY OF EL DORADO**

Statement of Changes in Fiduciary Net Assets  
For the Year Ended June 30, 2008

	<u>Investment Trust</u>
<b>Additions:</b>	
Contributions to investment pool	\$ 1,022,558,032
Interest and investment income	<u>8,106,409</u>
Total additions	<u>1,030,664,441</u>
<b>Deductions:</b>	
Distributions from investment pool	<u>1,015,542,252</u>
Total deductions	<u>1,015,542,252</u>
Change in net assets	15,122,189
<b>Net assets - beginning</b>	<u>140,772,965</u>
<b>Net assets - ending</b>	<u><u>\$ 155,895,154</u></u>

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

**FINANCIAL STATEMENTS**  
**NOTES TO THE FINANCIAL STATEMENTS**

## COUNTY OF EL DORADO

Notes to the Financial Statements  
For the Year Ended June 30, 2008

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.
- The County Water Agency is a separate legal entity formed to provide water service within the County.
- The El Dorado Hills Business Park Light and Landscape District was formed to provide lighting and landscaping to the business park in El Dorado Hills.

## COUNTY OF EL DORADO

Notes to the Financial Statements  
For the Year Ended June 30, 2008

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

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

#### **Blended Component Units (continued):**

- 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 substantially the same as that of the County.

## COUNTY OF EL DORADO

Notes to the Financial Statements  
For the Year Ended June 30, 2008

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 Financial Statements  
For the Year Ended June 30, 2008

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 Financial Statements  
For the Year Ended June 30, 2008

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

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 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.
- 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.

## COUNTY OF EL DORADO

Notes to the Financial Statements  
For the Year Ended June 30, 2008

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

### 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 eligible requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants and charges for services are accrued when their receipt occurs within 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments for services where the amounts are reasonably equivalent in value to the interfund services provided and other charges between County's funds. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions.

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



## COUNTY OF EL DORADO

Notes to the Financial Statements  
For the Year Ended June 30, 2008

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

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

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 accredited 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.

### 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.

**COUNTY OF EL DORADO**

Notes to the Financial Statements  
For the Year Ended June 30, 2008

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

**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 unearned 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

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.

**COUNTY OF EL DORADO**

Notes to the Financial Statements  
For the Year Ended June 30, 2008

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

**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 2007/2008 net assessed valuation of the County was \$27,224,914,145.

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	

**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.

## COUNTY OF EL DORADO

Notes to the Financial Statements  
For the Year Ended June 30, 2008

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

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

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 to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the *governmental activities* and the *business-type activities* are reported in the government-wide financial statements as “internal balances”. Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate 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.

**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.

## COUNTY OF EL DORADO

Notes to the Financial Statements  
For the Year Ended June 30, 2008

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

### N. **New Accounting Pronouncements**

*Governmental Accounting Standards Board Statement No. 45*

For the fiscal year ended June 30, 2008, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions.* This statement is effective for the County for the fiscal period beginning after December 15, 2006.

This statement requires that governments account for, and report, the annual cost of other postemployment benefits (OPEB) and the outstanding obligation and commitments related to OPEB in the same manner as they currently do for pensions. The statement does not require that governments fund their OPEB plans, only that they account for them and report them. OPEB generally consist of health insurance and dental, vision, prescription, or other healthcare benefits provided to eligible retirees, including their beneficiaries in some cases.

Implementation of GASB Statement No. 45 primarily impacted the County's government-wide and proprietary funds financial statements for the year ended June 30, 2008. In addition, implementation required additional note disclosure and required supplemental information.

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.

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

**COUNTY OF EL DORADO**

Notes to the Financial Statements  
For the Year Ended June 30, 2008

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

report covers the type of investments in the pool, maturity dates, par value, actual costs and fair value.

At June 30, 2008, total County cash and investments were as follows:

	<u>Pooled Treasury</u>	<u>External to Pool</u>	<u>Total</u>
Cash:			
Imprest cash	\$ --	\$ 24,240	\$ 24,240
Cash on hand	500	--	500
Deposits	208,252,516	2,077,551	210,330,067
Total Cash	<u>208,253,016</u>	<u>2,101,791</u>	<u>210,354,807</u>
Investments	<u>183,831,952</u>	<u>6,363,345</u>	<u>190,195,297</u>
Total Cash and Investments	<u>\$ 392,084,968</u>	<u>\$ 8,465,136</u>	<u>\$ 400,550,104</u>

Total cash and investments at June 30, 2008 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	\$ 224,708,321	\$ 159,301,373	\$ 6,273,709	\$ 390,283,403
Restricted	1,801,565	--	--	1,801,565
Total in County Investment Pool	<u>226,509,886</u>	<u>159,301,373</u>	<u>6,273,709</u>	<u>392,084,968</u>
External to Pool:				
Cash with fiscal agents	2,378,770	--	--	2,378,770
Other restricted cash and investments	--	--	152,209	152,209
Other unrestricted cash and investments	--	134,508	5,775,409	5,909,917
Imprest cash	24,040	--	200	24,240
Total External to Pool	<u>2,402,810</u>	<u>134,508</u>	<u>5,927,818</u>	<u>8,465,136</u>
Total Cash and Investments	<u>\$ 228,912,696</u>	<u>\$ 159,435,881</u>	<u>\$ 12,201,527</u>	<u>\$ 400,550,104</u>

**COUNTY OF EL DORADO**

Notes to the Financial Statements  
For the Year Ended June 30, 2008

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

Cash and investments were restricted at June 30, 2008, for the following purposes:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Closure and Post-closure costs	\$ 1,761,654	\$ --	\$ 1,761,654
Transit grant expenditures	39,911	--	39,911
Risk financing	--	152,209	152,209
	<u>\$ 1,801,565</u>	<u>\$ 152,209</u>	<u>\$ 1,953,774</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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Obligations	3 years	None	5%
State Warrants	1 year	None	None
Banker's Acceptances	180 days	40%	5%
Domestic Commercial Paper	31 days	20%	5%
Negotiable Certificates of Deposit	5 years	30%	5%
Non-negotiable Certificates of Deposit	5 years	None	None
Repurchase Agreements	1 year	None	5%
Demand Deposit Savings Accounts	5 years	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

**COUNTY OF EL DORADO**

Notes to the Financial Statements  
For the Year Ended June 30, 2008

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

**Investments** (continued)

At June 30, 2008, the County had the following investments:

	Interest Rates	Maturities	Par	Carrying Value	Fair Value	WAM (Years)
<b>Investments in Investment Pool</b>						
Treasury Securities - Coupon	3.125%-4.875%	08/31/08-11/15/08	\$ 27,600,000	\$ 27,707,397	\$ 27,740,916	--
Treasury Securities - Discount	1.18%-1.86%	07/03/08-7/24/08	70,897,000	70,681,153	70,864,414	0.04
Bankers Acceptance	2.25%-2.40%	07/02/08 07/28/08	20,502,000	20,458,427	20,323,303	0.05
Commercial Paper - Discount	2.08%-2.181%	07/07/08 - 07/15/08	25,000,000	24,984,975	24,979,400	0.03
Federal Agencies - Discount	--	--	--	--	--	--
California Local Agency Investment Fund	3.07%	On Demand	40,000,000	40,000,000	40,000,000	--
<b>Total Investments in Investment Pool</b>			<u>\$ 183,999,000</u>	<u>\$ 183,831,952</u>	<u>\$ 183,908,033</u>	0.03
<b>Investments Outside Investment Pool</b>						
<b>Primary Government:</b>						
<i>Cash held with Fiscal Agents</i>						
Money Market Mutual Funds	Variable	On Demand	\$ 1,030,114	\$ 1,030,114	\$ 1,030,114	--
Investment Contracts	Variable	On Demand	1,191,190	1,191,190	1,191,190	--
			<u>2,221,304</u>	<u>2,221,304</u>	<u>2,221,304</u>	
<b>Component Units:</b>						
<i>El Dorado County Transit Authority</i>						
California Local Agency Investment Fund	3.07%	On Demand	4,142,041	4,142,041	4,142,041	--
<b>Total Investments Outside Investment Pool</b>			<u>\$ 6,363,345</u>	<u>\$ 6,363,345</u>	<u>\$ 6,363,345</u>	--

At June 30, 2008, the difference between the carrying value and fair value of cash and investments was not material (fair value was 100.04% of carrying value). Therefore, an adjustment to fair value was not required.

**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, 2008, the investment pool had a weighted average maturity of 0.03 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.

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, 2008.



**COUNTY OF EL DORADO**

Notes to the Financial Statements  
For the Year Ended June 30, 2008

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

Credit Risk (continued)

	<u>Standard &amp; Poor's Rating</u>	<u>% of Portfolio</u>
Federal Agencies - Coupon	AAA	15.07%
Federal Agencies - Discount	AAA	38.45%
Bankers Acceptance	A-1+	11.13%
Commercial Paper - Discount	A-1	13.59%
California Local Agency Investment Fund	Unrated	<u>21.76%</u>
Total		<u><u>100.00%</u></u>

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.

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 Advisor Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute.

At June 30, 2008, the County's investment position in the State of California Local Agency Investment Fund (LAIF) was \$40 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 \$70 billion. Of that amount, 85.28% was invested in non-derivative financial products and 14.72% in derivative type products consisting of structured notes and asset-backed securities. Fair value is based on information provided by the State for the Local Agency Investment Fund.

**COUNTY OF EL DORADO**

Notes to the Financial Statements  
For the Year Ended June 30, 2008

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

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, 2008:

**Statement of Net Assets**

Net assets held for pool participants	<u>\$ 392,084,968</u>
Equity of internal pool participants	233,697,122
Equity of external pool participants	<u>158,387,846</u>
Total net assets	<u>\$ 392,084,968</u>

**Statement of Changes in Net Assets**

Net assets at July 1, 2007	\$ 410,218,196
Investment income	17,696,171
Investment expenses	(486,451)
Net contributions (withdrawals) by pool participants	<u>(35,342,948)</u>
Net assets at June 30, 2008	<u>\$ 392,084,968</u>

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

The Governmental funds include notes receivable of \$2,309,657 and special assessment receivables 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 \$1,569,000. The governmental activities include a long-term note receivable of \$3,000,000, which is offset by a long-term note payable.

**COUNTY OF EL DORADO**

Notes to the Financial Statements  
For the Year Ended June 30, 2008

Note 4: **Capital Assets**

Capital assets activity for the year ended June 30, 2008 was as follows:

	Balance July 1, 2007	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2008
<b>Governmental Activities</b>					
Capital assets, not being depreciated					
Land and improvements	\$ 43,333,115	\$ 3,592,591	\$ --	\$ 65,000	\$ 46,990,706
Construction in progress	3,589,554	6,077,126	--	(2,421,064)	7,245,616
Total capital assets not being depreciated	46,922,669	9,669,717	--	(2,356,064)	54,236,322
Capital assets, being depreciated					
Infrastructure	373,182,926	44,994,972	--	--	418,177,898
Structures and improvements	97,358,090	473,249	--	2,345,175	100,176,514
Equipment	42,737,004	3,825,212	(2,763,422)	10,889	43,809,683
Total capital assets being depreciated	513,278,020	49,293,433	(2,763,422)	2,356,064	562,164,095
Less accumulated depreciation for					
Infrastructure	(183,371,606)	(17,161,196)	--	--	(200,532,802)
Structures and improvements	(28,697,807)	(2,029,525)	--	--	(30,727,332)
Equipment	(24,312,077)	(3,704,190)	2,537,973	--	(25,478,294)
Total accumulated depreciation	(236,381,490)	(22,894,911)	2,537,973	--	(256,738,428)
Total capital assets being depreciated, net	276,896,530	26,398,522	(225,449)	2,356,064	305,425,667
Governmental activities capital assets, net	\$ 323,819,199	\$ 36,068,239	\$ (225,449)	\$ --	\$ 359,661,989
<b>Business Type Activities</b>					
Capital assets, not being depreciated					
Land	\$ 213,711	\$ --	\$ --	\$ --	\$ 213,711
Construction in progress	660,239	1,725,422	--	(2,361,330)	24,331
Total capital assets not being depreciated	873,950	1,725,422	--	(2,361,330)	238,042
Capital assets, being depreciated					
Structures and improvements	5,293,013	--	--	2,361,330	7,654,343
Equipment	147,373	--	(12,569)	--	134,804
Total capital assets being depreciated	5,440,386	--	(12,569)	2,361,330	7,789,147
Less Accumulated depreciation for					
Structures and improvements	(3,487,676)	(290,499)	--	--	(3,778,175)
Equipment	(124,594)	(16,050)	12,569	--	(128,075)
Total accumulated depreciation	(3,612,270)	(306,549)	12,569	--	(3,906,250)
Total capital assets being depreciated, net	1,828,116	(306,549)	--	2,361,330	3,882,897
Business type activities capital assets, net	\$ 2,702,066	\$ 1,418,873	\$ --	\$ --	\$ 4,120,939

**COUNTY OF EL DORADO**

Notes to the Financial Statements  
For the Year Ended June 30, 2008

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

**Depreciation**

Depreciation expense was charged to governmental activities as follows:

General government	\$ 1,279,941
Public protection	1,845,739
Public ways and facilities	17,933,683
Health and sanitation	362,802
Public assistance	141,423
Education	255,074
Recreation and cultural services	127,084
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	949,165
Total depreciation expense governmental activities	\$ 22,894,911

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

Airports	\$ 290,858
Other	15,691
Total depreciation expense business-type activities	\$ 306,549

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, 2008, the various components of deferred revenue and unearned revenue in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Governmental Funds:			
General Fund:			
Various grants and charges	\$ --	\$ 791,865	\$ 791,865
Road Fund:			
Various grants and charges	--	45,786	45,786
Debt Service Fund:			
Special assessments	--	1,737,171	1,737,171
Other Governmental Funds:			
Various grants, charges and loans	6,267,028	4,401,370	10,668,398
	\$ 6,267,028	\$ 6,976,192	\$ 13,243,220

**COUNTY OF EL DORADO**

Notes to the Financial Statements  
For the Year Ended June 30, 2008

Note 6: **Long-Term Debt**

Long-term liabilities at June 30, 2008 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 at June 30, 2008</u>
<b><u>Governmental Activities</u></b>						
Bonds Payable:						
1997 Refunding Lease Revenue Bonds	1997	2009	4.0% - 5.0%	\$225,000 - \$4,180,000	\$ 16,860,000	<u>\$ 6,070,000</u> <u>6,070,000</u>
Notes Payable:						
California Energy Commission	1998	2009	5.90%	\$20,588 - \$45,555	\$ 224,032	45,555
California Energy Commission	2005	2013	4.00%	\$24,880 - \$124,324	\$ 800,000	575,164
HUD HOME Program <sup>1)</sup>	2003	2058	0.00%	<sup>2)</sup>	\$ 3,000,000	<u>3,000,000</u> <u>3,620,719</u>
Capital Leases:						
Banc of America <i>(road equipment)</i>	2005	2012	4.28%	\$133,719 - \$171,943	\$ 1,065,167	407,552
Banc of America <i>(motor graders)</i>	2006	2012	3.36%	\$106,788 - \$173,357	\$ 1,109,188	704,162
SunTrust Leasing <i>(snowblower)</i>	2003	2009	3.25%	\$59,508-\$65,500	\$ 430,973	<u>65,500</u> <u>1,177,214</u>
Total Governmental Activities						<u>\$ 10,867,933</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.

**Business-Type Activities**

Notes Payable:						
Loan #ED-1-85-L-1	9/23/85	2011	8.03%	\$2,919	\$ 72,987	\$ 8,760
Loan #ED-1-86-L-2	9/16/86	2012	6.94%	\$1,577	\$ 39,426	6,308
Loan #ED-5-86-L-1	9/16/86	2012	6.94%	\$1,060	\$ 26,503	4,241
Loan #ED-1-87-L-3	10/6/87	2012	6.94%	\$930	\$ 23,251	4,650
Loan #ED-5-88-L-2	10/19/88	2009	7.04%	\$2,976	\$ 59,527	<u>2,976</u> <u>26,935</u>

**COUNTY OF EL DORADO**

Notes to the Financial Statements  
For the Year Ended June 30, 2008

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

The following is a summary of long-term liabilities transactions for the year ended June 30, 2008:

	(Restated) Balance July 1, 2007	Additions	Retirements	Balance June 30, 2008	Amounts Due Within One Year
<b>Governmental Activities</b>					
Lease revenue bonds	\$ 7,880,000	\$ --	\$ 1,810,000	\$ 6,070,000	\$ 1,890,000
Notes payable:					
California Energy Commission	88,526	--	42,971	45,555	45,555
California Energy Commission II	677,088	--	101,924	575,164	106,110
California Housing Financing Agency	1,800,000	--	1,800,000	--	--
HUD Home Program	3,000,000	--	--	3,000,000	--
Compensated absences	13,587,663	1,258,610	972,739	13,873,534	972,739
Capital lease obligation	1,517,125	--	339,911	1,177,214	352,481
Landfill closure / post-closure liability	9,824,780	--	1,715,311	8,109,469	--
Liability for self-insurance claims	25,819,994	28,798,638	36,786,372	17,832,260	5,071,944
Subtotal	<u>\$ 64,195,176</u>	<u>\$ 30,057,248</u>	<u>\$ 43,569,228</u>	50,683,196	<u>\$ 8,438,829</u>
Other postemployment benefits				<u>11,250,000</u>	
Total Governmental Activities				<u>\$ 61,933,196</u>	
<b>Business-Type Activities</b>					
Compensated absences	\$ 34,545	\$ --	\$ 1,800	\$ 32,745	\$ --
Notes payable	36,398	--	9,463	26,935	9,463
	<u>\$ 70,943</u>	<u>\$ --</u>	<u>\$ 11,263</u>	<u>\$ 59,680</u>	<u>\$ 9,463</u>

The liability for self-insurance claims are 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, 2008, 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		Bonds Payables	
	Principal	Interest	Principal	Interest
2009	\$ 151,664	\$ 23,987	\$ 1,890,000	\$ 242,965
2010	110,397	17,673	4,180,000	99,275
2011	114,857	13,213	--	--
2012	119,477	8,593	--	--
2013	124,324	3,746	--	--
	<u>\$ 620,719</u>	<u>\$ 67,212</u>	<u>\$ 6,070,000</u>	<u>\$ 342,240</u>

**COUNTY OF EL DORADO**

Notes to the Financial Statements  
For the Year Ended June 30, 2008

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

As of June 30, 2008, annual debt service requirements of business-type activities to maturity are as follows:

Year Ending June 30:	Business-Type Activities	
	Notes Payables	
	Principal	Interest
2009	\$ 9,463	\$ 1,968
2010	6,487	1,276
2011	6,487	794
2012	3,567	312
2013	931	65
	<u>\$ 26,935</u>	<u>\$ 4,415</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 \$4.2 million for the year ended June 30, 2008.

Future minimum operating lease commitments are as follows:

Year Ending June 30:	
2009	\$ 3,558,295
2010	2,893,662
2011	2,349,465
2012	1,848,883
2013	486,624
2014	3,902
Total	<u>\$ 11,140,831</u>

**Capital Lease Obligations**

The County accounts for capital leases in the governmental fund types in accordance with the provisions of GASB Statement No. 5. Under this statement, when a capital lease represents the acquisition or construction of a general fixed asset, the acquisition or construction will be recorded both as a capital expenditure and as an other financing source. Subsequent lease payments are accounted for in a manner consistent with the accounting treatment for payments of general obligation debt. The total lease payments for the fiscal year were \$393,777 for which \$53,866 represented interest cost.

