

COUNTY OF AMADOR

AUDIT REPORT

JUNE 30, 2006

**COUNTY OF AMADOR
AUDIT REPORT
JUNE 30, 2006**

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BARTIG, BASLER & RAY, LLP

A GALLINA LLP COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
County of Amador
Jackson, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Amador, California, (the County), as of and for the year ended June 30, 2006, 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 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 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2006, 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.

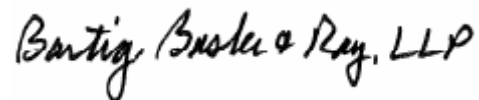
In accordance with *Government Auditing Standards*, we have also issued under separate cover, our report dated November 30, 2006, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and 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.

Board of Supervisors
County of Amador

The Management's Discussion and Analysis (MD & A) and the other required supplementary information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the financial statements that collectively comprise the County of Amador's basic financial statements. The accompanying information identified in the table of contents as combining and individual fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based on our audit, such information is fairly stated in all material respects in relation to the basic financial statements taken as whole.

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.

November 30, 2006
Roseville, California

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

COUNTY OF AMADOR

Management's Discussion and Analysis June 30, 2006

Management's Discussion and Analysis

This section of the Amador County's annual financial report presents our discussion and analysis of the County's activities of the County of Amador for fiscal year ended June 30, 2006. Please read it in conjunction with the County's basic financial statements following this section.

Financial Highlights

- The assets of the County exceeded liabilities at the close of the 2005-2006 fiscal year by \$85,036,224 (net assets). Of this amount, \$18,020,999 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors, \$23,123,805 is restricted for specific purpose (restricted net assets), and \$43,891,420 is invested in capital assets, net of related debt.
- The County of Amador's total net assets increased by \$6,854,558. The increase in net assets are mainly attributable to:
 - \$7,515,381 increase from the construction of new County Administration Building, \$16,135,349 net of issuance of certificate of participation and cost of issuance \$8,619,968,
 - \$607,586 decrease from governmental and business activities,
 - \$251,869 decrease from the increase in liability from compensated absences and accrued interest payable, and
 - \$198,632 increase for prior period adjustment for correcting overstatement of claims liability.
- As of June 30, 2006 the County of Amador's governmental funds reported combined fund balances of \$40,708,386, a decrease of \$629,829. Approximately 53% of the combined fund balances, \$21,526,019 is available to meet the County's current and future needs (unreserved fund balance).
- At the end of the fiscal year, unreserved fund balance for the general fund was \$11,341,216, or 39% of total general fund expenditures. All the remaining unreserved fund balance will be budgeted in the subsequent fiscal year.
- The County's total long-term debt increased by \$9,036,362 from the prior year. The increase is mainly attributable to issuance of certification of participation (\$9,090,000) for the construction of new county administration building.

COUNTY OF AMADOR

Management's Discussion and Analysis June 30, 2006

Overview of the Financial Statements

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

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

The statement of net assets presents information on all of the County of Amador's 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 of whether the financial position of the County of Amador is improving or deteriorating.

The statement of activities presents information showing how the government's 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 only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County of Amador that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County of Amador include general government, public protection, public ways and facilities, health and sanitation, public assistance, education and recreation, and cultural services. The business-type activities of the County of Amador include the County Landfill, and Airport.

The government-wide financial statements include the following component units: the Amador Fire Protection District and the Amador IHSS Public Authority. These two component units have the same board as the County.

The government-wide financial statements can be found on pages 14 - 16 of this report.

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

COUNTY OF AMADOR

Management's Discussion and Analysis June 30, 2006

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, governmental fund financial statement focus on how cash and other financial assets can readily be converted to available resources and the balances left at year-end that is available for spending. Such information may be useful in determining what financial resources are available in the near future to finance the county's financing requirements.

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

The County of Amador maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the General Fund, Social Service Fund, Road Fund, County Improvement Fund, and Water Development Sinking Fund which are considered to be major funds. Data from other governmental funds are combined to a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The governmental funds financial statements can be found on pages 17-22 of this report.

Proprietary funds are maintained two ways. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide statements. The County of Amador uses enterprise funds to account for Landfill and Airport, both, which are considered major funds. Data from nonmajor enterprise funds are combined into a single, aggregate presentation. Internal service funds are an accounting device used to accumulate funds to account for self-insurance, fleet maintenance and replacement, purchasing, and communications. Because the services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Proprietary fund financial statements provide separate information for Landfill and Airport. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the nonmajor enterprise funds and internal service funds is provided in the form of combining statements elsewhere in this report.

COUNTY OF AMADOR

Management's Discussion and Analysis
June 30, 2006

The proprietary funds financial statements can be found on pages 23-26 of this report.

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 because the resources of those funds are not available to support the County of Amador's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds.

The fiduciary funds financial statements can be found on pages 27-28 of this report.

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.

The notes can be found on pages 29-55 of this report.

Required supplementary information is presented concerning the County of Amador's progress funding its obligation to provide pension benefits to its employees. Required supplementary information also includes Schedules of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual for the General Fund, Social Service Fund, and Road Fund.

Required supplementary information can be found on pages 56-60 of this report.

The supplementary information is the combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, and internal service funds.

Supplementary information can be found on pages 61-73 of this report.

Governmental-Wide Financial Analysis

The county has provided prior year's information for a comparative analysis of government-wide data.