**COUNTY OF EL DORADO**

Notes to the Financial Statements  
For the Year Ended June 30, 2008

Note 7: **Leases** (continued)

**Capital Lease Obligations** (continued)

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:	
2009	\$ 393,777
2010	326,148
2011	326,148
2012	178,506
2013	<u>44,626</u>
Total minimum lease payments	1,269,205
Less amount representing interest	<u>(91,991)</u>
Total	<u>\$ 1,177,214</u>

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

	<u>Governmental Activities</u>
Road equipment	\$ 3,483,640
Less: accumulated depreciation	<u>(844,773)</u>
Net Value	<u>\$ 2,638,867</u>



## COUNTY OF EL DORADO

Notes to the Financial Statements  
For the Year Ended June 30, 2008

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 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, 2008, 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 represents postclosure costs and 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, 2008, investments of \$1,761,654 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 Financial Statements  
For the Year Ended June 30, 2008

Note 9: **Interfund Transactions**

The composition of interfund balances as of June 30, 2008 is as follows:

**Due To/From Other Funds:**

<b>Receivable Fund</b>	<b>Payable Fund</b>	<b>Amount</b>	<b>Purpose</b>
General Fund	Enterprise Fund - County Airports	\$ 86,818	Advance for fuel tank replacement and provide for cash flow
	Debt Service Fund	6,000	Administration cost due back to General Fund
	Other Governmental Funds	905,235	Realignment funds
	Other Governmental Funds	250,500	Advance to Community Services funds to cover cash shortfall
	Other Governmental Funds	559,000	Advance to Health funds to cover cash shortfall
	Other Governmental Funds	56,108	Reimbursement for Auto Fraud program expenditures
	Other Governmental Funds	31,845	Reimbursement for Real Estate Fraud program expenditures
	Other Governmental Funds	331,538	Reimbursement for Child Support administration expenditures
		<u>2,227,044</u>	
Road Fund	General Fund	97	CSUS National Pollution Discharge Elimination System fees
	Other Governmental Funds	97	CSUS National Pollution Discharge Elimination System fees
	Other Governmental Funds	1,378,833	Capital project funds for road improvements
		<u>1,379,027</u>	
Debt Service Fund	Other Governmental Funds	17,490	CD deposits due from Capital Project Funds
		<u>17,490</u>	
Internal Service Funds	Road Fund	23,430	Reimburse Fleet for fuel purchases
		<u>23,430</u>	
Other Governmental Funds	Other Governmental Funds	288,830	Realignment funds for Health programs
	Other Governmental Funds	47,685	City Readiness funds for Health programs
	Other Governmental Funds	442,951	Mental Health Sales Tax Realignment Funds
	Other Governmental Funds	88,894	Mental Health Vehicle License Fees to Psychiatric Facility
	Other Governmental Funds	9,486	Community Services - MAA adm fees due from Public Health
	Other Governmental Funds	2,607	Managed Care due to Mental Health
	General Fund	41,516	General Fund match for Health Realignment funds
	General Fund	451,604	Vehicle License Fees Health
	General Fund	88,894	Vehicle License Fees Mental Health
	General Fund	21,400	Vehicle License Fees Social Services
		<u>1,483,867</u>	
	<b>Total</b>	<b><u>\$ 5,130,858</u></b>	

**Advances From/To Other Funds:**

<b>Advanced from</b>	<b>Advanced to</b>	<b>Amount</b>	<b>Purpose</b>
General Fund	Other Governmental Funds	\$ 200,000	Advance to Housing Authority
	Other Governmental Funds	10,000	Advance to Public Authority
	Other Governmental Funds	3,319,000	Advance to Mental Health
		<u>3,529,000</u>	
Other Governmental Funds	Other Governmental Funds	2,118,667	Cash advance from RIF Silva Valley Interchange to El Dorado Hills TIM
		<u>2,118,667</u>	
	<b>Total</b>	<b><u>\$ 5,647,667</u></b>	

**COUNTY OF EL DORADO**

Notes to the Financial Statements  
For the Year Ended June 30, 2008

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.

Transfer to	Transfer from	Amount	Purpose
General Fund	Other Governmental Funds	\$ 395,819	Timber Tax to Sheriff's Office Patrol, Search and Rescue County Service Area #10 Special Tax Revenues to
	Other Governmental Funds	1,063,283	Library General Fund Operating Time Share and Redemption Fees to Auditor / TTC /
	Other Governmental Funds	511,693	Assessor
	Other Governmental Funds	3,525	Overages Treasurer Tax Collector Operating
	Other Governmental Funds	425,959	Transit Occupancy Taxes
	Other Governmental Funds	14,000	PTAP Special Revenue to Offset Salary Costs
	Other Governmental Funds	191,256	Park Fees to Parks and Grounds General Fund Operating
	Other Governmental Funds	601,635	Grant Revenues to District Attorney General Fund Operating Sheriff's Restricted Revenues (Fingerprint Identification,
	Other Governmental Funds	463,643	Grants) to Sheriff's Operating
	Other Governmental Funds	348,822	Grant Funding (TANF Block Grant, Title IV E Grant) and DNA Identification funds to Probation Operating
	Other Governmental Funds	332,676	Faxed in Permits, Code Enforcement Grant Program, Commercial Grading to Building Operating
	Other Governmental Funds	491,242	Micro, Computer System, Notary Public Confidential Marriage, Vital Health Statistics to Recorder Operating
	Other Governmental Funds	834,322	Planning Projects Revenues to Planning; Ecological Preserve Fee distribution to Building and Planning
	Other Governmental Funds	537,858	Engineer Time and Materials to DOT County Engineer and FEMA Funding to Sheriff Operating
	Other Governmental Funds	4,429	License Plate Fees to Veteran Services Operating
	Other Governmental Funds	9,527	Purdy Trust/Mountain Democrat Kincade Commuter funds to Library Operating
	Other Governmental Funds	456,502	Realignment funds to Health and Welfare: Health
	Other Governmental Funds	4,996,376	Realignment funds to Health and Welfare: Social Services Supplemental Law Enforcement Services Fund (SLESF) to Sheriff/DA/Probation Operating
	Other Governmental Funds	994,199	Child Support Enforcement Administration Funding to Operating
	Other Governmental Funds	4,606,199	Jensen Memorial Trust funds to Library Operating
		<u>898</u>	
		<u>17,283,863</u>	
Road Fund	General Fund	1,918,589	General Fund Contribution in Lieu of MVLF Measure H Road District Tax, Motor Vehicle Fees and Traffic Impact
	Other Governmental Funds	45,524,590	Fees to Road Fund Operating
		<u>47,443,179</u>	
Debt Service Fund	General Fund	1,715,768	General Fund Contribution
	Other Governmental Funds	355,648	Transfer from Bond Reserve
		<u>2,071,416</u>	
Internal Services Fund - Fleet	General Fund	78,511	General Fund Contribution
	Road Fund	18,774	Road Fund Contributed Capital
		<u>97,285</u>	

**COUNTY OF EL DORADO**

Notes to the Financial Statements  
For the Year Ended June 30, 2008

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

**Transfers** (continued)

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>	<u>Purpose</u>	
Enterprise Fund - Airports	General Fund	\$ 74,057	General Fund Contribution	
	Other Governmental Funds	<u>20,000</u>	Special Aviation and Community Enhancement Funding	
		<u>94,057</u>		
Other Governmental Funds	General Fund	1,638,367	General Fund Contribution to Community Services	
	General Fund	5,690,310	General Fund Contribution to Public Health	
	General Fund	233,260	Social Services SB163 Wraparound Funding	
	General Fund	64,614	General Fund Contribution to EIR Development Projects	
	General Fund	62,787	General Fund Contribution to IHSS Public Authority Fund	
	General Fund	13,858	General Fund Contribution to Housing Authority	
	General Fund	30,911	General Fund Contribution to Ambulance Operating	
	General Fund	4,240	General Fund Transfer to Change Difference Shortage	
	General Fund	15,000	General Fund Contribution to Human Services	
	General Fund	5,810,004	General Fund Contribution to Health and Welfare	
	General Fund	2,142,606	General Fund Contribution to ACO Fund	
				Criminal Justice Facility/Courthouse Construction Fund
	Other Governmental Funds	923,297	Contribution to ACO Fund	
	Other Governmental Funds	65,000	River Use Permit Fund Contribution to ACO Fund	
	Other Governmental Funds	324,137	Animal Control Community Enhancement to ACO Fund	
Other Governmental Funds	<u>167,268</u>	Ecological Preserve Special Revenues to Rare Plant Preserve		
	<u>17,185,659</u>	Permanent Fund		
Total		<u>\$ 84,175,459</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 12.369% for non-safety employees and 23.960% 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 Financial Statements  
For the Year Ended June 30, 2008

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

**Annual Pension Cost**

For fiscal year 2007-2008, the County's annual pension cost of \$16,708,706 for PERS was equal to the County's required and actual contributions. The required contribution was determined as part of the June 30, 2005 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>
6/30/06	\$ 15,351	100%	\$ --
6/30/07	15,701	100%	--
6/30/08	16,709	100%	--

**Funded Status and Funding Progress**

The following is the funded status information for each plan as of June 30, 2007, the most recent actuarial valuation date:

<u>Valuation Date</u>	<u>Entry Age Normal Accrued Liability</u>	<u>Actuarial 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	\$ 379,808,188	\$ 316,605,643	\$ 63,202,545	83.4%	\$ 92,029,127	68.7%
Safety	167,483,888	131,342,533	36,141,355	78.4%	24,034,538	150.4%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial 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 Financial Statements  
For the Year Ended June 30, 2008

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. Retirees are eligible for the following 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. The amount paid to each individual retiree will be limited such that total County contributions do not exceed 1.2% of total payroll.
- 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.

The above 1.2% payroll cap applies to the County’s contribution only. 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 of 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 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 2007/2008 ARC is \$12,521,000.

*Annual OPEB Cost and Net OPEB Obligation.*

For 2008, the County’s annual OPEB cost (expense) of \$12,521,000 was 11.3% higher than the Net OPEB Obligation of \$11,250,000.

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 2007/2008 is 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

COUNTY OF EL DORADO

Notes to the Financial Statements  
For the Year Ended June 30, 2008

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

*Annual OPEB Cost and Net OPEB Obligation (continued).*

**Funded Status and Funding Progress.** The funded status of the plan as of June 30, 2008, the plan's most recent actuarial valuation date, was as follows (dollar amounts in thousands):

Actuarial accrued liability (AAL)	\$112,218
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$112,218
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active Plan members)	\$129,300
UAAL as a percentage of covered payroll	86.8%

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 actuarial 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.

In the June 30, 2008 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 2.5% 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, 2008 was 19 years.

**COUNTY OF EL DORADO**

Notes to the Financial Statements  
For the Year Ended June 30, 2008

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 Pacific Care 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 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 \$17,832,260 reported in the Risk Management Fund at June 30, 2008 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, 2008 and 2007 were as follows:

	2008	2007
Unpaid claims, beginning of year	\$ 25,819,994	\$ 20,033,869
Plus estimated claims incurred	28,798,638	30,072,200
Less claims payments	(24,818,579)	(24,286,075)
Less reclassification of liability for post-employment benefits	(11,967,793)	--
Unpaid claims, end of year	\$ 17,832,260	\$ 25,819,994

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



## COUNTY OF EL DORADO

Notes to the Financial Statements  
For the Year Ended June 30, 2008

### 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.

### Note 14: Net Assets/Fund Balances

#### **A. 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, 2008, are net assets restricted by enabling legislation of \$107.2 million.
- *Unrestricted Net Assets:* This category represents net assets of the County, not restricted for any project or other project.

## COUNTY OF EL DORADO

### Notes to the Financial Statements For the Year Ended June 30, 2008

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

##### A. **Fund Balances** (continued)

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

The County has “reserved” fund balances as follows:

- *Debt Service*: To reflect the funds held by trustees or fiscal agents for future payment of bond principal and interest. These funds are not available for general obligations.
- *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.
- *Other*: To reflect the unexpendable portion of fund balance in the permanent funds which do not represent available spendable resources.

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

- *Economic Uncertainty*: To reflect management’s intent to expend funds during poor economic times or in times when the cost of services rises dramatically.

**COUNTY OF EL DORADO**

Notes to the Financial Statements  
For the Year Ended June 30, 2008

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

**A. Fund Balances** (continued)

- *Capital Projects:* To reflect management's intent to expend certain funds solely for planned capital projects.

**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 balance / net assets.

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

	Governmental Activities	
	Fund Financial Statements Other Governmental Funds	Government-Wide Statement of Activities Total Governmental Activities
Fund balances/net assets, June 30, 2007, as previously reported	\$ 163,802,020	\$ 523,459,022
Restatements:		
Correct prior year deferral of revenues	149,173	149,173
Adjust beginning landfill liability	--	(1,715,311)
Total restatements	149,173	(1,566,138)
Fund balances/net assets, July 1, 2007, as restated	\$ 163,951,193	\$ 521,892,884

**C. Deficit Fund Balances**

The following funds had a fund balance deficit as of June 30, 2008:

Nonmajor Governmental Funds:	
Mental Health	\$ 1,376,016
Erosion Control	\$ 562,657

**COUNTY OF EL DORADO**

Notes to the Financial Statements  
For the Year Ended June 30, 2008

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

**C. Deficit Fund Balances** (continued)

Deficits in these funds are expected to be eliminated in future years through future revenues and/or transfers from other funds.

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, 2008, is as follows:

Component Units Statement of Net Assets  
June 30, 2008

	<u>Children and Families Commission</u>	<u>El Dorado Transit Authority</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Current and other assets	\$ 6,550,810	\$ 6,988,850	\$ 13,539,660
Capital assets	--	5,215,442	5,215,442
Restricted cash	--	152,209	152,209
<b>Total Assets</b>	<u>\$ 6,550,810</u>	<u>\$ 12,356,501</u>	<u>\$ 18,907,311</u>
<b><u>LIABILITIES</u></b>			
Current liabilities	\$ 503,049	\$ 3,728,164	\$ 4,231,213
Long-term liabilities	--	659,526	659,526
<b>Total Liabilities</b>	<u>503,049</u>	<u>4,387,690</u>	<u>4,890,739</u>
<b><u>NET ASSETS</u></b>			
Invested in capital assets, net of related debt	--	5,215,442	5,215,442
Restricted	6,047,761	--	6,047,761
Unrestricted	--	2,753,369	2,753,369
<b>Total Net Assets</b>	<u>6,047,761</u>	<u>7,968,811</u>	<u>14,016,572</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 6,550,810</u>	<u>\$ 12,356,501</u>	<u>\$ 18,907,311</u>

**COUNTY OF EL DORADO**

Notes to the Financial Statements  
For the Year Ended June 30, 2008

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

Component Units Statement of Activities  
For the Year Ended June 30, 2008

	<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	\$ --	\$ 1,119,927	\$ 1,119,927
Operating grants and contributions	2,012,396	4,093,495	6,105,891
Capital grants and contributions	--	564,216	564,216
<b>General Revenues:</b>			
Use of money or property	243,756	167,543	411,299
Other revenues	--	53,754	53,754
<b>Total Revenues</b>	<u>2,256,152</u>	<u>5,998,935</u>	<u>8,255,087</u>
<b>Expenses:</b>			
Health and sanitation	1,787,444	--	1,787,444
Public ways and facilities	--	6,212,509	6,212,509
<b>Total Expenses</b>	<u>1,787,444</u>	<u>6,212,509</u>	<u>7,999,953</u>
<b>Change in net assets</b>	468,708	(213,574)	255,134
Net Assets - Beginning of Year	<u>5,579,053</u>	<u>8,182,385</u>	<u>13,761,438</u>
<b>Net Assets - End of Year</b>	<u><u>\$ 6,047,761</u></u>	<u><u>\$ 7,968,811</u></u>	<u><u>\$ 14,016,572</u></u>

Note 16: **Subsequent Events**

The County receives significant revenues from the State of California (State) and the State continues to experience cash flow problems. During the fiscal year ending June 30, 2008, the State delayed the disbursement of revenues to the County to help alleviate the State's cash flow problems. This condition continues and the County anticipates further reductions and delays in State funding in the next fiscal year further reducing and adversely affecting the County's cash flow.

**REQUIRED SUPPLEMENTARY INFORMATION**

**COUNTY OF EL DORADO**

Required Supplementary Information  
For the Year Ended June 30, 2008

**SCHEDULE OF FUNDING PROGRESS**

The tables below shows a three-year analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll as of June 30:

Miscellaneous Plan

<u>Valuation Date</u>	<u>Accrued Liability</u>	<u>Actuarial 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>
6/30/05	\$ 300,683,309	\$ 259,377,379	\$ 41,305,930	86.3%	\$ 68,268,957	60.5%
6/30/06	343,482,244	285,498,483	57,983,761	83.1%	80,807,657	71.8%
6/30/07	379,808,188	316,605,643	63,202,545	83.4%	92,029,127	68.7%

Safety Plan

<u>Valuation Date</u>	<u>Accrued Liability</u>	<u>Actuarial 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>
6/30/05	\$ 135,837,649	\$ 107,793,103	\$ 28,044,546	79.4%	\$ 18,515,246	151.5%
6/30/06	153,493,254	118,945,127	34,548,127	77.5%	22,211,594	155.5%
6/30/07	167,483,888	131,342,533	36,141,355	78.4%	24,034,538	150.4%

The table below shows actuarial accrued liability and the unfunded actuarial liability as a percentage of the annual covered payroll for the Retiree's Health Benefit Plan. This is the first year of GASB 45 implementation for the recognition of this liability over a 20 year period as of June 30:

Retiree's Health

<u>Valuation Date</u>	<u>Accrued Liability</u>	<u>Actuarial 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>
6/30/08	\$ 112,218,000	\$ --	\$ 112,218,000	0.0%	\$ 129,300,000	86.8%

**COUNTY OF EL DORADO**

Budgetary Comparison Schedule  
 General Fund  
 For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Budgetary fund balances, July 1	\$ 23,091,984	\$ 24,374,442	\$ 24,374,442	\$ --
Resources (inflows):				
Taxes	93,883,781	93,883,781	91,159,908	(2,723,873)
Licenses, permits and franchises	6,635,815	6,639,328	6,302,589	(336,739)
Fines, forfeits and penalties	1,068,056	1,068,056	897,189	(170,867)
Use of money or property	2,859,840	2,859,840	1,663,419	(1,196,421)
Intergovernmental revenue - State	39,431,250	40,067,069	33,879,422	(6,187,647)
Intergovernmental revenue - Federal	16,599,632	17,257,830	18,083,317	825,487
Revenue other governmental agencies	717,908	717,908	933,678	215,770
Charges for services	20,591,253	19,870,985	19,292,370	(578,615)
Miscellaneous revenue	1,926,369	2,030,850	1,982,672	(48,178)
Other financing sources	20,079,222	21,108,158	17,283,863	(3,824,295)
	<u>203,793,126</u>	<u>205,503,805</u>	<u>191,478,427</u>	<u>(14,025,378)</u>
Amounts available for appropriation	<u>226,885,110</u>	<u>229,878,247</u>	<u>215,852,869</u>	<u>(14,025,378)</u>
Charges to appropriations (outflows):				
<u>General Government</u>				
Board of Supervisors				
Salaries and employee benefits	1,391,471	1,391,471	1,309,194	82,277
Services and supplies	117,466	116,906	57,419	59,487
Other charges	1,220	1,220	--	1,220
Capital assets	--	1,760	--	1,760
Intrafund transfers	63,479	63,479	50,680	12,799
Intrafund abatement	(668)	(668)	(668)	--
	<u>1,572,968</u>	<u>1,574,168</u>	<u>1,416,625</u>	<u>157,543</u>
County Administrative Office				
Salaries and employee benefits	1,524,198	1,524,198	1,450,375	73,823
Services and supplies	349,861	351,381	273,320	78,061
Other charges	44,278	44,278	26,639	17,639
Intrafund transfers	36,218	36,218	33,496	2,722
Intrafund abatement	(50,000)	(50,000)	--	(50,000)
	<u>1,904,555</u>	<u>1,906,075</u>	<u>1,783,830</u>	<u>122,245</u>
Annual Audit				
Services and supplies	80,970	99,470	99,470	--
	<u>80,970</u>	<u>99,470</u>	<u>99,470</u>	<u>--</u>

continued



**COUNTY OF EL DORADO**

Budgetary Comparison Schedule (continued)  
 General Fund  
 For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Auditor/Controller</b>				
Salaries and employee benefits	\$ 2,977,355	\$ 2,977,355	\$ 2,684,322	\$ 293,033
Services and supplies	120,335	120,335	95,238	25,097
Other charges	2,502	2,502	--	2,502
Intrafund transfers	308,411	308,411	307,394	1,017
Intrafund abatement	(55,886)	(55,886)	(57,467)	1,581
	<u>3,352,717</u>	<u>3,352,717</u>	<u>3,029,487</u>	<u>323,230</u>
<b>Treasurer/Tax Collector</b>				
Salaries and employee benefits	2,309,274	2,309,273	2,230,860	78,413
Services and supplies	528,494	528,495	383,032	145,463
Other charges	2,238	2,238	--	2,238
Other financing uses	4,500	4,500	4,240	260
Intrafund transfers	393,592	401,437	391,836	9,601
Intrafund abatement	(15,206)	(15,406)	(9,752)	(5,654)
	<u>3,222,892</u>	<u>3,230,537</u>	<u>3,000,216</u>	<u>230,321</u>
<b>Assessor</b>				
Salaries and employee benefits	3,574,226	3,609,136	3,606,809	2,327
Services and supplies	186,664	150,010	139,817	10,193
Other charges	5,110	2,010	20	1,990
Capital assets	1,800	1,800	--	1,800
Intrafund transfers	442,596	449,338	437,702	11,636
	<u>4,210,396</u>	<u>4,212,294</u>	<u>4,184,348</u>	<u>27,946</u>
<b>Purchasing</b>				
Salaries and employee benefits	635,970	635,970	512,703	123,267
Services and supplies	32,757	32,899	28,488	4,411
Other charges	495	495	--	495
Capital assets	1,600	1,600	--	1,600
Intrafund transfers	24,606	24,606	20,309	4,297
	<u>695,428</u>	<u>695,570</u>	<u>561,500</u>	<u>134,070</u>
<b>County Counsel</b>				
Salaries and employee benefits	2,478,592	2,478,592	2,196,084	282,508
Services and supplies	376,558	734,498	300,197	434,301
Other charges	2,163	2,163	--	2,163
Capital assets	6,000	6,350	--	6,350
Intrafund transfers	57,178	57,178	35,718	21,460
Intrafund abatement	--	--	(51,970)	51,970
	<u>2,920,491</u>	<u>3,278,781</u>	<u>2,480,029</u>	<u>798,752</u>

continued

## COUNTY OF EL DORADO

### Budgetary Comparison Schedule (continued) General Fund For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Human Resources</b>				
Salaries and employee benefits	\$ 961,563	\$ 961,563	\$ 920,562	\$ 41,001
Services and supplies	303,009	300,151	120,133	180,018
Other charges	699	974	230	744
Capital assets	7,500	7,500	--	7,500
Intrafund transfers	29,471	32,054	30,401	1,653
Intrafund abatement	(45,000)	(45,000)	--	(45,000)
	<u>1,257,242</u>	<u>1,257,242</u>	<u>1,071,326</u>	<u>185,916</u>
<b>Recorder - Elections</b>				
Salaries and employee benefits	866,183	879,479	879,477	2
Services and supplies	1,990,597	1,974,296	478,931	1,495,365
Other charges	930	930	39	891
Capital assets	53,300	53,300	2,759	50,541
Intrafund transfers	35,309	38,314	38,312	2
	<u>2,946,319</u>	<u>2,946,319</u>	<u>1,399,518</u>	<u>1,546,801</u>
<b>Communications</b>				
Salaries and employee benefits	652,047	652,047	649,281	2,766
Services and supplies	1,949,835	1,906,579	1,653,476	253,103
Capital assets	187,000	312,660	158,666	153,994
Intrafund transfers	12,409	22,009	4,924	17,085
Intrafund abatement	(907,418)	(907,418)	(902,428)	(4,990)
	<u>1,893,873</u>	<u>1,985,877</u>	<u>1,563,919</u>	<u>421,958</u>
<b>Mail and Courier</b>				
Salaries and employee benefits	98,947	98,947	55,008	43,939
Services and supplies	24,228	24,228	21,910	2,318
Intrafund transfers	2,118	2,118	1,813	305
Intrafund abatement	(113,394)	(113,394)	(115,594)	2,200
	<u>11,899</u>	<u>11,899</u>	<u>(36,863)</u>	<u>48,762</u>
<b>Buildings and Grounds</b>				
Salaries and employee benefits	3,022,384	3,022,384	2,702,387	319,997
Services and supplies	1,499,474	1,499,198	1,493,779	5,419
Other charges	243,148	243,148	231,739	11,409
Intrafund transfers	69,152	69,152	68,406	746
Intrafund abatement	(173,715)	(173,715)	(231,659)	57,944
	<u>4,660,443</u>	<u>4,660,167</u>	<u>4,264,652</u>	<u>395,515</u>

continued

**COUNTY OF EL DORADO**

Budgetary Comparison Schedule (continued)  
 General Fund  
 For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Property Management</b>				
Salaries and employee benefits	\$ 21,505	\$ 21,505	\$ 21,431	\$ 74
Services and supplies	8,624	8,624	6,082	2,542
Other charges	150	150	350	(200)
Intrafund transfers	2,291	2,291	725	1,566
	<u>32,570</u>	<u>32,570</u>	<u>28,588</u>	<u>3,982</u>
<b>County Promotion</b>				
Services and supplies	671,765	804,791	588,475	216,316
	<u>671,765</u>	<u>804,791</u>	<u>588,475</u>	<u>216,316</u>
<b>Information Technologies</b>				
Salaries and employee benefits	4,415,068	4,415,068	4,300,222	114,846
Services and supplies	2,205,901	2,233,044	1,582,330	650,714
Other charges	3,169	3,169	--	3,169
Capital assets	181,900	230,627	213,275	17,352
Intrafund transfers	124,650	124,650	122,942	1,708
Intrafund abatement	(3,345,838)	(3,345,838)	(3,292,163)	(53,675)
	<u>3,584,850</u>	<u>3,660,720</u>	<u>2,926,606</u>	<u>734,114</u>
<b>Surveyor</b>				
Salaries and employee benefits	1,935,406	1,935,406	1,825,107	110,299
Services and supplies	182,016	201,151	84,348	116,803
Other charges	1,272	1,272	146	1,126
Capital assets	48,590	29,455	2,520	26,935
Intrafund transfers	230,443	230,443	187,167	43,276
Intrafund abatement	(359,094)	(359,094)	(361,269)	2,175
	<u>2,038,633</u>	<u>2,038,633</u>	<u>1,738,019</u>	<u>300,614</u>
<b>General Services Administration</b>				
Salaries and employee benefits	1,311,950	1,311,950	1,295,551	16,399
Services and supplies	305,322	306,570	237,888	68,682
Other charges	32,409	32,409	20,458	11,951
Intrafund transfers	74,828	74,828	49,974	24,854
Intrafund abatement	(318,086)	(318,086)	(260,566)	(57,520)
	<u>1,406,423</u>	<u>1,407,671</u>	<u>1,343,305</u>	<u>64,366</u>
<b>Employee Benefits</b>				
Salaries and employee benefits	500,000	95,403	12,264	83,139
Services and supplies	46,552	31	--	31
	<u>546,552</u>	<u>95,434</u>	<u>12,264</u>	<u>83,170</u>

continued

**COUNTY OF EL DORADO**

Budgetary Comparison Schedule (continued)  
 General Fund  
 For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Engineer				
Services and supplies	\$ 805,000	\$ 755,000	\$ 143,689	\$ 611,311
Other charges	2,602,797	2,602,797	1,795,912	806,885
Intrafund transfers	15,000	65,000	47,681	17,319
	<u>3,422,797</u>	<u>3,422,797</u>	<u>1,987,282</u>	<u>1,435,515</u>
Contribution to Other Funds				
Services and supplies	753,587	708,587	221,289	487,298
Other charges	135,901	157,695	157,694	1
Other financing uses	26,332,021	26,855,040	18,468,581	8,386,459
	<u>27,221,509</u>	<u>27,721,322</u>	<u>18,847,564</u>	<u>8,873,758</u>
Contribution to Other Agencies				
Services and supplies	84,200	163,400	163,400	--
Other charges	1,443,488	1,443,488	1,443,488	--
	<u>1,527,688</u>	<u>1,606,888</u>	<u>1,606,888</u>	<u>--</u>
Contribution to Airports				
Other financing uses	113,412	113,412	74,057	39,355
	<u>113,412</u>	<u>113,412</u>	<u>74,057</u>	<u>39,355</u>
Other General				
Other financing uses	55,000	55,000	62,768	(7,768)
Intrafund transfers	531,200	528,200	517,493	10,707
Intrafund abatement	(331,113)	(331,113)	(331,113)	--
	<u>255,087</u>	<u>252,087</u>	<u>249,148</u>	<u>2,939</u>
General Government	<u>69,551,479</u>	<u>70,367,441</u>	<u>54,220,253</u>	<u>16,147,188</u>

continued

**COUNTY OF EL DORADO**

Budgetary Comparison Schedule (continued)

General Fund

For the Fiscal Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b><u>Public Protection</u></b>				
Superior Court MOE				
Services and supplies	\$ 1,134,000	\$ 1,517,000	\$ 1,513,846	\$ 3,154
Other charges	851,283	1,008,283	1,007,797	486
	<u>1,985,283</u>	<u>2,525,283</u>	<u>2,521,643</u>	<u>3,640</u>
Grand Jury				
Salaries and employee benefits	293	325	321	4
Services and supplies	128,549	138,729	131,148	7,581
Intrafund transfers	6,116	10,904	10,406	498
	<u>134,958</u>	<u>149,958</u>	<u>141,875</u>	<u>8,083</u>
District Attorney				
Salaries and employee benefits	7,177,487	7,306,555	7,288,305	18,250
Services and supplies	588,877	701,028	673,289	27,739
Other charges	4,185	4,185	784	3,401
Capital assets	29,800	20,518	11,042	9,476
Intrafund transfers	171,606	208,257	204,103	4,154
Intrafund abatement	(7,234)	(7,234)	(4,000)	(3,234)
	<u>7,964,721</u>	<u>8,233,309</u>	<u>8,173,523</u>	<u>59,786</u>
Child Support Services				
Salaries and employee benefits	4,089,779	4,027,729	3,784,511	243,218
Services and supplies	464,460	517,368	464,325	53,043
Other charges	3,958	3,958	363	3,595
Capital assets	4,566	4,566	1,969	2,597
Intrafund transfers	514,353	545,253	532,303	12,950
	<u>5,077,116</u>	<u>5,098,874</u>	<u>4,783,471</u>	<u>315,403</u>
Public Defender				
Salaries and employee benefits	2,673,106	2,706,590	2,608,317	98,273
Services and supplies	199,959	416,275	293,900	122,375
Other charges	1,884	400	--	400
Intrafund transfers	45,979	53,979	51,469	2,510
	<u>2,920,928</u>	<u>3,177,244</u>	<u>2,953,686</u>	<u>223,558</u>
Sheriff-Bailiff				
Salaries and employee benefits	3,130,140	3,173,588	2,939,018	234,570
Services and supplies	211,869	211,869	145,698	66,171
Capital assets	3,702	3,702	--	3,702
Other charges	8,900	11,254	11,253	1
Intrafund transfers	2,184	2,184	2,275	(91)
	<u>3,356,795</u>	<u>3,402,597</u>	<u>3,098,244</u>	<u>304,353</u>

continued

**COUNTY OF EL DORADO**

Budgetary Comparison Schedule (continued)  
 General Fund  
 For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Sheriff</b>				
Salaries and employee benefits	\$ 27,328,764	\$ 28,020,799	\$ 25,855,348	\$ 2,165,451
Services and supplies	4,783,920	5,184,886	4,367,689	817,197
Other charges	40,108	144,435	104,712	39,723
Capital assets	864,625	1,232,884	558,610	674,274
Other financing uses	54,500	60,227	58,180	2,047
Intrafund transfers	448,594	463,594	433,262	30,332
Intrafund abatement	--	--	(4,140)	4,140
	<u>33,520,511</u>	<u>35,106,825</u>	<u>31,373,661</u>	<u>3,733,164</u>
<b>Central Dispatch</b>				
Salaries and employee benefits	2,724,496	2,724,496	2,206,138	518,358
Services and supplies	96,166	96,316	81,840	14,476
Capital assets	31,650	31,650	1,504	30,146
Intrafund transfers	18,883	18,883	15,647	3,236
	<u>2,871,195</u>	<u>2,871,345</u>	<u>2,305,129</u>	<u>566,216</u>
<b>Jail</b>				
Salaries and employee benefits	13,316,035	13,322,961	11,774,604	1,548,357
Services and supplies	2,167,825	2,196,507	1,945,879	250,628
Other charges	15,275	15,275	4,923	10,352
Capital assets	45,700	29,156	4,792	24,364
Intrafund transfers	141,776	188,276	200,132	(11,856)
	<u>15,686,611</u>	<u>15,752,175</u>	<u>13,930,330</u>	<u>1,821,845</u>
<b>Juvenile Hall</b>				
Salaries and employee benefits	4,520,991	4,520,990	4,170,836	350,154
Services and supplies	709,410	717,253	554,297	162,956
Other charges	163,125	163,125	67,697	95,428
Capital assets	8,000	34,453	34,428	25
Intrafund transfers	86,793	86,793	66,689	20,104
	<u>5,488,319</u>	<u>5,522,614</u>	<u>4,893,947</u>	<u>628,667</u>
<b>Probation Department</b>				
Salaries and employee benefits	6,530,527	6,570,342	6,005,826	564,516
Services and supplies	1,324,652	1,495,988	892,648	603,340
Other charges	21,346	21,346	39	21,307
Other financing uses	333,550	279,148	281,916	(2,768)
Capital assets	12,000	12,000	530	11,470
Intrafund transfers	395,743	395,743	354,096	41,647
	<u>8,617,818</u>	<u>8,774,567</u>	<u>7,535,055</u>	<u>1,239,512</u>

continued

**COUNTY OF EL DORADO**

Budgetary Comparison Schedule (continued)

General Fund

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Agricultural Commission</b>				
Salaries and employee benefits	\$ 1,245,650	\$ 1,245,650	\$ 1,194,525	\$ 51,125
Services and supplies	302,477	302,477	234,010	68,467
Other charges	1,919	1,919	1,842	77
Other financing uses	3,000	3,390	3,389	1
Intrafund transfers	47,542	47,152	38,913	8,239
	<u>1,600,588</u>	<u>1,600,588</u>	<u>1,472,679</u>	<u>127,909</u>
<b>Building Inspector</b>				
Salaries and employee benefits	5,469,451	5,469,451	5,429,792	39,659
Services and supplies	397,033	683,433	590,556	92,877
Other charges	7,832	7,832	6,456	1,376
Capital assets	12,500	12,500	4,538	7,962
Intrafund transfers	459,945	473,114	467,292	5,822
Intrafund abatement	(16,556)	(16,556)	(16,556)	--
	<u>6,330,205</u>	<u>6,629,774</u>	<u>6,482,078</u>	<u>147,696</u>
<b>Coroner</b>				
Salaries and employee benefits	524,386	529,271	666,903	(137,632)
Services and supplies	217,261	219,761	200,010	19,751
Intrafund transfers	4,743	4,743	2,775	1,968
	<u>746,390</u>	<u>753,775</u>	<u>869,688</u>	<u>(115,913)</u>
<b>Emergency Services</b>				
Salaries and employee benefits	585,305	661,967	443,317	218,650
Services and supplies	147,181	199,313	139,201	60,112
Other charges	--	40,000	33,273	6,727
Capital assets	32,000	40,651	30,433	10,218
Intrafund transfers	4,980	4,980	10,226	(5,246)
	<u>769,466</u>	<u>946,911</u>	<u>656,450</u>	<u>290,461</u>
<b>Recorder/Clerk</b>				
Salaries and employee benefits	1,239,529	1,181,221	1,118,086	63,135
Services and supplies	264,763	206,294	138,184	68,110
Other charges	1,772	1,772	--	1,772
Capital assets	46,900	39,112	13,280	25,832
Intrafund transfers	126,698	126,698	112,952	13,746
	<u>1,679,662</u>	<u>1,555,097</u>	<u>1,382,502</u>	<u>172,595</u>

continued

**COUNTY OF EL DORADO**

Budgetary Comparison Schedule (continued)

General Fund

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<b>Planning and Zoning</b>				
Salaries and employee benefits	\$ 2,818,045	\$ 2,818,045	\$ 2,619,527	\$ 198,518
Services and supplies	1,658,739	1,366,324	453,627	912,697
Other charges	108,316	108,316	35,894	72,422
Intrafund transfers	302,111	303,942	304,077	(135)
	<u>4,887,211</u>	<u>4,596,627</u>	<u>3,413,125</u>	<u>1,183,502</u>
<b>Animal Control</b>				
Salaries and employee benefits	1,495,677	1,445,342	1,445,342	--
Services and supplies	642,295	728,195	738,110	(9,915)
Other charges	325,931	299,366	311,076	(11,710)
Capital assets	32,000	13,800	13,712	88
Other financing uses	335,000	335,000	340,159	(5,159)
Intrafund transfers	80,456	89,656	86,456	3,200
	<u>2,911,359</u>	<u>2,911,359</u>	<u>2,934,855</u>	<u>(23,496)</u>
<b>Public Guardian</b>				
Salaries and employee benefits	932,140	932,140	916,588	15,552
Services and supplies	60,446	60,446	68,815	(8,369)
Other charges	141,530	141,530	13,881	127,649
Intrafund transfers	65,439	65,439	50,399	15,040
	<u>1,199,555</u>	<u>1,199,555</u>	<u>1,049,683</u>	<u>149,872</u>
<b>Cemeteries</b>				
Salaries and employee benefits	64,470	64,470	39,472	24,998
Services and supplies	48,482	48,482	8,550	39,932
Other charges	235	235	233	2
Capital assets	8,000	8,000	--	8,000
Intrafund transfers	18,154	18,154	3,242	14,912
	<u>139,341</u>	<u>139,341</u>	<u>51,497</u>	<u>87,844</u>
<b>Public Protection</b>	<u>107,888,032</u>	<u>110,947,818</u>	<u>100,023,121</u>	<u>10,924,697</u>
<b>Health and Sanitation</b>				
<b>Public Health</b>				
Salaries and employee benefits	2,428,656	2,421,773	2,238,494	183,279
Services and supplies	422,482	425,140	329,574	95,566
Other charges	5,733	5,733	1,864	3,869
Capital assets	--	4,225	4,153	72
Intrafund transfers	538,831	538,831	496,923	41,908
Intrafund abatement	(464,138)	(464,138)	(399,023)	(65,115)
	<u>2,931,564</u>	<u>2,931,564</u>	<u>2,671,985</u>	<u>259,579</u>
<b>Health and Sanitation</b>	<u>2,931,564</u>	<u>2,931,564</u>	<u>2,671,985</u>	<u>259,579</u>

continued



**COUNTY OF EL DORADO**

Budgetary Comparison Schedule (continued)  
 General Fund  
 For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
<u>Public Assistance</u>				
Social Services Administration				
Salaries and employee benefits	\$ 11,703,058	\$ 11,160,103	\$ 10,100,885	\$ 1,059,218
Services and supplies	1,875,482	2,095,438	2,218,650	(123,212)
Other charges	982,829	982,829	911,471	71,358
Capital assets	8,000	103,855	78,007	25,848
Intrafund transfers	591,750	629,600	621,146	8,454
Intrafund abatement	(75,540)	(75,540)	(25,724)	(49,816)
	<u>15,085,579</u>	<u>14,896,285</u>	<u>13,904,435</u>	<u>991,850</u>
Social Services Programs				
Salaries and employee benefits	4,257,076	4,257,076	4,267,040	(9,964)
Services and supplies	1,142,025	1,157,025	998,604	158,421
Other charges	1,554,814	1,554,814	1,717,904	(163,090)
Other financing uses	25,000	25,000	15,000	10,000
Intrafund abatement	1,190	1,190	8,131	(6,941)
	<u>6,980,105</u>	<u>6,995,105</u>	<u>7,006,679</u>	<u>(11,574)</u>
Categorical Aids				
Other charges	13,296,681	13,698,313	13,611,782	86,531
	<u>13,296,681</u>	<u>13,698,313</u>	<u>13,611,782</u>	<u>86,531</u>
Aids to Indigents				
Services and supplies	19,000	19,000	14,200	4,800
Other charges	164,000	164,000	134,012	29,988
	<u>183,000</u>	<u>183,000</u>	<u>148,212</u>	<u>34,788</u>
Veterans' Services				
Salaries and employee benefits	365,470	365,470	356,675	8,795
Services and supplies	82,033	118,437	63,425	55,012
Other charges	353	353	--	353
Intrafund transfers	21,002	21,002	18,754	2,248
	<u>468,858</u>	<u>505,262</u>	<u>438,854</u>	<u>66,408</u>
Public Assistance	<u>36,014,223</u>	<u>36,277,965</u>	<u>35,109,962</u>	<u>1,168,003</u>
<u>Education</u>				
County Library				
Salaries and employee benefits	2,332,415	2,390,114	2,354,644	35,470
Services and supplies	615,224	741,188	689,477	51,711
Other charges	6,670	6,670	4,696	1,974
Capital assets	14,300	14,300	13,515	785
Intrafund transfers	85,077	91,077	87,266	3,811
	<u>3,053,686</u>	<u>3,243,349</u>	<u>3,149,598</u>	<u>93,751</u>

continued

**COUNTY OF EL DORADO**

Budgetary Comparison Schedule (continued)

General Fund

For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
University of California				
Cooperative Extension				
Salaries and employee benefits	\$ 222,663	\$ 222,663	\$ 221,992	\$ 671
Services and supplies	29,635	36,010	14,800	21,210
Other charges	102,845	102,845	74,880	27,965
Intrafund transfers	16,679	17,104	14,116	2,988
	<u>371,822</u>	<u>378,622</u>	<u>325,788</u>	<u>52,834</u>
Education	<u>3,425,508</u>	<u>3,621,971</u>	<u>3,475,386</u>	<u>146,585</u>
<u>Recreation and Cultural Services</u>				
Recreation				
Salaries and employee benefits	709,572	709,572	653,812	55,760
Services and supplies	323,707	330,034	241,397	88,637
Other charges	26,062	36,502	17,437	19,065
Capital assets	27,000	36,331	27,806	8,525
Other financing uses	49,894	49,894	--	49,894
Intrafund transfers	34,419	37,419	34,705	2,714
Intrafund abatement	(37,000)	(37,000)	(728)	(36,272)
	<u>1,133,654</u>	<u>1,162,752</u>	<u>974,429</u>	<u>188,323</u>
Historical Museum				
Salaries and employee benefits	82,388	82,388	82,068	320
Services and supplies	52,577	56,597	32,962	23,635
Capital assets	4,800	4,800	3,408	1,392
Intrafund transfers	10,831	10,831	7,585	3,246
	<u>150,596</u>	<u>154,616</u>	<u>126,023</u>	<u>28,593</u>
Recreation and Cultural Services	<u>1,284,250</u>	<u>1,317,368</u>	<u>1,100,452</u>	<u>216,916</u>
<u>Contingency</u>				
Appropriation for contingencies	5,790,054	4,414,120	--	4,414,120
	<u>5,790,054</u>	<u>4,414,120</u>	<u>--</u>	<u>4,414,120</u>
Contingency	<u>5,790,054</u>	<u>4,414,120</u>	<u>--</u>	<u>4,414,120</u>
Total Charges to Appropriations	<u>226,885,110</u>	<u>229,878,247</u>	<u>196,601,159</u>	<u>33,277,088</u>
Budgetary Balances, June 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 19,251,710</u>	<u>\$ 19,251,710</u>

continued

**COUNTY OF EL DORADO**

Budgetary Comparison Schedule (continued)  
General Fund  
For the Fiscal Year Ended June 30, 2008

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	\$ 215,852,869
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	(24,374,442)
The transfers from other funds are inflows of budgetary resources, but are not revenues for financial reporting purposes.	<u>(17,283,863)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance governmental funds	<u>\$ 174,194,564</u>

Uses/outflow of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from budgetary comparison schedule	\$ 196,601,159
Difference budget to GAAP	
Intrafund transfers out are a budgetary use of funds but are not expenditures for financial reporting purposes	<u>(19,492,883)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance governmental funds	<u>\$ 177,108,276</u>

## COUNTY OF EL DORADO

### Budgetary Comparison Schedule Road Fund For the Fiscal Year Ended June 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Budgetary fund balances, July 1	\$ 4,316,055	\$ 4,446,608	\$ 4,446,608	\$ --
Resources (inflows):				
Taxes and assessments	19,185	19,185	16,053	(3,132)
Licenses, permits and franchises	103,576	103,576	80,955	(22,621)
Revenue from use of money or property	122,642	122,642	158,722	36,080
Intergovernmental revenue - State	14,834,408	14,834,408	13,196,357	(1,638,051)
Intergovernmental revenue - Federal	6,832,407	6,832,407	3,601,710	(3,230,697)
Charges for services	5,340,840	5,430,840	3,445,747	(1,985,093)
Miscellaneous revenues	6,658,833	6,658,833	733,200	(5,925,633)
Other financing sources	103,845,143	105,878,683	47,462,609	(58,416,074)
	<u>137,757,034</u>	<u>139,880,574</u>	<u>68,695,353</u>	<u>(71,185,221)</u>
Amounts available for appropriations	<u>142,073,089</u>	<u>144,327,182</u>	<u>73,141,961</u>	<u>(71,185,221)</u>
Charges to appropriations (outflows):				
<u>Public Ways and Facilities</u>				
Salaries and employee benefits	26,776,006	26,776,006	21,618,780	5,157,226
Services and supplies	89,377,737	89,394,292	38,930,687	50,463,605
Other charges	23,233,711	25,342,251	4,872,752	20,469,499
Capital assets	4,463,292	4,567,068	1,152,181	3,414,887
Other financing uses	250,000	275,222	18,774	256,448
Intrafund transfers	10,380,250	10,380,250	7,383,106	2,997,144
Intrafund abatement	(12,407,907)	(12,407,907)	(9,423,675)	(2,984,232)
Public Ways and Facilities	<u>142,073,089</u>	<u>144,327,182</u>	<u>64,552,605</u>	<u>79,774,577</u>
Total Charges to Appropriations	<u>142,073,089</u>	<u>144,327,182</u>	<u>64,552,605</u>	<u>79,774,577</u>
Budgetary fund balances, June 30	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 8,589,356</u>	<u>\$ 8,589,356</u>

continued

## COUNTY OF EL DORADO

### Budgetary Comparison Schedule (continued) Road Fund For the Fiscal Year Ended June 30, 2008

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	\$ 73,141,961
Difference budget to GAAP	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(4,446,608)
The transfers from other funds are inflows of budgetary resources, but are not revenues for financial reporting purposes.	<u>(47,443,179)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance governmental funds	<u>\$ 21,252,174</u>

Uses/outflow of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from budgetary comparison schedule	\$ 64,552,605
Difference budget to GAAP	
Tranfers out to other funds are a budgetary use of funds but are not expenditures for financial reporting purposes	<u>(18,774)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance governmental funds	<u>\$ 64,533,831</u>

## COUNTY OF EL DORADO

### Notes to Required Supplementary Information For the Year Ended June 30, 2008

#### **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 Ordinance. This ordinance mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

An operating budget is adopted each fiscal year for all Governmental Funds. Expenditures are controlled at the object level within budget units for the County. The object level within a budget unit is the level at which expenditures may 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 budget approved by the Board of Supervisors for the general fund includes budgeted expenditures and reimbursements for amounts disbursed on behalf of other Governmental Funds. Actual reimbursements for these items have been eliminated in the accompanying budgetary financial schedules. Accordingly, the related budgets for these items have also been eliminated in order to provide a meaningful comparison of actual and budgeted results of operations.

The budgets for the governmental funds may include an object level known as "intrafund transfers" in the charges 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.

**SUPPLEMENTARY INFORMATION**

**COUNTY OF EL DORADO**

Combining Statement of Fund Net Assets  
Internal Service Funds  
June 30, 2008

	Fleet Management	Risk Management Authority	Total
<b><u>ASSETS</u></b>			
Current Assets:			
Cash and investments	\$ 2,626,937	\$ 42,903,777	\$ 45,530,714
Cash with fiscal agent	--	139,939	139,939
Account receivable	11,879	257,742	269,621
Due from other funds	23,430	--	23,430
Deposits	--	83,100	83,100
Inventory	38,498	--	38,498
<b>Total Current Assets</b>	<b>2,700,744</b>	<b>43,384,558</b>	<b>46,085,302</b>
Capital assets:			
Land	40,000	--	40,000
Structures and improvements	659,905	--	659,905
Equipment	11,002,930	55,028	11,057,958
Accumulated depreciation	(5,354,318)	(23,606)	(5,377,924)
<b>Total Capital Assets, net of     accumulated depreciation</b>	<b>6,348,517</b>	<b>31,422</b>	<b>6,379,939</b>
<b>Total Assets</b>	<b>\$ 9,049,261</b>	<b>\$ 43,415,980</b>	<b>\$ 52,465,241</b>
<b><u>LIABILITIES</u></b>			
Current Liabilities:			
Accounts payable	\$ 73,013	\$ 1,544,009	\$ 1,617,022
Salaries and benefits payable	9,541	13,337	22,878
Liability for self-insurance	--	5,071,944	5,071,944
<b>Total Current Liabilities</b>	<b>82,554</b>	<b>6,629,290</b>	<b>6,711,844</b>
Long-Term Liabilities:			
Liability for self-insurance	--	12,760,316	12,760,316
Liability for other post-employment benefits	--	11,967,793	11,967,793
Compensated absences-due beyond one year	29,694	28,160	57,854
<b>Total Long-Term Liabilities</b>	<b>29,694</b>	<b>24,756,269</b>	<b>24,785,963</b>
<b>Total Liabilities</b>	<b>112,248</b>	<b>31,385,559</b>	<b>31,497,807</b>
<b><u>NET ASSETS</u></b>			
Invested in capital assets, net of related debt	6,348,517	31,422	6,379,939
Restricted	1,699,749	--	1,699,749
Unrestricted	888,747	11,998,999	12,887,746
<b>Total Net Assets</b>	<b>8,937,013</b>	<b>12,030,421</b>	<b>20,967,434</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 9,049,261</b>	<b>\$ 43,415,980</b>	<b>\$ 52,465,241</b>



**COUNTY OF EL DORADO**

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2008

	<u>Fleet Management</u>	<u>Risk Management Authority</u>	<u>Totals</u>
<b>Operating Revenues:</b>			
Service fees	\$ 2,127,885	\$ 32,076,358	\$ 34,204,243
<b>Operating Expenses:</b>			
Salaries and benefits	450,249	646,688	1,096,937
Services and supplies	781,854	32,408,474	33,190,328
Depreciation	944,668	4,497	949,165
Total Operating Expenses	<u>2,176,771</u>	<u>33,059,659</u>	<u>35,236,430</u>
Operating Income (Loss)	<u>(48,886)</u>	<u>(983,301)</u>	<u>(1,032,187)</u>
<b>Non Operating Revenues (Expenses):</b>			
Interest income	101,723	1,409,111	1,510,834
Gain (loss) on sale of capital assets	(334)	--	(334)
Miscellaneous nonoperating revenue	11,511	881,039	892,550
Total Non-Operating Revenues (Expenses)	<u>112,900</u>	<u>2,290,150</u>	<u>2,403,050</u>
Income (Loss) Before Transfers and Contributions	64,014	1,306,849	1,370,863
Capital contributions	54,734	34,424	89,158
Transfers in	<u>97,285</u>	<u>--</u>	<u>97,285</u>
<b>Change in Net Assets</b>	216,033	1,341,273	1,557,306
Net Assets - Beginning of Year	<u>8,720,980</u>	<u>10,689,148</u>	<u>19,410,128</u>
<b>Net Assets - End of Year</b>	<u><u>\$ 8,937,013</u></u>	<u><u>\$ 12,030,421</u></u>	<u><u>\$ 20,967,434</u></u>

**COUNTY OF EL DORADO**

Combining Statement of Cash Flows  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2008

	Fleet Management	Risk Management Authority	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash receipts from internal fund services provided	\$ 2,123,708	\$ 31,919,838	\$ 34,043,546
Cash paid to suppliers for goods and services	(961,873)	(27,458,514)	(28,420,387)
Cash paid to employees for salaries and benefits	(436,823)	(701,599)	(1,138,422)
	<u>725,012</u>	<u>3,759,725</u>	<u>4,484,737</u>
Net cash provided (used) by operating activities			
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Transfer in	73,855	--	73,855
Non-operating revenues	11,511	881,039	892,550
	<u>85,366</u>	<u>881,039</u>	<u>966,405</u>
Net cash provided (used) by noncapital financing activities			
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Proceeds from sale of capital assets	126,063	--	126,063
Payments related to the acquisition of capital assets	(1,364,045)	(34,424)	(1,398,469)
Capital contributions	54,734	34,424	89,158
	<u>(1,183,248)</u>	<u>--</u>	<u>(1,183,248)</u>
Net cash provided (used) by capital and related financing activities			
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	101,723	1,409,111	1,510,834
Net cash provided by investing activities	<u>101,723</u>	<u>1,409,111</u>	<u>1,510,834</u>
Net increase (decrease) in cash and cash equivalents	(271,147)	6,049,875	5,778,728
Cash and cash equivalents, beginning of year	<u>2,898,084</u>	<u>36,993,841</u>	<u>39,891,925</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 2,626,937</u></u>	<u><u>\$ 43,043,716</u></u>	<u><u>\$ 45,670,653</u></u>

continued

**COUNTY OF EL DORADO**

Combining Statement of Cash Flows (continued)  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2008

	<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)	\$ (48,886)	\$ (983,301)	\$ (1,032,187)
Adjustments to reconcile operating income (loss) to cash flows from operating activities:			
Depreciation	944,668	4,497	949,165
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(4,177)	(156,520)	(160,697)
Inventory	42,895	--	42,895
Increase (decrease) in:			
Accounts payable	(222,914)	969,901	746,987
Salaries payable	2,904	(1,463)	1,441
Liability for compensated absences	10,522	(53,448)	(42,926)
Liability for self-insurance	--	370,223	370,223
Liability for other post employment benefits	--	3,609,836	3,609,836
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 725,012</u>	<u>\$ 3,759,725</u>	<u>\$ 4,484,737</u>

**COUNTY OF EL DORADO**

**SINGLE AUDIT REPORT**

**JUNE 30, 2008**

**COUNTY OF EL DORADO**

Single Audit Report  
For the Year Ended June 30, 2008

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**COUNTY OF EL DORADO**

Single Audit Report  
For the Year Ended June 30, 2008

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BARTIG, BASLER & RAY, LLP

A GALLINA LLP COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of El Dorado, as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 25, 2009. Our report was modified to include a reference to 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. Other auditors audited the financial statements of South Lake Tahoe Transit Enterprise Fund and the Children and Families Commission, component units of the County of El Dorado, as described in our report on El Dorado's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered County of El Dorado's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of El Dorado's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of El Dorado's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's

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

Internal Control Over Financial Reporting (continued)

financial statement is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of El Dorado's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, Board of Supervisors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BARTIG, BASLER & RAY, LLP  
A GALLINA LLP Company



Roseville, California  
February 25, 2009





BARTIG, BASLER & RAY, LLP

A GALLINA LLP COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of the County of El Dorado, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The County of El Dorado's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulation, contracts, and grants applicable to each of its major federal programs is the responsibility of the County of El Dorado's management. Our responsibility is to express an opinion on the County of El Dorado's compliance based on our audit.

The County of El Dorado's basic financial statements include the operations of El Dorado County Transit Authority which expended \$871,457 in federal expenditures. These federal expenditures are not included in the attached Schedule of Expenditures of Federal Awards. Our audit, described below, did not include the operations of El Dorado County Transit Authority because this component unit engaged the performance of a separate audit in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of El Dorado's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County of El Dorado's compliance with those requirements.

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

Compliance (continued)

In our opinion, the County of El Dorado complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 08-SA-2.

Internal Control Over Compliance

The management of the County of El Dorado is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County of El Dorado's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expression an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of County of El Dorado's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 08-SA-1 and 08-SA-2 to be significant deficiencies.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We do not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of El Dorado as of and for the year ended June 30, 2008, and have issued our report thereon dated February 25, 2009. Our audit, described below, did not include the operations of El Dorado County Transit Authority because this component unit was subject to a separate audit under OBM Circular A-133 by independent auditors.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, Board of Supervisors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BARTIG, BASLER & RAY, LLP  
A GALLINA LLP Company



Roseville, California  
February 25, 2009

**COUNTY OF EL DORADO**

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
<u>U.S. Department of Agriculture</u>			
Direct Programs:			
Taylor Grazing Fees	10.000	--	\$ <u>96</u>
Rural Development, Forestry, and Communities: (Lake Tahoe Restoration Act)	10.672	07-DG-11051900-019	618,961
Rural Development, Forestry, and Communities: (Lake Tahoe Restoration Act)	10.672	06-DG-11051900-022	591,763
Rural Development, Forestry, and Communities: (Lake Tahoe Restoration Act)	10.672	08-DG-11051900-030	<u>158,093</u>
Subtotal CFDA 10.672			<u>1,368,817</u>
 Total Direct Programs - U.S. Department of Agriculture			 <u>1,368,913</u>
Passed through State Department of Food and Agriculture:			
Lake Tahoe Basin Weed Survey and Eradication Project	10.000	06-0159	<u>20,031</u>
Passed through State Department of Public Health:			
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	05-45756-02	156,989
Special Supplemental Nutrition Program for Women, Infants and Children-Vouchers Redeemed	10.557	05-45756-02	412,505
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	05-45756-03	402,271
Special Supplemental Nutrition Program for Women, Infants and Children-Vouchers Redeemed	10.557	05-45756-03	<u>1,360,201</u>
Subtotal CFDA 10.557			<u>2,331,966</u>
Passed through State Department of Social Services:			
<i>Food Stamps Cluster:</i>			
Food Stamps	10.551	--	<u>6,311,366</u>

**COUNTY OF EL DORADO**

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
<u>U.S. Department of Agriculture (continued)</u>			
Passed through State Department of Social Services (continued):			
<i>Food Stamps Cluster (continued):</i>			
State Administrative Matching Grants for Food Stamp Program (FY0607)	10.561	--	\$ 735
State Administrative Matching Grants for Food Stamp Program	10.561	--	669,623
State Administrative Matching Grants for Food Stamp Program ISAWS	10.561	--	13,494
Subtotal CFDA 10.561			<u>683,852</u>
Total <i>Food Stamps Cluster</i> and Passed through State Department of Social Services			<u>6,995,218</u>
Passed Through State Department of Aging:			
<i>Aging Program</i>			
Senior Farmers Market Nutrition Program - Coupons	10.576	--	5,000
Subtotal - <i>Aging Program</i> (See Note 7)			<u>5,000</u>
Passed Through State Controller's Office:			
Schools and Roads - Grants to States: Title III County Projects FY0607 Carryforward	10.665 *	--	217,463
Schools and Roads - Grants to States: Title III County Projects Interest FY0607 Carryforward	10.665 *	--	28,521
Schools and Roads - Grants to States: Title III Search & Rescue FY0607 Carryforward	10.665 *	--	157,761
Schools and Roads - Grants to States: Title III Search and Rescue	10.665 *	--	236,610
Schools and Roads - Grants to States: Federal Forest Reserve	10.665 *	--	1,771,051
Subtotal CFDA 10.665*			<u>2,411,406</u>
Total U.S. Department of Agriculture			<u>\$ 13,132,534</u>

\* Major Program

**COUNTY OF EL DORADO**

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
Direct Program:			
Section 8 Housing Choice Vouchers - Admin	14.871 *	CA151VO	\$ 416,248
Section 8 Housing Choice Vouchers - Project	14.871 *	CA151VO	<u>2,500,255</u>
Total Direct Programs (U.S. Department of Housing and Urban Development) and CFDA 14.871*			<u>2,916,503</u>
Passed through State Department of Housing and Community Development:			
Community Development Block Grant (CDBG)/State's Program:			
2004 EDBG Business Loan and Microenterprise Assistance	14.228 *	04-EDBG-1021	39,173
2006 EDBG Business Loan and Microenterprise Assistance	14.228 *	06-EDBG-2767	93,700
2005 EDBG P&T	14.228 *	05-PTAA-1441	4,819
Revolving Loan Fund (RLF) Housing Rehabilitation	14.228 *	--	76,906
2005 CDBG Housing Rehab/Acquisition	14.228 *	05-STBG-1407	492,545
2006 CDBG P&T Homeless Needs Survey	14.228 *	06-STBG-2532	<u>23,103</u>
Subtotal CFDA 14.228*			<u>730,246</u>
Home Investment Partnerships Program (HOME):			
2004 HOME Housing Rehabilitation	14.239	04-HOME-0720	<u>50,328</u>
Subtotal			<u>50,328</u>
Passed through Sacramento Housing Authority:			
Housing Opportunities for Persons with AIDS (HOPWA)	14.241	DHA/CS-ELD-01-07	15,532
Housing Opportunities for Persons with AIDS (HOPWA) - STRMU	14.241	DHA/CS-ELD-01-08	<u>16,910</u>
Subtotal CFDA 14.241			<u>32,442</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 3,729,519</u>

\* Major Program

**COUNTY OF EL DORADO**

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
<u>U.S. Department of Interior</u>			
Direct Program:			
Payments in Lieu of Taxes	15.226	--	\$ 109,592
Total Direct Programs (U.S. Department of Interior)			<u>109,592</u>
Passed through Tahoe Resource Conservation District:			
Water Reclamation & Reuse; Wildlife Coordination Act	15.504	02-FG-200067	19,197
Water Reclamation & Reuse; Wildlife Coordination Act	15.504	05-FG-202051	6,586
Water Reclamation & Reuse; Wildlife Coordination Act (FY 0607)	15.504	05-FG-202051	(69,391)
Subtotal CFDA 15.504			<u>(43,608)</u>
Total U.S. Department of Interior			<u>\$ 65,984</u>
<u>U.S. Department of Justice</u>			
Direct Programs:			
Domestic Cannabis Eradication/Suppression Program	16.000	2007-20	11,507
Domestic Cannabis Eradication/Suppression Program	16.000	2008-20	19,962
Equitable Sharing of Federally Forfeited Property	16.000	--	75,781
Subtotal			<u>107,250</u>
State Criminal Alien Assistance Program (SCAAP)	16.606	2007-AP-BX-0485	8,162
State Criminal Alien Assistance Program (SCAAP)	16.606	2008-AP-BX-0744	77,577
Subtotal CFDA 16.606			<u>85,739</u>
2005 Bulletproof Vest Partnership Grant	16.607	5029454	208
Subtotal			<u>208</u>
Total Direct Programs - (U.S. Department of Justice)			<u>193,197</u>
Passed through Governor's Office of Emergency Services:			
Crime Victim Assistance - Elder Abuse	16.575	EA06090090	17,761
Crime Victim Assistance - Elder Abuse	16.575	EA07100090	70,918
Crime Victim Assistance - Victim Witness Assistance	16.575	VW07260090	79,063
Subtotal CFDA 16.575			<u>167,742</u>

**COUNTY OF EL DORADO**

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2008

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Justice</u> (continued)			
Passed through Governor's Office of Emergency Services (continued):			
Edward Byrne Memorial Justice Assistance Grant Program - Anti Drug Abuse Task Force	16.738	DC07180090	\$ 146,751
Total Passed Through Governor's Office of Emergency Services			<u>314,493</u>
Passed through State Department of Corrections and Rehabilitation, Corrections Standards Authority:			
Juvenile Accountability Block Grants	16.523	CSA-108-07	<u>10,416</u>
Total U.S. Department of Justice			\$ <u>518,106</u>
<u>U.S. Department of Labor</u>			
Passed Through State Department of Employment Development via Golden Sierra Job Training Agency:			
<i>Workforce Investment Act (WIA) Cluster:</i>			
WIA Adult Program	17.258	865457-01	259,670
WIA Youth Activities	17.259	865457-01	108,933
WIA Dislocated Workers	17.260	865457-01	<u>199,488</u>
<i>Subtotal Workforce Investment Act Cluster</i>			<u>568,091</u>
WIA Pilots, Demonstrations and Research Projects - Rapid Response	17.261	865457-01	49,978
WIA Pilots, Demonstrations and Research Projects - Special Rapid Response	17.261	R760321-04/526	<u>49,434</u>
Subtotal CFDA 17.261			<u>99,412</u>
Total Passed through State Department of Employment Development via Golden Sierra Job Training Agency			<u>667,503</u>
Total U.S. Department of Labor			\$ <u>667,503</u>
<u>U.S. Department of Transportation</u>			
Direct Programs:			
Airport Improvement Program (AIP) - Rehabilitate Runway/PAPI/ Fence Georgetown Airport (AIP 06)	20.106	DTFA 08-03-C-31504 AIP 3-06-0093-06	173,389

\* Major Program



**COUNTY OF EL DORADO**

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
<u>U.S. Department of Transportation (continued)</u>			
Direct Programs (continued):			
Airport Improvement Program (AIP) - Runway Rehab Overruns & Crack Seal Project (AIP 07)	20.106	DTFA 08-06-C-31704 AIP 3-06-0093-07	\$ 67,880
Airport Improvement Program (AIP) - Obstruction Removal Placerville Airport (AIP 08)	20.106	DTFA 08-04-C-31509 AIP 3-06-0188-08	745,078
Airport Improvement Program (AIP) - Rehab Runway 5/25 Threshold Ends Placerville Airport (AIP 10)	20.106	DTFA 08-06-C-31711 AIP 03-06-0188-10	19,663
Airport Improvement Program (AIP) - Rehab the MIRL & to install AWOS Placerville Airport (AIP 12)	20.106	AIP 3-06-0188-12	<u>22,990</u>
Total Direct Programs (U.S. Department of Transportation) and CFDA 20.106			<u>1,029,000</u>
Passed through State Department of Transportation:			
Highway Planning & Construction; Highway Bridge Program (HBP)	20.205	BRLS-5925 (030)	219,460
Highway Planning & Construction; Highway Bridge Program (HBP)	20.205	BRLS-5925 (046)	114,263
Highway Planning & Construction; Highway Bridge Program (HBP)	20.205	BRLS-5925 (050)	80,853
Highway Planning & Construction; Highway Bridge Program (HBP)	20.205	BRLS-5925 (051)	1,350
Highway Planning & Construction; High Risk Rural Roads Program (HR3)	20.205	HRRRL-5925(055)	82,361
Highway Planning & Construction; High Risk Rural Roads Program(HR3)	20.205	HRRRL-5925(056)	60,790
Highway Planning & Construction; Safe Routes to School	20.205	SR2F-5925(057)	57,485
Highway Planning & Construction; Hazard Safety Improvement Program (HSIP) (FY02/03)	20.205	STPLH-5925 (037)	1,226
Highway Planning & Construction; Hazard Safety Improvement Program (HSIP) (FY03/04)	20.205	STPLH-5925 (037)	62,230
Highway Planning & Construction; Hazard Safety Improvement Program (HSIP) (FY04/05)	20.205	STPLH-5925 (037)	49,258

**COUNTY OF EL DORADO**

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2008

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Transportation</u> (continued)			
Passed through State Department of Transportation (continued):			
Highway Planning & Construction; Hazard Safety Improvement Program (HSIP)	20.205	STPLH-5925 (037)	\$ 1,272
Highway Planning & Construction; Hazard Safety Improvement Program (HSIP)	20.205	STPLH-5925 (038)	683,056
Highway Planning & Construction; Urban RSTP (FY06/07)	20.205	STPL-5925 (045)	(1,708)
Highway Planning & Construction; Urban RSTP	20.205	STPL-5925 (045)	195,889
Highway Planning & Construction; Transportation Enhancement (TE)	20.205	03-2E4700	316
Highway Planning & Construction; Transportation Enhancement (TE)	20.205	03-2E4700	73,589
Highway Planning & Construction; Transportation Enhancement (TE)	20.205	03-2E4800	154,862
Subtotal CFDA 20.205			<u>1,836,552</u>
Formula Grants for other than Urbanized Areas - Operating Assistance - FTA 5311 (FY0506)	20.509	SA-646104-00	<u>23,634</u>
Total Passed through the State Department of Transportation			<u>1,860,186</u>
Total U.S. Department of Transportation			<u>\$ 2,889,186</u>
<u>U.S. Institute Of Museum and Library Services</u>			
Passed through California State Library:			
Grants to States	45.310	40-6825	3,208
Grants to States	45.310	40-6969	3,300
Subtotal CFDA 45.310			<u>6,508</u>
Total Institute of Museum and Library Services			<u>\$ 6,508</u>



**COUNTY OF EL DORADO**

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
<u>U.S. Department of Health and Human Services</u>			
Passed through State Department of Aging:			
<i>Aging Cluster:</i>			
Special Programs for the Aging, Title III, Part C1 - Nutrition Services	93.045	AP-0708-29	\$ 229,348
Special Programs for the Aging, Title III, Part C2 - Nutrition Services	93.045	AP-0708-29	121,059
Subtotal CFDA 93.045 (See Note 7)			350,407
Nutrition Services Incentive: Elderly Nutrition C-1	93.053	AP-0708-29	47,972
Nutrition Services Incentive: Elderly Nutrition C-2	93.053	AP-0708-29	46,983
Subtotal CFDA 93.053 (See Note 7)			94,955
Special Programs for the Aging, Title VII, Chapter 3 Part B - Programs for the Prevention of Elder Abuse, Neglect and Exploitation Program	93.041	AP-0708-29	3,074
Special Programs for the Aging, Title VII, Chapter 2 Part A - Long Term Care Ombudsman Services	93.042	AP-0708-29	6,634
Special Programs for the Aging Title III, Part D - Disease Prevention and Health Promotion Services	93.043	AP-0708-29	11,975
Special Programs for the Aging, Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	AP-0708-29	204,969
National Family Caregiver Support	93.052	AP-0708-29	111,100
Subtotal (See Note 7)			337,752
Total Passed through State Department of Aging (See Note 7)			783,114
<i>Total - Aging Cluster, includes CFDA 10.576 = \$788,114 (see Note 7)</i>			
Passed through State Department of Alcohol & Drug Programs:			
Block Grants for Prevention and Treatment of Substance Abuse (SAPT) 2008	93.959	07-NNA-09	605,151
Block Grants for Prevention and Treatment of Substance Abuse (SAPT) 2007	93.959	07-NNA-09	456,360
Total Passed through State Department of Alcohol & Drug Programs and CFDA 93.959			1,061,511

**COUNTY OF EL DORADO**

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
<u>U.S. Department of Health and Human Services (continued)</u>			
Passed through County of Sacramento Department of Health & Human Services:			
HIV Emergency Relief Project Grant: Ryan White CARE	93.914	7275-06/07-709	\$ 112,469
HIV Emergency Relief Project Grant: Ryan White CARE	93.914	7275-7/10-709	49,523
Subtotal CFDA 93.914			<u>161,992</u>
Passed through State Department of Child Support Services:			
Child Support Enforcement	93.563	--	3,040,547
Child Support Enforcement Incentives	93.563	--	305,340
Subtotal CFDA 93.563			<u>3,345,887</u>
Passed through State Department of Community Services and Development:			
Low Income Home Energy Assistance (L.I.H.E.A.P.) - ECIP/WPO/FRR	93.568	06B-5358	38,231
Low Income Home Energy Assistance (L.I.H.E.A.P.) - ECIP/WPO/FRR	93.568	07B-5408	176,734
Low Income Home Energy Assistance (L.I.H.E.A.P.) - Weatherization (WX)	93.568	07B-5408	21,262
Low Income Home Energy Assistance (L.I.H.E.A.P.) - ECIP/WPO/FRR	93.568	08B-5458	228,302
Low Income Home Energy Assistance (L.I.H.E.A.P.) - Weatherization (WX)	93.568	08B-5458	147,810
Subtotal CFDA 93.568			<u>612,339</u>
Community Services Block Grant	93.569	06F-4710	85,597
Community Services Block Grant	93.569	08F-4910	108,018
Subtotal CFDA 93.569			<u>193,615</u>
 Total Passed through State Department of Community Services and Development			 <u>805,954</u>

**COUNTY OF EL DORADO**

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
<u>U.S. Department of Health and Human Services</u> (continued)			
Passed through State Department of Public Health:			
Centers for Disease Control and Prevention, Investigations and Technical Assistance: Bioterrorism	93.283	EPO-Grant 05/06	\$ 14,104
Centers for Disease Control and Prevention, Investigations and Technical Assistance: City Readiness Initiative Funds	93.283	EPO-06-10	13,270
Centers for Disease Control and Prevention, Investigations and Technical Assistance: Bioterrorism	93.283	EPO-06-10	82,398
Centers for Disease Control and Prevention, Investigations and Technical Assistance: Pandemic Influenza	93.283	EPO-06-10	29,488
Centers for Disease Control and Prevention, Investigations and Technical Assistance: City Readiness Initiative Funds	93.283	EPO-CDC-07-10	47,685
Centers for Disease Control and Prevention, Investigations and Technical Assistance: Bioterrorism Base Allocation	93.283	EPO-CDC-07-10	97,311
Subtotal CFDA 93.283			<u>284,256</u>
National Bioterrorism Hospital Preparedness Program	93.889	EPO-HPP-07-10	198,401
National Bioterrorism Hospital Preparedness Program	93.889	EPO-06-10	19,644
Subtotal CFDA 93.889			<u>218,045</u>
Public Health Emergency Preparedness	93.069	EPO-CDC-07-10	60,770
Immunization Grants - Pediatric Immunization	93.268	07-65220	613
Maternal & Child Health Services Block Grant to the States	93.994	2007-09	75,444
Subtotal			<u>136,827</u>
Total Passed through State Department of Public Health			<u>639,128</u>
Passed through State Department of Health Care Services:			
State Children's Health Insurance Program - California Children's Services	93.767	--	<u>48,268</u>

**COUNTY OF EL DORADO**

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
<u>U.S. Department of Health and Human Services</u> (continued)			
Passed through Marshall Medical Center:			
Research on Healthcare Costs, Quality & Outcomes	93.226	--	\$ <u>457,169</u>
Passed through State Department of Mental Health:			
Projects for Assistance in Transition from Homelessness (PATH)	93.150	--	32,885
Substance Abuse and Mental Health Services Administration (SAMHSA) - Block Grants for Community Mental Health Services	93.958	--	<u>134,705</u>
Total Passed through State Department of Mental Health			<u>167,590</u>
Passed through Secretary of State:			
HAVA Elections Assistance for Individuals with Disabilities (EAID) Section 261 Program	93.617	07G26104	<u>440</u>
Passed through State Department of Social Services:			
Promoting Safe and Stable Families (FY0506)	93.556	--	417
Promoting Safe and Stable Families	93.556	--	<u>99,413</u>
Subtotal CFDA 93.556			<u>99,830</u>
Temporary Assistance for Needy Families	93.558 *	--	7,568,156
Temporary Assistance for Needy Families (FY0506)	93.558 *	--	10,610
Temporary Assistance for Needy Families (FY0607)	93.558 *	--	(1,026)
Temporary Assistance for Needy Families Performance	93.558 *	--	11,019
Temporary Assistance for Needy Families ISAWS	93.558 *	--	<u>25,497</u>
Subtotal CFDA 93.558*			<u>7,614,256</u>
Refugee and Entrant Assistance	93.566	--	1,722
Community-Based Child Abuse Prevention	93.590	--	6,767
Child Welfare Services State Grants	93.645	--	<u>121,162</u>
Subtotal			<u>129,651</u>

\* Major Program

**COUNTY OF EL DORADO**

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
<u>U.S. Department of Health and Human Services</u> (continued)			
Passed through State Department of Social Services (continued):			
Foster Care - Title IV-E	93.658	--	\$ 3,313,082
Title IV-E and Group Home Monthly Visits-Probation	93.658		152,872
Foster Care - Title IV-E (FY0607)	93.658	--	(3,199)
Subtotal CFDA 93.658*			<u>3,462,755</u>
Adoption Assistance	93.659	--	1,056,569
Adoption Assistance - Probation	93.659		1,551
Adoption Assistance (FY0607)	93.659	--	354
Subtotal CFDA 93.659			<u>1,058,474</u>
Social Service Block Grant	93.667	--	108,147
Social Service Block Grant (FY0607)	93.667		40,832
Social Service Block Grant (FY0506)	93.667	--	1,833
Subtotal CFDA 93.667			<u>150,812</u>
Chafee Foster Care Independence Program	93.674	--	61,403
Chafee Foster Care Independent Living (FY0607)	93.674		(79)
Chafee Foster Care Independent Living (FY0506)	93.674	--	405
Subtotal CFDA 93.674			<u>61,729</u>
Total Passed through State Department of Social Services			<u>12,577,507</u>
<i>Medicaid Programs</i>			
Passed through State Department of Aging:			
Medical Assistance Program - MSSP (See Note 7)	93.778	MS-0607-35	(113)
Medical Assistance Program - MSSP (See Note 7)	93.778	MS-0708-35	151,733
Subtotal			<u>151,620</u>
Passed Through State Department of Alcohol & Drug Programs:			
Medical Assistance Program: Drug Medi-Cal	93.778	07-NNA 09	4,733
Medical Assistance Program: Perinatal Drug Medi-Cal	93.778	07-NNA 09	19,826
Subtotal			<u>24,559</u>

\* Major Program



**COUNTY OF EL DORADO**

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
<u>U.S. Department of Health and Human Services (continued)</u>			
<i>Medicaid Programs (continued)</i>			
Passed through State Department of Health Care Services:			
Medical Assistance Program: Medi-Cal	93.778	--	\$ 1,697,592
Medical Assistance Program: Medi-Cal (FY0506)	93.778	--	1,715
Medical Administration Activities (MAA) FY0506	93.778	04-35086-A1	363,766
Medical Administration Activities (MAA) FY0607	93.778	04-35086-A1	280,687
Medical Assistance Program: Child Health & Disability Prevention	93.778	--	115,942
Medical Assistance Program: California Children's Services Admin	93.778	--	160,651
Medical Assistance Program: Outreach, Enrollment, Retention & Utilization	93.778	2006-09	2,314
Subtotal			<u>2,622,667</u>
Passed through State Department of Health Care Services via State Department of Public Health:			
Medical Assistance Program: Maternal & Child Health Services	93.778	2007-09	<u>231,404</u>
Passed through State Department of Health Care Services via State Department of Social Services:			
Medical Assistance Program Title XIX	93.778	--	1,170,587
Medical Assistance Program Title XIX (FY0607)	93.778	--	19,120
Medical Assistance Program: Medi-Cal ISAWS C-IV	93.778	--	11,560
Medical Assistance Program: In Home Services Public Authority	93.778	--	347,503
Subtotal			<u>1,548,770</u>
Passed through State Department of Veterans Affairs:			
Medi-Cal Cost Avoidance - CVSO (FY0607)	93.778	--	2,160
Medi-Cal Cost Avoidance - CVSO	93.778	--	2,461
Subtotal			<u>4,621</u>
Total - <i>Medicaid Programs</i>			<u>4,583,641</u>
Total U.S. Department of Health and Human Services			<u>\$ 24,632,201</u>

**COUNTY OF EL DORADO**

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2008

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Expenditures</u>
<u>U.S. Social Security Administration</u>			
Direct Program:			
Social Security Incentive Program	96.000	--	\$ 9,600
Total U.S. Social Security Administration			\$ 9,600
<u>U.S. Department of Homeland Security</u>			
Passed through Governor's Office of Homeland Security:			
FY2007 Emergency Management Performance Grant (EMPG)	97.042	2007-06	69,954
FY2006 State Homeland Security Program SHSP	97.073	2006-71	35,544
FY2007 State Homeland Security Program SHSP	97.073	2007-8	43,539
Subtotal CFDA 97.073			79,083
FY2006 Law Enforcement Terrorism Prevention Program - State Homeland Security Grant LETPP	97.074	2006-71	103,961
FY2007 Law Enforcement Terrorism Prevention Program - State Homeland Security Grant LETPP	97.074	2007-8	13,996
Subtotal CFDA 97.074			117,957
Total Passed through Governor's Office of Homeland Security			266,994
Passed through Governor's Office of Emergency Services:			
Disaster Grants - Public Assistance	97.036	FEMA-1628-DR-CA, OES ID #017-00000	21,839
Disaster Grants - Public Assistance	97.036	FEMA-1646-DR-CA, OES ID #017-00000	14,586
Subtotal CFDA 97.036			36,425

**COUNTY OF EL DORADO**

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
<u>U.S. Department of Homeland Security (continued)</u>			
Passed through Governor's Office of Emergency Services (continued):			
Fire Management Assistance Grant	97.046	FEMA-2700-DR-CA, OES ID#017-00000-00	\$ 182,865
Total Passed through Governor's Office of Emergency Services:			<u>219,290</u>
Total U.S. Department of Homeland Security			<u>\$ 486,284</u>
Total Expenditures of Federal Awards			<u><u>\$ 46,512,045</u></u>

Federal Loan Balances from Previous Years with a Continuing Compliance Requirement

<u>U.S. Department of Housing and Urban Development</u>			
Passed through State Department of Housing and Community Development:			
Community Development Block Grant (CDBG)/State's Program	14.228 *	--	\$ 1,407,228
Home Investment Partnership Program (HOME)	14.239	--	<u>3,311,379</u>
Total U.S. Department of Housing and Urban Development			4,718,607
<u>U.S. Department of Health and Human Services</u>			
Passed through State Department of Social Services:			
Temporary Assistance for Needy Families	93.558 *	--	<u>2,472</u>
Federal Loan Balances from Previous Years with a Continuing Compliance Requirement (see Note 5)			<u>\$ 4,721,079</u>
Total Expenditures of Federal Awards Including Loans from Previous Years			<u><u>\$ 51,233,124</u></u>

\* Major Program

## COUNTY OF EL DORADO

### Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2008

Note 1: **Reporting Entity**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) presents the activity of all federal awards programs of the County of El Dorado (County), with the exception of El Dorado County Transit Authority, which expended \$871,457 of federal awards, and was subject to a separate single audit by independent auditors. The County's reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included in the Schedule.

Note 2: **Basis of Accounting**

The accompanying Schedule includes the federal grant activity of the County, and is presented on accounting principles generally accepted in the United States of America. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Non-cash Assistance. The Schedule contains values for the following non-cash assistance, which are not presented in the financial statements:

*10.551 Food Stamps* of \$6,311,366 are reported at the value of authorized Electronic Benefit cards issued.

*10.557 Special Supplement Nutrition Program for Women, Infants and Children-Vouchers Redeemed* totaling \$1,772,706 are reported at the value of client purchases of authorized food products.

*10.576 Senior Farmers Market Nutrition Program – Coupons* of \$5,000 are reported at the value of coupons distributed.

Note 3: **Relationship to Financial Statements**

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the County's financial statements. Federal award revenues are reported principally in the County's financial statements as intergovernmental revenues in the General and Special Revenue funds.

**COUNTY OF EL DORADO**

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2008

Note 4: **Subrecipients**

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the County provided federal awards to subrecipients as follows:

<u>CFDA</u>	<u>Program</u>	<u>Amount</u>
10.665	School and Roads – State Title III	\$ 244,537
14.228	Community Development Block Grant: EDBG Microenterprise Grant	33,312
16.738	Byrne Memorial Justice Assistance Grant Program	90,550
93.226	Research on Healthcare Costs, Quality & Outcomes	218,332
93.241	Hospital Preparedness Program	32,442
93.556	Promoting Safe and Stable Families	81,532
93.658	Foster Care (Maintenance Payments)	854,390
93.659	Adoption Assistance	63,806
93.778	Medical Assistance	134,915
93.889	Hospital Preparedness Program	86,000
93.914	HIV Emergency Relief	155,040
93.959	Substance Abuse Prevention and Treatment Block	433,033
97.074	Law Enforcement Terrorism Prevention Program	<u>45,265</u>
	Total	<u>\$ 2,473,154</u>

Note 5: **Loans with Continuing Compliance Requirement**

Loans funded through federal programs, for which the federal government is at risk, carried the following balances as of June 30, 2008:

<u>Federal CFDA Number</u>	<u>Program Title</u>	<u>Balance of Loans from Previous Years, Net of Repayments a)</u>	<u>New Loans b)</u>	<u>Amount Outstanding June 30, 2008</u>
14.228	Community Development Block Grant	\$ 1,407,228	\$ 543,449	\$ 1,950,677
14.239	HOME Investment Partnership Program	3,311,379	45,130	3,356,509
93.558	Temporary Assistance for Needy Families	2,472	--	2,472
	TOTAL	<u>\$ 4,721,079</u>	<u>\$ 588,579</u>	<u>\$ 5,309,658</u>

**COUNTY OF EL DORADO**

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2008

Note 5: **Loans with Continuing Compliance Requirement** (continued)

- a) Value of loans made in previous years, net of principal loan repayments received to date (including repayments on new loans), for which the federal government imposes continuing compliance requirements.
- b) Value of loans made during the year, exclusive of repayments.

Note 6: **Pass-Through Entities' Identifying Number**

When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County has either determined that no identifying number is assigned for the program or the County was unable to obtain an identifying number from the pass-through entity.

Note 7: **Department of Aging Federal/State Share**

The California Department of Aging (CDA) requires agencies who receive CDA funding to display state-funded expenditures discretely along with federal expenditures. The County expended the following state and federal amounts under these grants:

<u>CFDA</u>	<u>Contract</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
10.576	N/A (SFMNP)	\$ 5,000	\$ --
93.045	AP-0708-29 (III C-1)	229,348	23,030
93.045	AP-0708-29 (III C-2)	121,059	28,548
93.053	AP-0708-29 (C-1)	47,972	--
93.053	AP-0708-29 (C-2)	46,983	--
93.041	AP-0708-29 (VII-B)	3,074	137
93.042	AP-0708-29 (III-A)	6,634	1,263
93.043	AP-0708-29 (III-D)	11,975	516
93.044	AP-0708-29 (III-B)	204,969	40,950
93.052	AP-0708-29 (III-E)	111,100	--
N/A	AP-0708-29	--	381,557
93.778	MS-0607-35	(113)	(112)
93.778	MS-0708-35	<u>151,733</u>	<u>151,733</u>
	TOTAL	<u>\$ 939,734</u>	<u>\$ 627,622</u>

State-only grants, above, do not display a CFDA number. The one state-only grant listed above is Community Based Services (CBSP) for \$381,557

**COUNTY OF EL DORADO**

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2008

Note 8: **California Department of Transportation**

The County expended the following state amounts on the following projects during the year ended June 30, 2008:

<u>Program</u>	<u>Contract</u>	<u>State Expenditures</u>
Federal Apportionment Exchange Program and State Match Program (RSTP Exchange)		
Direct Program:		
RSTP Exchange	X07-5925(052)	\$ 221,699
State Match	X07-5925(052)	--
RSTP Exchange	X06-5925(044)	176,159
State Match	X06-5925(044)	<u>28,836</u>
Subtotal		<u>426,694</u>
Passed through El Dorado County Transportation Commission:		
RSTP Exchange	X07-6157(030)	\$ 65,106
RSTP Exchange (FY0607)	X07-6157(030)	103,934
RSTP Exchange (FY0506)	X07-6157(030)	496,066
RSTP Exchange	X06-6157(028)	310,956
RSTP Exchange	X03-6157(021)	<u>20,000</u>
Subtotal		<u>996,062</u>
Passed through Tahoe Regional Planning Agency:		
RSTP Exchange	X98-6125(004)	2,339
RSTP Exchange	X99-6125(006)	--
RSTP Exchange	X00-6125(012)	--
RSTP Exchange	X01-6125(007)	--
RSTP Exchange	X02-6125(013)	<u>--</u>
Subtotal		<u>2,339</u>
Total		<u>\$ 1,425,095</u>

**COUNTY OF EL DORADO**

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2008

**Section 1**

Financial Statements

Summary of Auditor's Results

- |  |               |
|--|---------------|
| 1. Type of auditor's report issued:  | Unqualified   |
| 2. Internal controls over financial reporting:                                   |               |
| a. Material weaknesses identified?   | No            |
| b. Significant deficiencies identified not considered to be material weaknesses? | None Reported |
| 3. Noncompliance material to financial statements noted?                         | No            |

Federal Awards

- |   |             |
|---|-------------|
| 1. Internal control over major programs:  |             |
| a. Material weaknesses identified?  | No          |
| b. Significant deficiencies identified not considered to be material weaknesses?  | Yes         |
| 2. Type of auditor's report issued on compliance for major programs:  | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133, Section 510(a)? | Yes         |
| 4. Identification of major programs:  |             |

CFDA Number

- |        |   |
|--------|---|
| 10.665 | Schools and Roads – Grants to States                  |
| 14.228 | Community Development Block Grant/<br>State's Program |
| 14.871 | Section 8 Housing Choice Vouchers                     |
| 93.558 | Temporary Assistance for Needy Families               |



**COUNTY OF EL DORADO**

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2008

**Section 1**

Financial Statements

Summary of Auditor's Results

- |   |              |
|---|--------------|
| 5. Dollar threshold used to distinguish between Type A and Type B programs?       | \$ 1,536,994 |
| 6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530? | Yes          |

**Section 2**

Financial Statement Findings

None Reported

**Section 3**

Federal Award Findings and Questioned Costs

CFDA 93.558	Finding 08-SA-1
CFDA 10.665	Finding 08-SA-2

**COUNTY OF EL DORADO**

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2008

Finding/Program	Findings/Noncompliance
<b>Finding 08-SA-1</b>	<i>Federal Grantor:</i> U.S. Department of Health and Human Services
	<i>Pass-Through Entity:</i> State Department of Social Services
Temporary Assistance for Needy Families (TANF)	<i>Compliance Requirement:</i> Eligibility
CFDA 93.558	<i>Reporting Requirement:</i> Significant Deficiency
	We tested eligibility in twenty-four TANF cases and noted the following exceptions.
Award No. N/A	<u>Criteria and Condition</u>
Year: 2007-2008	<i>Birth Certificate or Alternate proof of age and citizenship:</i> The California Department of Social Services Manual of Policies and Procedures requires that an individual applying for TANF provide a birth certificate or other enumerated, alternate documents to show birth, age, and citizenship. In one case, the file did not contain a birth certificate or other enumerated, alternate document to show birth, age, and citizenship for two assisted members of the family.
	<i>Welfare-to-Work:</i> Each month, the County must file with the State of California a report entitled the WTW Plan Participation Report. This report shows the results of tests during the month on TANF work participation rates. The County is required to maintain adequate verification of work performed and have internal control procedures to ensure accuracy. 45 CFR sections 261.1, et seq. In one case, the number of hours documented in the file did not match the number of hours shown as worked in the WTW Plan Participation Report. Documentation in the file showed that the client worked 40.87 hours. The WTW Plan Participation Report showed the client worked 39 hours.
	<i>IEVS:</i> As required by Section 1137 of the Social Security Act, benefit information from the Income Eligibility and Verification System (IEVS) database must be requested and used when making eligibility determinations. The County must review and compare the information obtained from IEVS against information contained in the case record to determine whether it affects the individual's eligibility, level of assistance, benefits or services. We noted one case file which did not contain an IEVS for any assisted member of the family.
	<u>Questioned Costs</u>
	No costs are questioned. Later acquired information showed that the clients were in fact entitled to benefits. Further the WTW Plan Participation Report exception did not change the results of the test.

COUNTY OF EL DORADO

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2008

Finding/Program	Findings/Noncompliance
<b>Finding 08-SA-1</b> CFDA 93.558 (continued)	<p data-bbox="451 352 602 388"><u>Perspective</u></p> <p data-bbox="451 428 1455 680">As discussed above, we noted that birth certificates were missing for two individuals. We assumed an average number of individuals per case of 3.5. Under this assumption, we tested 84 individuals (24 files tested x 3.5). The error rate for the sample was, therefore, <math>2 / 84 = 2.4\%</math>. We use the same procedures to determine the error rate for missing IEVS. That error rate is computed as follows: <math>4/84 = 4.8\%</math>. The error rate for the WTW Plan Participation Report was <math>1/24 = 4.2\%</math>.</p> <p data-bbox="451 720 699 756"><u>Effect of Condition</u></p> <p data-bbox="451 795 1455 1005">The effect of the IEVS and birth exceptions enumerated above is that clients might receive benefits to which they are not entitled. The effect of the WTW Plan Participation Report exception is that similar errors could cause erroneous reporting of Welfare-to-Work participation rates to the State Department of Social Services and to the U.S. Department of Health and Human Services.</p> <p data-bbox="451 1050 678 1085"><u>Recommendation</u></p> <p data-bbox="451 1125 1455 1304">We recommend that the Department review the facts regarding these exceptions and determine what procedures might be implemented to prevent recurrence of these errors. If further internal controls are warranted, we recommend that the Department establish and enforce such improved internal control system.</p> <p data-bbox="451 1344 699 1379"><u>County's Response</u></p> <p data-bbox="451 1419 1109 1455">We concur with the findings and recommendations.</p> <p data-bbox="451 1495 748 1530"><u>Corrective Action Plan</u></p> <p data-bbox="451 1570 1198 1606"><i>Birth Certificate or Alternate proof of age and citizenship:</i></p> <p data-bbox="451 1646 1455 1883">Procedures have been implemented to set an alert in ISAWS to trigger staff to check for receipt of birth certificate or other acceptable verification. Clients are given 90 days to turn in original birth certificate or other acceptable verification on a client request form (EL502). An alert is set in ISAWS. If the birth certificate or other acceptable verification is not submitted within 90 days, a sanction will be put in place for the failure to provide the citizenship verification.</p>

**COUNTY OF EL DORADO**

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2008

Finding/Program	Findings/Noncompliance
<b>Finding 08-SA-1</b> CFDA 93.558 (continued)	<p><u>Corrective Action Plan</u> (continued)</p> <p>The client request form (EL502) will be filed on the inside of the case on top of the right side of the case and a notation will be made on the case flag sheet that the citizenship is still needed.</p> <p>The department has obtained birth certificates for both assisted members noted in the exception report.</p> <p>Training for CalWORKs staff will be completed by the end of March 2009.</p> <p><i>Welfare-to-Work:</i></p> <p>We have discussed with the Welfare to Work (WTW) staff that review E2Lite (mandated state report) sample cases, the importance of reviewing the actual case file to insure the accuracy of the hours entered. At this level of review, discrepancies will be identified.</p> <p>Effective March 1, 2009, when additional hours are entered in the WTW system after the E2Lite review is completed, the DHS will institute the following process:</p> <p>1) To insure that the hours reported on the E2Lite review and the WTW are congruent, WTW staff will be instructed to inform their supervisor when additional hours are added in the WTW system after E2Lites are reviewed and reported to the state, 2) The supervisor will look through the E2Lite sample to see if the case was pulled for review, 3) If it was, then the DHS will request that the state return the case for correction (the state has an established process for the counties whereby cases can be returned).</p> <p>To correct the case identified above DHS staff have requested that the state return the case so that hours may be corrected in the E2Lite system.</p> <p><i>IEVS:</i></p> <p>Procedures have been implemented which call for creation of an IEVS flag by Eligibility clerical staff upon receipt of a new application or an application to add an additional person to an existing case. The flag is a reminder to Eligibility workers to order the IEVS report and set an internal computer alert for the estimated date by which he/she expects to receive said report in order to meet the 45 day compliance deadline. The flag remains in place until the Eligibility worker clears and signs the IEVS report. Eligibility supervisors are</p>

**COUNTY OF EL DORADO**

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2008

Finding/Program	Findings/Noncompliance
<b>Finding 08-SA-1</b> CFDA 93.558 (continued)	<p><u>Corrective Action Plan</u> (continued)</p> <p>to check cases during their authorization reviews to ensure that the IEVS component was processed in compliance with regulations.</p> <p>In August of 2006 all Eligibility staff and supervisors received additional training on IEVS processes and compliance so as to increase their awareness of the importance of properly obtaining, clearing and documenting IEVS reports. Refresher training for staff will be completed by the end of March 2009.</p> <p>The contact person for this finding is Debbie Stack. Her telephone number is 530-642-7325.</p>
<b>Finding 08-SA-2</b>  Schools and Roads – Grants to States CFDA 10.665	<p><i>Federal Grantor: U.S. Department of Agriculture</i> <i>Pass-Through Entity: State Controller's Office</i> <i>Compliance Requirement: Procurement , Suspension and Debarment</i> <i>Reporting Requirement: Significant Deficiency and Material Non-Compliance in Relation to a Compliance Requirement</i></p>
Award No. N/A Year: 2007-2008	<p><u>Criteria</u></p> <p>When engaging in any federally-funded transaction which equals or exceeds \$25,000 with a vendor or a transaction in any amount with a subrecipient, the non-federal entity is obligated to determine if the other party is suspended or debarred. As well, the debarment rules provide that this requirement must be imposed on, and relevant information must be provided to, all subrecipients of federal funds. OMB A-133 Compliance Supplement, Part 3, §I - Procurement, Suspension and Debarment. Also see Federal Register 68FR66583–66632.</p> <p><u>Condition</u></p> <p>During our audit of the Title III “special projects on Federal lands” portion of this grant, we tested several transactions where a vendor or service provider was paid in excess of \$25,000 during the fiscal year or a subrecipient was paid any amount. We learned that suspension and debarment was not checked for any transaction tested. On inquiry, we learned that debarment was formerly checked but these procedures had been overlooked recently.</p>

**COUNTY OF EL DORADO**

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2008

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
<b>Finding 08-SA-2</b> CFDA 10.665 (continued)	<p><u>Questioned Costs</u></p> <p>No costs are questioned because upon checking the epls.gov website, we learned that none of the vendors in the test sample had been suspended or debarred.</p> <p><u>Perspective</u></p> <p>The larger portion of the Schools and Roads – Grants to States program, handled by Department of Transportation, does check debarment. The Title III “special projects on Federal lands” portion of the grant represents 27% of total expenditures.</p> <p><u>Effect of the Condition</u></p> <p>The federal government can reject a claim for federal funds reimbursement when the transaction is with a suspended or debarred individual or entity.</p> <p><u>Recommendation</u></p> <p>We recommend that the Department implement procedures to ensure that suspension and debarment are checked for any federally-funded transaction, which equals or exceeds \$25,000 or for any amount with a subrecipient. A list of suspended and debarred parties is available online from the Excluded Parties List System at &lt;<a href="http://www.epls.gov">http://www.epls.gov</a>&gt;.</p> <p><u>County’s Response</u></p> <p>The County concurs with the finding and recommendation.</p> <p><u>Corrective Action Plan</u></p> <p>El Dorado County Board of Supervisors Policy C-17-Procurement, states,</p> <p style="padding-left: 40px;">“Any department requesting a contract for services or a purchase order is responsible for identifying and communicating any unique federal, state or other requirements regarding debarment and suspension that apply to the procurement transaction. The Purchasing Agent shall confirm that the contractor meets such requirements prior to executing any contract for services or purchase order.”</p>

**COUNTY OF EL DORADO**

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2008

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
<b>Finding 08-SA-2</b> CFDA 10.665 (continued)	<u>Corrective Action Plan</u> (continued)  The Chief Administrative Office will ensure that the staff now responsible for administering this program are aware of the above policy and communicates the nature of the Title III funding to the Procurement and Contracts division. The Purchasing Agent can then verify that no vendors requesting contracts have been debarred. A copy of this finding and the above corrective action will be given to staff responsible for the program on February 20, 2009, along with written direction to comply.  The contact person for this finding is Sue Hennike. Her telephone number is (530) 621-5577.

**COUNTY OF EL DORADO**

Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2008

Audit Reference Number	Status of Prior Year Audit Findings
N/A	None reported.



**COUNTY OF EL DORADO**

**OFFICE OF EMERGENCY SERVICES**

**And**

**DEPARTMENT OF CORRECTIONS AND REHABILITATION**

**GRANT AUDIT REPORT**

**FOR THE YEAR ENDED JUNE 30, 2008**



BARTIG, BASLER & RAY, LLP

A GALLINA LLP COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON  
STATEMENT OF APPROVED BUDGET AND CUMULATIVE EXPENDITURES OF  
THE OFFICE OF EMERGENCY SERVICES AND DEPARTMENT OF  
CORRECTIONS AND REHABILITATION PROGRAMS**

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

We have audited the financial statements of the government activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of El Dorado, California, as of and for the period ended June 30, 2008, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 25, 2009. Our report was modified to include a reference to other auditors. We have also audited the accompanying Statement of Approved Budget and Cumulative Expenditures and the Statement of Costs Claimed and Accepted of the Office of Emergency Services and Department of Corrections and Rehabilitation Programs (the "Financial Statements") for the period from July 1, 2007 to December 31, 2008. The Financial Statements are the responsibility of the County of El Dorado, California's management. Our responsibility is to express an opinion on those basic financial statements based on our audit.

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

In our opinion, the Financial Statements for the County's Office of Emergency Services and Department of Corrections and Rehabilitation Programs referred to above present fairly, in all material respects, the County's cumulative expenditures and the costs claimed and accepted for the period ended June 30, 2008, in conformity with accounting principles generally accepted in the United States of America.

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

This report is intended solely for the information and use of the California Office of Emergency Services and El Dorado County's management and is not intended to be, and should not be, used by anyone other than these specified parties.

BARTIG, BASLER & RAY, LLP  
A Gallina LLP Company

*Bartig Basler & Ray, LLP*

Roseville, California  
March 26, 2009



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS  
 ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE GRANTS  
 AWARDED BY THE CALIFORNIA OFFICE OF EMERGENCY SERVICES AND  
 DEPARTMENT OF CORRECTIONS AND REHABILITATION PROGRAMS AND  
 ON INTERNAL CONTROL OVER COMPLIANCE**

To the Board of Supervisors and Grand Jury  
 County of El Dorado  
 Placerville, California

Compliance

We have audited the compliance of the County of El Dorado with the types of compliance requirements described in the Office of Emergency Services *Recipient Handbook* and the Department of Corrections and Rehabilitation *Grant Administration and Audit Guide* that are applicable to the following programs of the Office of Emergency Services and Department of Corrections and Rehabilitation Programs (the “Programs”) for the year ended June 30, 2008:

<u>Award Number</u>	<u>Audit Period</u>
DC07180090	07/01/07 to 06/30/08
EA06090090	07/01/07 to 09/30/07
EA07100090	10/01/07 to 06/30/08
VB07050090	07/01/07 to 06/30/08
VW07260090	07/01/07 to 06/30/08
HT07080340	07/01/07 to 06/30/08
CSA 108-07	07/01/07 to 06/30/08

Compliance with the requirements of laws, regulations, contracts, and grants applicable to these Programs is the responsibility of the County of El Dorado’s management. Our responsibility is to express an opinion on the County of El Dorado’s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the Office of Emergency Services *Recipient Handbook*, and the Department of Corrections and Rehabilitation *Grant Administration and Audit Guide* (the “Grant Guides”). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a

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

Compliance (continued)

direct and material effect on the Programs occurred. An audit includes examining, on a test basis, evidence about the County of El Dorado's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County of El Dorado's compliance with those requirements.

In our opinion, the County of El Dorado complied, in all material respects, with the requirements referred to above that are applicable to the Programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with the Grant Guides and which is described in the schedule of findings and question costs as item 08-OES-1.

Internal Control Over Compliance

The management of the County of El Dorado is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to these Programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on the California Office of Emergency Services and the Department of Corrections and Rehabilitation Programs in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance with the California Office of Emergency Services *Recipient Handbook* and the California Department of Corrections and Rehabilitation *Grant Administration and Audit Guide*.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer the program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 08-OES-1 to be a significant deficiency.

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


Internal Control Over Compliance (continued)

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider item 08-OES-1 to be a material weakness.

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the California Office of Emergency Services, the California Department of Corrections and Rehabilitation, the United States Department of Justice and El Dorado County's management and is not intended to be, and should not be, used by anyone other than these specified parties.

BARTIG, BASLER & RAY, LLP  
A GALLINA LLP Company



Roseville, California  
March 26, 2009

**COUNTY OF EL DORADO**  
**CALIFORNIA OFFICE OF EMERGENCY SERVICES**  
**CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION**

Statement of Approved Budget and Cumulative Expenditures  
For the Period July 1, 2007 through June 30, 2008

Grant Name and Number/ Grant Term/Audit Period	Budget	Expenditures Claimed			Variance
		For the Period Through June 30, 2007	For the Period July 1, 2006 through June 30, 2008	Cumulative as of June 30, 2008	
<b>California Office of Emergency Services Grants:</b>					
<u>Anti-Drug Abuse Task Force - DC07 18 0090</u>					
Grant Term: 7/01/07-6/30/08					
Audit Period: 7/01/07-6/30/08					
Personal Services	\$ 60,714	\$ --	\$ 56,201	\$ 56,201	\$ (4,513)
Operating Expenses	90,550	--	90,550	90,550	--
Equipment	--	--	--	--	--
Totals	<u>\$ 151,264</u>	<u>\$ --</u>	<u>\$ 146,751</u>	<u>\$ 146,751</u>	<u>\$ (4,513)</u>
<u>Elder Advocacy - EA06 09 0090</u>					
Grant Term: 10/01/06-9/30/07					
Audit Period: 07/01/07-9/30/07					
Personal Services	\$ 97,570	\$ 76,211	\$ 21,359	\$ 97,570	\$ --
Operating Expenses	14,930	8,053	4,889	12,942	(1,988)
Operating Expenses - PY Adjustment	--	--	2,484	2,484	2,484
Equipment	--	--	--	--	--
Totals	<u>\$ 112,500</u>	<u>\$ 84,264</u>	<u>\$ 28,732</u>	<u>\$ 112,996</u>	<u>\$ 496</u>
<u>Elder Advocacy - EA07 10 0090</u>					
Grant Term: 10/01/07-9/30/08					
Audit Period: 10/01/07-6/30/08					
Personal Services	\$ 100,534	\$ --	\$ 77,750	\$ 77,750	\$ (22,784)
Operating Expenses	11,966	--	5,280	5,280	(6,686)
Equipment	--	--	--	--	--
Totals	<u>\$ 112,500</u>	<u>\$ --</u>	<u>\$ 83,030</u>	<u>\$ 83,030</u>	<u>\$ (29,470)</u>

**COUNTY OF EL DORADO  
CALIFORNIA OFFICE OF EMERGENCY SERVICES  
CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION**

Statement of Approved Budget and Cumulative Expenditures  
For the Period July 1, 2007 through June 30, 2008

Grant Name and Number/ Grant Term/Audit Period	Budget	Expenditures Claimed			Variance
		For the Period Through June 30, 2007	For the Period July 1, 2006 through June 30, 2008	Cumulative as of June 30, 2008	
<b>California Office of Emergency Services Grants (continued):</b>					
<u>Elder Vertical Prosecution - VB07 05 0090</u>					
Grant Term: 7/01/07-6/30/08					
Audit Period: 7/01/07-6/30/08					
Personal Services	\$ 146,981	\$ --	\$ 146,981	\$ 146,981	\$ --
Operating Expenses	--	--	--	--	--
Equipment	--	--	--	--	--
Totals	<u>\$ 146,981</u>	<u>\$ --</u>	<u>\$ 146,981</u>	<u>\$ 146,981</u>	<u>\$ --</u>
<u>Victim Witness Assistance - VW07 26 0090</u>					
Grant Term: 7/01/07-6/30/08					
Audit Period: 7/01/07-6/30/08					
Personal Services	\$ 165,185	\$ --	\$ 157,134	\$ 157,134	\$ (8,051)
Operating Expenses	6,901	--	6,901	6,901	--
Equipment	--	--	--	--	--
Totals	<u>\$ 172,086</u>	<u>\$ --</u>	<u>\$ 164,035</u>	<u>\$ 164,035</u>	<u>\$ (8,051)</u>
<u>Hi-Tech Crimes Task Force - HT07 08 0340</u>					
Passed Through County of Sacramento, Sheriff's Office					
Grant Term: 7/01/07-6/30/08					
Audit Period: 7/01/07-6/30/08					
Personal Services*	\$ 70,000	\$ --	\$ 70,000	\$ 70,000	\$ --
Operating Expenses	--	--	--	--	--
Equipment	--	--	--	--	--
Totals	<u>\$ 70,000</u>	<u>\$ --</u>	<u>\$ 70,000</u>	<u>\$ 70,000</u>	<u>\$ --</u>

\*Reported as operating expenses in HT 07 08 0340 Grant



**COUNTY OF EL DORADO  
CALIFORNIA OFFICE OF EMERGENCY SERVICES  
CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION**

Statement of Approved Budget and Cumulative Expenditures  
For the Period July 1, 2007 through June 30, 2008

Grant Name and Number/ Grant Term/Audit Period	Budget	Expenditures Claimed			Variance
		For the Period Through June 30, 2007	For the Period July 1, 2006 through June 30, 2008	Cumulative as of June 30, 2008	
<b>California Department of Corrections and Rehabilitation Grant:</b>					
<u>Juvenile Accountability Block Grant - CSA 108-07</u>					
Grant Term: 7/01/07-6/30/08					
Audit Period: 7/01/07-6/30/08					
Personal Services	\$ --	\$ --	\$ --	\$ --	\$ --
Operating Expenses	11,573	--	11,573	11,573	--
Equipment	--	--	--	--	--
Totals	<u>\$ 11,573</u>	<u>\$ --</u>	<u>\$ 11,573</u>	<u>\$ 11,573</u>	<u>\$ --</u>

**COUNTY OF EL DORADO  
CALIFORNIA OFFICE OF EMERGENCY SERVICES  
CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION**

Statement of Costs Claimed and Accepted  
For the Year Ended June 30, 2008

Grant Name and Number/ Grant Term/Audit Period	Expenditures Claimed and Accepted			Share of Expenditures Current Year		
	For the Period Through June 30, 2007	For the Year Ended June 30, 2008	Cumulative As of June 30, 2008	Federal Share	State Share	County Share
<b>California Office of Emergency Services Grants:</b>						
<u>Anti-Drug Abuse Task Force - DC07 18 0090</u>						
Grant Term: 7/01/07-6/30/08						
Audit Period: 7/01/07-6/30/08						
Personal Services	\$ --	\$ 56,201	\$ 56,201	\$ 56,201	\$ --	\$ --
Operating Expenses	--	90,550	90,550	90,550	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 146,751</u>	<u>\$ 146,751</u>	<u>\$ 146,751</u>	<u>\$ --</u>	<u>\$ --</u>
<u>Elder Advocacy - EA06 09 0090</u>						
Grant Term: 10/01/06-9/30/07						
Audit Period: 07/01/07-9/30/07						
Personal Services	\$ 76,211	\$ 21,359	\$ 97,570	\$ 14,509	\$ --	\$ 6,850
Operating Expenses	8,053	4,889	12,942	3,252	--	1,637
Operating Expenses - PY Adjustment	--	2,484	2,484	--	--	2,484
Equipment	--	--	--	--	--	--
Totals	<u>\$ 84,264</u>	<u>\$ 28,732</u>	<u>\$ 112,996</u>	<u>\$ 17,761</u>	<u>\$ --</u>	<u>\$ 10,971</u>
<u>Elder Advocacy - EA07 10 0090</u>						
Grant Term: 10/01/07-9/30/08						
Audit Period: 10/01/07-6/30/08						
Personal Services	\$ --	\$ 77,750	\$ 77,750	\$ 67,977	\$ --	\$ 9,773
Operating Expenses	--	5,280	5,280	2,941	--	2,339
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 83,030</u>	<u>\$ 83,030</u>	<u>\$ 70,918</u>	<u>\$ --</u>	<u>\$ 12,112</u>
<u>Elder Vertical Prosecution - VB07 05 0090</u>						
Grant Term: 7/01/07-6/30/08						
Audit Period: 7/01/07-6/30/08						
Personal Services	\$ --	\$ 146,981	\$ 146,981	\$ --	\$ 146,981	\$ --
Operating Expenses	--	--	--	--	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 146,981</u>	<u>\$ 146,981</u>	<u>\$ --</u>	<u>\$ 146,981</u>	<u>\$ --</u>

**COUNTY OF EL DORADO  
CALIFORNIA OFFICE OF EMERGENCY SERVICES  
CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION**

Statement of Costs Claimed and Accepted  
For the Year Ended June 30, 2008

Grant Name and Number/ Grant Term/Audit Period	Expenditures Claimed and Accepted			Share of Expenditures Current Year		
	For the Period Through June 30, 2007	For the Year Ended June 30, 2008	Cumulative As of June 30, 2008	Federal Share	State Share	County Share
<b>California Office of Emergency Services Grants (continued):</b>						
<u>Victim Witness Assistance - VW07 26 0090</u>						
Grant Term: 07/01/07 -06/30/08						
Audit Period:07/01/07-06/30/08						
Personal services	\$ --	\$ 157,134	\$ 157,134	\$ 79,063	\$ 78,071	\$ --
Operating expenses	--	6,901	6,901	--	6,901	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 164,035</u>	<u>\$ 164,035</u>	<u>\$ 79,063</u>	<u>\$ 84,972</u>	<u>\$ --</u>

Hi-Tech Crimes Task Force - HT07 08 0340

Passed through County of Sacramento, Sheriff's Office

Grant Term: 07/01/07 -06/30/08

Audit Period:07/01/07-06/30/08

Personal services *	\$ --	\$ 70,000	\$ 70,000	\$ --	\$ 70,000	\$ --
Operating expenses	--	--	--	--	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 70,000</u>	<u>\$ 70,000</u>	<u>\$ --</u>	<u>\$ 70,000</u>	<u>\$ --</u>

\*Reported as Operating expenses in HT07080340 Grant

**California Department of Corrections and Rehabilitation Grant:**

Juvenile Accountability Block Grant - CSA 108-07

Grant Term: 7/01/07-6/30/08

Audit Period: 7/01/07-6/30/08

Personal Services	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Operating Expenses	--	11,573	11,573	10,416	--	1,157
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 11,573</u>	<u>\$ 11,573</u>	<u>\$ 10,416</u>	<u>\$ --</u>	<u>\$ 1,157</u>

**COUNTY OF EL DORADO**

Office of Emergency Services and Department of Corrections and Rehabilitation  
Notes to Financial Statements  
For the Year Ended June 30, 2008

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

**Basis of Accounting**

The accompanying Financial Statements are prepared in accordance with the modified accrual basis of accounting.

Revenues are recognized when they become both measurable and available and expenditures are recognized when the related liability is incurred.

Note 2: **Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of revenues and expenditures. Actual results could differ from these estimates.

**OFFICE OF EMERGENCY SERVICES  
and  
DEPARTMENT OF CORRECTIONS AND REHABILITATION**

**SCHEDULE OF FINDINGS AND SUMMARY SCHEDULE  
OF PRIOR YEAR AUDIT FINDINGS**

**COUNTY OF EL DORADO**

Office of Emergency Services and Department of Corrections and Rehabilitation  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2008

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
<b>Finding 08-OES-1</b>	<p><i>Reporting Requirement: Material Noncompliance; Material Weakness</i></p> <p><u>Criteria</u></p> <p>Section 2172 of the OES Recipient Handbook requires that functional timesheets be maintained supporting County employees' time charged to OES grants. This section requires that not more than the lesser of the percentage of the employee's time allowed under the grant agreement or the amounts documented in the functional timesheets be billed to the grant.</p> <p><u>Condition</u></p> <p>We noted that for the Elder Vertical Prosecution, Victim Witness Assistance, and Elder Advocacy programs charges for salaries were based on a percentage of the employee's salary, as allowed in the grant agreement, but no functional timesheets were prepared.</p> <p><u>Questioned Costs</u></p> <p>No costs are questioned. The County could document that, when considered in the aggregate, the discrepancies described above show that more personnel time was spent on the grant than was billed.</p> <p><u>Effect of Condition</u></p> <p>If employees do not maintain functional timesheets, the risk is heightened that an employee could devote effort to activities unrelated to the grant and bill this time to the grant.</p> <p><u>Recommendation</u></p> <p>We recommend that the Department develop a policy requiring that employees working on OES grant functions maintain functional timesheets, which are signed by the employee and approved by the employee's supervisor.</p>

**COUNTY OF EL DORADO**

Office of Emergency Services and Department of Corrections and Rehabilitation  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2008

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
<b>Finding 08-OES-1</b> (continued)	<u>Management Response</u>  The El Dorado County District Attorney's office concurs with finding 08-OES-01 and recommendations.  <u>Corrective Action Plan</u>  The Fiscal Administrative Manager will establish a functional time study policy. Beginning April 1, 2009, all employees working within the Elder Vertical Prosecution, Elder Advocacy and Victim Witness Assistance program will maintain a functional time sheet showing the number of hours they work within their respective program. The functional time sheets will be signed by both the employee and department supervisor and turned in on a monthly basis to the Fiscal Administrative Manager as back up to the quarterly billing.  Contact: Jodi Albin, Fiscal Administrative Manager Phone: (530) 621-6421

**COUNTY OF EL DORADO**

Office of Emergency Services and Department of Corrections and Rehabilitation  
Summary Schedule of Prior Year Findings  
For the Year Ended June 30, 2008

<u>Audit Reference Number</u>	<u>Status of Prior Year Audit Findings</u>
N/A	None



**COUNTY OF EL DORADO**  
**COMMUNITY SERVICES AND DEVELOPMENT**  
**PROGRAM SPECIFIC GRANT AUDIT REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2008**



BARTIG, BASLER & RAY, LLP

A GALLINA LLP COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON  
SCHEDULE OF THE DEPARTMENT OF COMMUNITY SERVICES  
AND DEVELOPMENT PROGRAMS.**

To the Board of Supervisors and Grand Jury  
County of El Dorado  
Placerville, California

We have audited the accompanying Statements of Revenues and Expenditures of the Community Services and Development Programs (the "Financial Statement") for the grants awarded by the State of California, Health and Human Services Agency (HHS) as noted below:

<u>Award Number</u>	<u>Audit Period</u>
06F-4710 (CSBG 2007)	07/01/07 to 12/31/07
08F-4910 (CSBG 2008)	01/01/08 to 06/30/08
06B-5358 (ECIP/A16/EAP)	07/01/07 to 06/30/08
06B-5358 (WX)	07/01/07 to 06/30/08
07B-5408 (WX)	07/01/07 to 04/30/08
07B-5408 (ECIP)	07/01/07 to 04/30/08
08B-5458 (WX)	01/01/08 to 06/30/08
08B-5458 (ECIP/A16/EAP)	01/01/08 to 06/30/08
07C-1608 (DOE)	07/01/07 to 06/30/08

These Financial Statements are the responsibility of the County's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We 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 and the California Department of Community Services and Development *2008 Supplemental Audit Guide*. 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 controls 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 Department's internal control over financial reporting. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

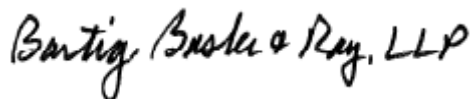
To the Board of Supervisors of  
the County of El Dorado  
Placerville, California

As discussed in Note 1, the Financial Statements present only the activity of the County of El Dorado Community Services and Development Programs and do not purport to, and do not, present fairly the changes in financial position of the County of El Dorado in conformity with accounting principles generally accepted in the United States of America.

The Financial Statements referred to above present fairly, in all material respects, the financial operations of the County of the El Dorado Community Services and Development Programs as of and for the year ended June 30, 2008, in accordance with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the California Department of Community Services and Development and El Dorado County's management. It is not intended to be, and should not be, used by anyone other than these specified parties.

BARTIG, BASLER & RAY, LLP  
A Gallina LLP Company

A handwritten signature in black ink that reads "Bartig Basler & Ray, LLP". The signature is written in a cursive, flowing style.

Roseville, California  
March 26, 2009



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS  
ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE GRANTS  
AWARDED BY THE CALIFORNIA DEPARTMENT OF COMMUNITY  
SERVICES AND DEVELOPMENT PROGRAMS AND  
ON INTERNAL CONTROL OVER COMPLIANCE**

To the Board of Supervisors and Grand Jury  
County of El Dorado  
Placerville, California

Compliance

We have audited the compliance of the County of El Dorado with the types of compliance requirements described in the Department of Community Services and Development *2008 Supplemental Audit Guide* that are applicable to programs listed in the accompanying Schedules of the Department of Community Services and Development Programs (the “Programs”) and the grant agreements for the year ended June 30, 2008. Compliance with the requirements of laws, regulations, contracts, and grants applicable to these Programs is the responsibility of the County of El Dorado’s management. Our responsibility is to express an opinion on the County of El Dorado’s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the California Department of Community Services and Development *2008 Supplemental Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the Programs occurred. An audit includes examining, on a test basis, evidence about County of El Dorado’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County of El Dorado’s compliance with those requirements.

In our opinion, the County of El Dorado complied, in all material respects, with the requirements referred to above that are applicable to the Programs for the year ended June 30, 2008.

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

### Internal Control Over Compliance

The management of the County of El Dorado is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to these Programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on the California Department of Community Services and Development Programs in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance with the California Department of Community Services and Development *2008 Supplemental Audit Guide*.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer the program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as item 08-CSD-01 to be a significant deficiency.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a program will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings to be a significant deficiency. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings, we consider item 08-CSD-1 to be a material weakness.

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

This report is intended solely for the information and use of the California Department of Community Services and Development and El Dorado County's management. It is not intended to be, and should not be, used by anyone other than these specified parties.

BARTIG, BASLER & RAY, LLP  
A Gallina LLP Company

*Bartig Basler & Ray, LLP*

Roseville, California  
March 26, 2009

**COUNTY OF EL DORADO**

Statement of Revenue and Expenditures  
 CSD Contract No. 06F-4710 -2007 (CSBG - \$173,556)  
 For The Period January 1, 2007 through December 31, 2007

	Total Costs			Total Reported Costs		
	January 1, 2007 through June 30, 2007	July 1, 2007 through December 31, 2007	Total	January 1, 2007 through June 30, 2007	July 1, 2007 through 31, 2007	Total
	<b>Revenue</b>					
Grant revenue	\$ 87,930	\$ 85,626	\$ 173,556	\$ 87,930	\$ 85,626	\$ 173,556
Total Revenue	<u>\$ 87,930</u>	<u>\$ 85,626</u>	<u>\$ 173,556</u>	<u>\$ 87,930</u>	<u>\$ 85,626</u>	<u>\$ 173,556</u>
<b>Expenditures</b>						
Administrative Costs:						
Salaries and wages	\$ 59,971	\$ 50,919	\$ 110,890	\$ 59,971	\$ 50,919	\$ 110,890
Fringe benefits	18,827	20,463	39,290	18,827	20,463	39,290
Operating Expenses & Equipment	9,132	14,244	23,376	9,161	14,215	23,376
Subtotal Administrative Costs	<u>87,930</u>	<u>85,626</u>	<u>173,556</u>	<u>87,959</u>	<u>85,597</u>	<u>173,556</u>
Program Costs:						
Subtotal Program Costs	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Expenditures (See Note 1)	<u>\$ 87,930</u>	<u>\$ 85,626</u>	<u>\$ 173,556</u>	<u>\$ 87,959</u>	<u>\$ 85,597</u>	<u>\$ 173,556</u>

**COUNTY OF EL DORADO**

Statement of Revenue and Expenditures  
 CSD Contract No. 08F-4910 -2008 (CSBG - \$173,556)  
 For The Interim Period January 1, 2008 through June 30, 2008

	Total Costs			Total Reported Costs
	January 1, 2008 through June 30, 2008	July 1, 2008 through December 31, 2008	Total	Total
<u>Revenue</u>				
Grant revenue	\$ 107,892	\$ --	\$ 107,892	\$ 107,892
Other Revenue	96	--	96	96
Total Revenue	<u>\$ 107,988</u>	<u>\$ --</u>	<u>\$ 107,988</u>	<u>\$ 107,988</u>
<u>Expenditures</u>				
Administrative Costs:				
Salaries and wages	\$ 62,918	\$ --	\$ 62,918	\$ 62,918
Fringe benefits	27,026	--	27,026	27,026
Operating Expenses & Equipment	18,074	--	18,074	18,074
Subtotal Administrative Costs	<u>108,018</u>	<u>--</u>	<u>108,018</u>	<u>108,018</u>
Program Costs:				
Subtotal Program Costs	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Expenditures	<u>\$ 108,018</u>	<u>\$ --</u>	<u>\$ 108,018</u>	<u>\$ 108,018</u>



**COUNTY OF EL DORADO**

Statement of Revenue and Expenditures  
 CSD Contract No.06B-5358 (WX) (LIHEAP - \$377,851)  
 For The Interim Period January 1, 2006 through June 30, 2008

	Total Costs				Total Reported Costs			
	January 1, 2006 through June 30, 2007	July 1, 2007 through June 30, 2008	July 1, 2008 through 31, 2008	Total	January 1, 2006 through June 30, 2007	July 1, 2007 through June 30, 2008	July 1, 2008 through 31, 2008	Total
<b>Revenue</b>								
Grant revenue	\$ 377,851	\$ --	\$ --	\$377,851	\$ 377,851	\$ --	\$ --	\$377,851
Interest**	15,059	4,925	--	19,984	15,059	4,925	--	19,984
<b>Total Revenue</b>	<b>\$ 392,910</b>	<b>\$ 4,925</b>	<b>\$ --</b>	<b>\$397,835</b>	<b>\$ 392,910</b>	<b>\$ 4,925</b>	<b>\$ --</b>	<b>\$397,835</b>
<b>Expenditures</b>								
Administration Costs	\$ 14,138	\$ --	\$ --	\$ 14,138	\$ 14,138	\$ --	\$ --	\$ 14,138
Other Program Costs:								
Liability Insurance	447			447	447			447
Training	2,419			2,419	2,419			2,419
<b>Total</b>	<b>2,866</b>	<b>--</b>	<b>--</b>	<b>2,866</b>	<b>2,866</b>	<b>--</b>	<b>--</b>	<b>2,866</b>
Program Costs:								
Intake	5,653			5,653	5,653			5,653
Direct Program Activities	227,887			227,887	337,969 *			337,969
Outreach	10,289			10,289	10,289			10,289
Worker's Compensation	6,936			6,936	6,936			6,936
<b>Total</b>	<b>250,765</b>	<b>--</b>	<b>--</b>	<b>250,765</b>	<b>360,847</b>	<b>--</b>	<b>--</b>	<b>360,847</b>
<b>Total Expenditures</b> (See Note 1)	<b>\$ 267,769</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$267,769</b>	<b>\$ 377,851</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$377,851</b>

\* Reported Direct Program Activities of \$346,701 was reduced by \$8,732 (exceeded contract budget).

\*\* Interest was reported to CSD on 07B Close out.

**COUNTY OF EL DORADO**

Statement of Revenue and Expenditures  
 CSD Contract No. 06B-5358 (ECIP/A16/HEAP - \$640,902)  
 For The Interim Period January 1, 2006 through June 30, 2008

	Total Costs				Total Reported Costs			
	January 1, 2006 through June 30, 2007	July 1, 2007 through June 30, 2008	July 1, 2008 through December 31, 2008	Total	January 1, 2006 through June 30, 2007	July 1, 2007 through June 30, 2008	July 1, 2008 through December 31, 2008	Total
	<b>Revenue</b>							
Grant revenue	\$ 571,497	\$ 69,405	\$ --	\$ 640,902	\$ 571,497	\$ 69,405	\$ --	\$ 640,902
Total Revenue	<u>\$ 571,497</u>	<u>\$ 69,405</u>	<u>\$ --</u>	<u>\$ 640,902</u>	<u>\$ 571,497</u>	<u>\$ 69,405</u>	<u>\$ --</u>	<u>\$ 640,902</u>
<b>Expenditures</b>								
Assurance 16 Activities	\$ 54,844	\$ (1,365)	\$ --	\$ 53,479	\$ 54,844	\$ (1,365)	\$ --	\$ 53,479
Intake	19,977	--	--	19,977	19,977	--	--	19,977
Administrative Costs:								
Administrative Costs	33,724	--	--	33,724	33,724	--	--	33,724
Energy Automation Set aside	--	--	--	--	--	--	--	--
Total	<u>33,724</u>	<u>--</u>	<u>--</u>	<u>33,724</u>	<u>33,724</u>	<u>--</u>	<u>--</u>	<u>33,724</u>
ECIP Program Costs:								
Heating Service								
Repair/Replacement	9,267	(487)	--	8,780 a	9,267	--	--	9,267
Outreach	25,456	--	--	25,456	25,456	--	--	25,456
Wood/propane/oil payments	437,806	37,219	--	475,025 b	437,806	35,432	--	473,238
Liability Insurance	518	181	--	699	518	181	--	699
Worker's Compensation	1,109	--	--	1,109	1,109	--	--	1,109
Total	<u>474,156</u>	<u>36,913</u>	<u>--</u>	<u>511,069</u>	<u>474,156</u>	<u>35,613</u>	<u>--</u>	<u>509,769 c</u>
HEAP:								
Outreach	19,500	3,983	--	23,483	19,500	3,983	--	23,483
Total	<u>19,500</u>	<u>3,983</u>	<u>--</u>	<u>23,483</u>	<u>19,500</u>	<u>3,983</u>	<u>--</u>	<u>23,483</u>
ECF Energy Education Workshop	470	--	--	470	470	--	--	470
Total Expenditures (See Note 1)	<u>\$ 602,671</u>	<u>\$ 39,531</u>	<u>\$ --</u>	<u>\$ 642,202</u>	<u>\$ 602,671</u>	<u>\$ 38,231</u>	<u>\$ --</u>	<u>\$ 640,902</u>
Excess revenue used				<u>\$ 1,300 d</u>				

a) Heating Service Repair/Replacement was over reported by \$487, will be adjusted.  
 b) Wood/propane/oil payment of \$3,640 outstanding vouchers are not included.  
 c) Reported ECIP Program cost of \$511,069 was reduced by \$1,300 (exceeded contract budget).  
 d) To be reported at the time of Close Out.

**COUNTY OF EL DORADO**

Statement of Revenue and Expenditures  
 CSD Contract No.07B-5408 (WX) (LIHEAP - \$231,512)  
 For The Period January 1, 2007 through April 30, 2008

	Total Costs			Total Reported Costs		
	January 1, 2007 through June 30, 2007	July 1, 2007 through April 30,2008	Total	January 1, 2007 through June 30, 2007	July 1, 2007 through April 30,2008	Total
<b><u>Revenue</u></b>						
Grant revenue	\$ 131,271	\$ 100,241	\$ 231,512	\$ 210,250	\$ 21,262	\$ 231,512
Total Revenue	<u>\$ 131,271</u>	<u>\$ 100,241</u>	<u>\$ 231,512</u>	<u>\$ 210,250</u>	<u>\$ 21,262</u>	<u>\$ 231,512</u>
<b><u>Expenditures</u></b>						
Administration Costs	<u>\$ 11,685</u>	<u>\$ 6,698</u>	<u>\$ 18,383</u>	<u>\$ 11,685</u>	<u>\$ 6,698</u>	<u>\$ 18,383</u>
Other Program Costs:						
Liability Insurance	323	674	997	323	674	997
Training	<u>--</u>	<u>11</u>	<u>11</u>	<u>--</u>	<u>11</u>	<u>11</u>
Total	<u>323</u>	<u>685</u>	<u>1,008</u>	<u>323</u>	<u>685</u>	<u>1,008</u>
Program Costs:						
Intake	3,178	2,616	5,794	3,178	2,616	5,794
Direct Program Activities	142,726	101,098	243,824	184,008	98,337	282,345
Outreach	8,936	3,305	12,241	8,936	3,305	12,241
Worker's Compensation	<u>2,120</u>	<u>921</u>	<u>3,041</u>	<u>2,120</u>	<u>921</u>	<u>3,041</u>
Total	<u>156,960</u>	<u>107,940</u>	<u>264,900</u>	<u>198,242</u>	<u>105,179</u>	<u>303,421</u>
Total Expenditures (See Note 1)	<u>\$ 168,968</u>	<u>\$ 115,323</u>	<u>\$ 284,291</u>	<u>\$ 210,250</u>	<u>\$ 112,562</u>	<u>\$ 322,812</u>
Excess revenue used			<u>\$ 52,779</u>			<u>\$ 52,779</u>

**COUNTY OF EL DORADO**

Statement of Revenue and Expenditures  
 CSD Contract No. 07B-5408 (ECIP/A16/HEAP - \$361,396)  
 For The Period January 1, 2007 through April 30, 2008

	Total Costs			Total Reported Costs		
	January 1, 2007 through June 30, 2007	July 1, 2007 through April 30, 2008	Total	January 1, 2007 through June 30, 2007	July 1, 2007 through April 30, 2008	Total
<u>Revenue</u>						
Grant revenue	\$ 180,669	\$ 176,734	\$ 357,403	\$ 180,669	\$ 176,734	\$ 357,403
Total Revenue	<u>\$ 180,669</u>	<u>\$ 176,734</u>	<u>\$ 357,403</u>	<u>\$ 180,669</u>	<u>\$ 176,734</u>	<u>\$ 357,403</u>
<u>Expenditures</u>						
Assurance 16 Activities	\$ --	\$ 31,968	\$ 31,968	\$ --	\$ 31,968	\$ 31,968
Intake	--	11,100	11,100	--	11,100	11,100
Administrative Costs:						
Administrative Costs	953	17,195	18,148	953	17,195	18,148
Total	<u>953</u>	<u>17,195</u>	<u>18,148</u>	<u>953</u>	<u>17,195</u>	<u>18,148</u>
ECIP Program Costs:						
Cooling Service Repair/ Replacement	--	1,198	1,198	--	1,198	1,198
Heating Service Repair/ Replacement	163	2,303	2,466	163	2,303	2,466
Outreach	--	6,208	6,208	--	6,208	6,208
Wood/propane/oil payments	179,471	196,606	376,077	179,471	90,745	270,216 **
Liability Insurance	82	2,519	2,601	82	2,519	2,601
Worker's Compensation	--	805	805	--	805	805
Total	<u>179,716</u>	<u>209,640</u>	<u>389,355</u> *	<u>179,716</u>	<u>103,779</u>	<u>283,494</u> *
HEAP:						
Outreach	--	12,692	12,692	--	12,692	12,692
Total	<u>--</u>	<u>12,692</u>	<u>12,692</u>	<u>--</u>	<u>12,692</u>	<u>12,692</u>
Total Expenditures (See Note 1)	<u>\$ 180,669</u>	<u>\$ 282,595</u>	<u>\$ 463,264</u>	<u>\$ 180,669</u>	<u>\$ 176,734</u>	<u>\$ 357,403</u>
Excess revenue used			<u>\$ 105,861</u>			<u>\$ 105,861</u>

\*Sub total may be different due to rounding .

\*\* Reported ECIP Program cost WPO of \$375,763 was reduced by \$105,861 (exceeded contract budget).

**COUNTY OF EL DORADO**

Statement of Revenue and Expenditures  
 CSD Contract No.08B-5408 (WX) (LIHEAP - \$236,615)  
 For The Interim Period January 1, 2008 through June 30, 2008

	<u>Total Costs</u>			<u>Total Reported Costs</u>	
	January 1, 2008 through June 30, 2008	July 1, 2008 through December 31, 2008	Total	January 1, 2008 through June 30, 2008	Total
	<u>Revenue</u>				
Grant revenue	\$ 147,810	\$ --	\$ 147,810	\$ 147,810	\$ 147,810
Interest	6,802	--	6,802	--	--
Total Revenue	<u>\$ 154,612</u>	<u>\$ --</u>	<u>\$ 154,612</u>	<u>\$ 147,810</u>	<u>\$ 147,810</u>
<u>Expenditures</u>					
Administration Costs	<u>\$ 12,144</u>	<u>\$ --</u>	<u>\$ 12,144</u>	<u>\$ 12,144</u>	<u>\$ 12,144</u>
Weatherization Program Costs:					
Intake	4,570	--	4,570	4,570	4,570
Outreach	8,713	--	8,713	8,713	8,713
Direct Program Activities	115,548	--	115,548	118,358	118,358
Liability Insurance	1,520	--	1,520	1,520	1,520
Worker's Compensation	2,505	--	2,505	2,505	2,505
Total	<u>132,856</u>	<u>--</u>	<u>132,856</u>	<u>135,666</u>	<u>135,666</u>
Total Expenditures (See Note 1)	<u>\$ 145,000</u>	<u>\$ --</u>	<u>\$ 145,000</u>	<u>\$ 147,810</u>	<u>\$ 147,810</u>

**COUNTY OF EL DORADO**

Statement of Revenue and Expenditures  
 CSD Contract No. 08B-5458 (ECIP/A16/HEAP - \$386,736)  
 For The Interim Period January 1, 2008 through June 30, 2008

	Total Costs			Total Reported Costs
	January 1, 2008 through June 30, 2008	July 1, 2008 through December 31, 2008	Total	Total
<u>Revenue</u>				
Grant revenue	\$ 228,302	\$ --	\$ 228,302	\$ 228,302
Total Revenue	<u>\$ 228,302</u>	<u>\$ --</u>	<u>\$ 228,302</u>	<u>\$ 228,302</u>
<u>Expenditures</u>				
Assurance 16 Costs	\$ 18,551	\$ --	\$ 18,551	\$ 18,551
Administrative Costs EHA 16	9,770	--	9,770	9,220
Intake Costs ECIP and HEAP	9,786	--	9,786	9,786
Outreach Costs ECIP and HEAP	4,019	--	4,019	4,019
ECIP HEAP Costs:				
Cooling Service Repair/Replacement	1,077	--	1,077	1,077
Heating Service Repair/Replacement	183	--	183	145
ECIP Wood/propane/oil payments	184,773	--	184,773	182,266
Liability Insurance	2,338	--	2,338	2,338
Worker's Compensation	900	--	900	900
Total	<u>189,271</u>	<u>--</u>	<u>189,271</u>	<u>186,726</u>
Total Expenditures	<u>\$ 231,397</u>	<u>\$ --</u>	<u>\$ 231,397</u>	<u>\$ 228,302</u>

**COUNTY OF EL DORADO**

Statement of Revenue and Expenditures  
 CSD Contract No. 07C-1608 (DOE - WX - \$51,802)  
 For the Period July 1, 2007 through April 30, 2008

	<u>Total Costs</u>	<u>Total Reported Costs</u>
<u>Revenue</u>		
Grant revenue	\$ 50,459	\$ 51,802
Total Revenue	<u>\$ 50,459</u>	<u>\$ 51,802</u>
<u>Expenditures</u>		
Administration:		
Administration Costs	\$ 2,590	\$ 2,590
Total Administration Costs	<u>2,590</u>	<u>2,590</u>
Program Costs:		
Client Education	997	997
Direct Program Activities	40,004	41,347
Health and Safety	4,852	4,852
Intake	997	997
Liability Insurance	21	21
Outreach	998	998
Total Program Costs	<u>47,869</u>	<u>49,212</u>
Total Expenditures (See Note 1)	<u>\$ 50,459</u>	<u>\$ 51,802</u>

## COUNTY OF EL DORADO

### Notes to Statement of Revenue and Expenditures For The Period January 1, 2007 through June 30, 2008

**Note 1: Reconciliation of Reported Expenses to Total Costs**

The following reconciliations identify differences between "Total Costs" and "Total Reported Costs" columns for the CSD programs with variances.

Weatherization (WX) direct program activities are shown at actual costs for the program in the first three columns. "Total Reported Expenses" column is based on a combination of reimbursement of actual costs and reported measures. If costs are less than earned grant measures, the result will be "excess revenue".

Contract/Description	<u>Total Costs</u>	<u>Adjustment</u>	<u>Total Reported Costs</u>
<b>06F-4710 (CSBG 2007)</b>			
Jan 1, 2007-June 30, 2007	\$ 87,930	\$ 29 a	\$ 87,959
July 1, 2007-December 31, 2007 (FY0708)	85,626	(29) a	85,597
Total Costs	<u>\$ 173,556</u>	<u>\$ --</u>	<u>\$ 173,556</u>
<b>06B-5358 (ECIP/A16/EAP)</b>			
Jan 1, 2006-June 30, 2007	\$ 602,671	\$ --	\$ 602,671
Jan 1, 2007-June 30, 2008	39,531	(1,300) b	38,231
Total Costs	<u>\$ 642,202</u>	<u>\$ (1,300)</u>	<u>\$ 640,902</u>
<b>06B-5358 (WX)</b>			
Jan 1, 2006-June 30, 2006 (FY 0506)	\$ 95,154	\$ 57,701 c	\$ 152,855
July 1, 2006-June 30, 2007 (FY 0607)	172,615	52,381 c	224,996
July 1, 2007-June 30, 2008 (FY0708)	--	--	--
Total Costs	<u>\$ 267,769</u>	<u>\$ 110,082</u>	<u>\$ 377,851</u>
<b>07B-5408 (WX)</b>			
Jan 1, 2007-June 30, 2007 (FY 0607)	\$ 168,968	\$ 41,282 c	\$ 210,250
July 1, 2007-April 30, 2008 (FY0708)	115,323	(94,061) d	21,262
Total Costs	<u>\$ 284,291</u>	<u>\$ (52,779)</u>	<u>\$ 231,512</u>
<b>07B-5408 (ECIP)</b>			
Jan 1, 2007-June 30, 2007 (FY 0607)	\$ 180,669	\$ --	\$ 180,669
July 1, 2007-April 30, 2008 (FY0708)	282,595	(105,861) b	176,420
Total Costs	<u>\$ 463,264</u>	<u>\$ (105,861)</u>	<u>\$ 357,089</u>



**COUNTY OF EL DORADO**

Notes to Statement of Revenue and Expenditures  
For The Period January 1, 2007 through June 30, 2008

Note 1: **Reconciliation of Reported Expenses to Total Costs** (continued)

Contract/Description	<u>Total Costs</u>	<u>Adjustment</u>	<u>Total Reported Costs</u>
<b>08B-5458 (WX)</b>			
Jan 1, 2008-June 30, 2008 (FY0708)	\$ 145,000	\$ 2,810 c	\$ 147,810
Total Costs	<u>\$ 145,000</u>	<u>\$ 2,810</u>	<u>\$ 147,810</u>
<b>08B-5458 (ECIP/A16/EAP)</b>			
Jan 1, 2008-June 30, 2008 (FY0708)	\$ 231,397	\$ (3,095) a	\$ 228,302
Total Costs	<u>\$ 231,397</u>	<u>\$ (3,095)</u>	<u>\$ 228,302</u>
<b>07C-1608 (DOE)</b>			
July 1, 2007-April 30, 2008	\$ 50,459	\$ 1,343 e	\$ 51,802
	<u>\$ 50,459</u>	<u>\$ 1,343</u>	<u>\$ 51,802</u>

- a) Unclaimed Costs: adjusted in subsequent claim.
- b) WPO issued exceed contract amount. Excess revenue used.
- c) Excess Revenue will be reported at the time of close out.
- d) Actual costs exceed Grant Contract.
- e) Unspent revenue will be returned to CSD.

Note 2: **Excess Revenue and Interest Income from Weatherization**

Excess revenue is defined as the difference between "Total Actual LIHEAP Revenue" less "Total Actual LIHEAP Costs." If "Total Actual LIHEAP Revenues" are less than "Total Actual LIHEAP Costs", there is no excess revenue. Since revenue is the difference between the reimbursement for the installation of measures and the contractor's actual cost of weatherization measures during the contract term, excess revenues for open contracts, while identified, are not added to the excess revenue balance until the end of the contract.

Interest income is defined as the interest earned by a contractor directly generated or earned as a result of unexpended LIHEAP grant funds at the end of a contract term period. The interest earned by a contractor is income generated as a result of depositing federal funds in an interest bearing account. Excess revenue and interest income from Weatherization (WX) program is reported as follows:

**COUNTY OF EL DORADO**

Notes to Statement of Revenue and Expenditures  
For The Period January 1, 2007 through June 30, 2008

Note 2: **Excess Revenue and Interest Income from Weatherization** (continued)

	Weatherization	
Beginning Balance	\$ 215,969	
Excess Revenue	--	
Interest	19,984	
Available Funds	235,953	
 Program Expenditures		
Client Assistance Payment	105,861	a
Actual Labor Costs	52,779	
Other Program Costs	--	b
Total Program Expenditures	158,640	
 Ending Balance	\$ 77,313	

a) Reported \$314 less at 07B close out.

b) Reported \$3,544 at 07B close out.

	Cumulative Through 6/30/07	For the Period Ended 6/30/08	Cumulative through 6/30/08
Open contracts			
Excess Revenues			
06B-5358 (WX)	\$ 110,082	\$ --	\$ 110,082
08B-5458 (WX)	--	2,810	2,810
 Interest			
1/1/08-6/30/08		6,802	6,802
 Expenditures			
ECIP-Wood Propane Oil 06B		1,300	1,300
	\$ 110,082	\$ 8,312	\$ 120,994

c) Will be reported on next close out due.

**DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT**  
**SCHEDULE OF FINDINGS AND SUMMARY SCHEDULE**  
**OF PRIOR YEAR AUDIT FINDINGS**

**COUNTY OF EL DORADO**

Department of Community Services and Development  
Schedule of Findings  
For the Year Ended June 30, 2008

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
<b>Finding 08-CSD-1</b>	<p><i>Reporting Requirement: Material Noncompliance; Material Weakness</i></p> <p><u>Criteria</u></p> <p>When billings for reimbursement are based upon actual labor hours spent, the department preparing the billings for reimbursement should reconcile those hours to source documentation kept by the weatherization crew.</p> <p><u>Condition</u></p> <p>The department preparing billings for reimbursement does not receive documentation of hours spent by the weatherization crew.</p> <p><u>Perspective</u></p> <p>The weatherization crew provides dollar amounts charged for hours worked but does not report actual hours spent on specific items. Actual hours must be derived from the charges provided by the weatherization crew.</p> <p><u>Effect of Condition</u></p> <p>Labor charges provided by the weatherization crew could be misstated because the department preparing grantor billings does not reconcile charges provided to time records supporting those charges.</p> <p><u>Recommendation</u></p> <p>We recommend the Program reconcile charges based on labor to actual labor hours spent.</p> <p><u>Management Response</u></p> <p>We concur with the findings and recommendation</p>

**COUNTY OF EL DORADO**

Department of Community Services and Development  
Schedule of Findings  
For the Year Ended June 30, 2008

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
<b>Finding 08-CSD-1</b> (continued)	<p><u>Corrective Action Plan</u></p> <p>In order to track actual labor hours for each weatherization measure performed, the Weatherization crew members will complete a Weatherization Time Sheet for every client. Each Time Sheet will include the date(s) work was done, with labor time recorded for each staff person completing the work for each activity or measure performed. A comments section will allow for documentation of circumstances requiring time spent beyond that usual for a specific measure or activity. Senior Energy/Weatherization Technician Wilbur Mott will review completed time sheets on a weekly basis to confirm accuracy. These source documents will be retained in the client file.</p> <p>Program Coordinator Linda Clougher will review the source documents monthly to confirm full documentation and prepare the Weatherization component of the required monthly LIHEAP report to the State.</p> <p>Senior Accountant Maki Ganno will review and reconcile these documents to ensure that labor charges billed are based on actual labor hours spent.</p> <p>Gathering and documenting information in this manner will both facilitate program planning and create an appropriate audit trail. This Corrective Action Plan will be implemented by April 1, 2009.</p> <p>Contact Person: Celeste Cooney, Program Coordinator, Telephone 530 621-6158</p>

**COUNTY OF EL DORADO**

Department of Community Services and Development  
Summary Schedule of Prior Year Findings  
For the Year Ended June 30, 2008

Audit Reference  
Number

Status of Prior Year Audit Findings

N/A

None