COUNTY OF AMADOR

Management's Discussion and Analysis June 30, 2006

County of Amador's Net Assets June 30, 2006

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Assets:						
Current and other assets	\$ 48,318,607	\$ 46,308,430	\$ (557,329)	\$ 91,168	\$ 47,761,278	\$ 46,399,598
Capital assets	48,431,991	31,990,866	4,403,452	3,975,909	52,835,443	35,966,775
Total assets	<u>96,750,598</u>	<u>78,299,296</u>	<u>3,846,123</u>	<u>4,067,077</u>	<u>100,596,721</u>	<u>82,366,373</u>
Liabilities:						
Current and other liabilities	3,882,637	1,529,893	223,392	183,434	4,106,029	1,713,327
Long-term liabilities	11,183,021	2,137,446	271,447	333,934	11,454,468	2,471,380
Total liabilities	<u>15,065,658</u>	<u>3,667,339</u>	<u>494,839</u>	<u>517,368</u>	<u>15,560,497</u>	<u>4,184,707</u>
Net Assets:						
Invested in capital net of related debt	39,631,501	31,616,803	4,259,919	3,822,642	43,891,420	35,439,445
Restricted net assets	23,123,805	24,930,652	-	-	23,123,805	24,930,652
Unrestricted net assets	18,929,634	18,084,502	(908,635)	(272,933)	18,020,999	17,811,569
Total net assets	<u>\$ 81,684,940</u>	<u>\$ 74,631,957</u>	<u>\$ 3,351,284</u>	<u>\$ 3,549,709</u>	<u>\$ 85,036,224</u>	<u>\$ 78,181,666</u>

Analysis of Net Assets

Net assets exceeded liabilities by \$85,036,224 at the close of the 2005-2006 fiscal year. Increases or decreases in net assets may over time serve as a useful indicator of whether the financial position of the county is improving or deteriorating. Of this amount \$18,020,999 (unrestricted net assets) may be used to meet the government's ongoing obligations to the citizens and creditors. \$23,123,805 (restricted net assets) is restricted for a specific purpose. The remaining portion and largest, \$43,891,420 is the county's investment in capital assets (e.g. land, building, machinery, and equipment), less any related debt. These assets are used to provide services to its citizens and are not available for future spending.

As stated earlier, net assets increased by \$6,854,558. The increase in net assets is attributable to:

- \$7,515,381 increase from construction of new County Administration Building \$16,135,349 net of issuance of certificate of participation and cost of issuance \$8,619,968,
- \$607,586 decrease from governmental and business activities,
- \$251,869 decrease from the increase in liability from compensated absences and accrued interest payable, and
- \$198,632 increase for prior period adjustment for correcting overstatement of claims liability.

Governmental activities increased the county's net assets by \$6,854,351. The increase in net assets was due to the following:

COUNTY OF AMADOR

Management's Discussion and Analysis June 30, 2006

County of Amador's Changes in Net Assets For the Year Ended June 30, 2006

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues						
Program Revenues:						
Charges for services	\$ 7,809,809	\$ 6,980,219	\$ 862,231	\$ 438,213	\$ 8,672,040	\$ 7,418,432
Operating grants and contributions	26,817,834	22,475,055	51,878	58,721	26,869,712	22,533,776
Capital grants and contributions	-	-	594,923	-	594,923	-
General Revenues:						
Property taxes	15,981,623	13,320,555	65,264	50,356	16,046,887	13,370,911
Sales and use taxes	2,710,580	2,796,980	-	-	2,710,580	2,796,980
Other	3,013,482	921,090	-	-	3,013,482	921,090
Unrestricted interest and investment earnings	1,664,878	1,122,327	29,621	26,797	1,694,499	1,149,124
Miscellaneous	617,157	799,536	-	-	617,157	799,536
Transfers	-	(330,750)	-	330,750	-	-
Total revenues	58,615,363	48,085,012	1,603,917	904,837	60,219,280	48,989,849
Expenses:						
General government	7,347,750	7,219,478	-	-	7,347,750	7,219,478
Public protection	23,130,731	21,674,207	-	-	23,130,731	21,674,207
Public ways and facilities	4,969,980	5,593,206	-	-	4,969,980	5,593,206
Health and sanitation	7,097,171	6,235,119	-	-	7,097,171	6,235,119
Public assistance	7,584,087	7,196,666	-	-	7,584,087	7,196,666
Education	987,090	922,864	-	-	987,090	922,864
Culture and recreation	311,529	250,432	-	-	311,529	250,432
Interest on long-term debt	332,674	11,554	-	-	332,674	11,554
Landfill	-	-	1,469,131	185,488	1,469,131	185,488
Airport	-	-	290,673	318,405	290,673	318,405
County Service Areas	-	-	42,538	39,748	42,538	39,748
Total expenses	51,761,012	49,103,526	1,802,342	543,641	53,563,354	49,647,167
Change in net assets	6,854,351	(1,018,514)	(198,425)	361,196	6,655,926	(657,318)
Prior period adjustment	198,632	2,622,557	-	(379,490)	198,632	2,243,067
Net assets at beginning year	74,631,957	73,027,914	3,549,709	3,568,003	78,181,666	76,595,917
Net assets at end of year	\$ 81,684,940	\$ 74,631,957	\$ 3,351,284	\$ 3,549,709	\$ 85,036,224	\$ 78,181,666

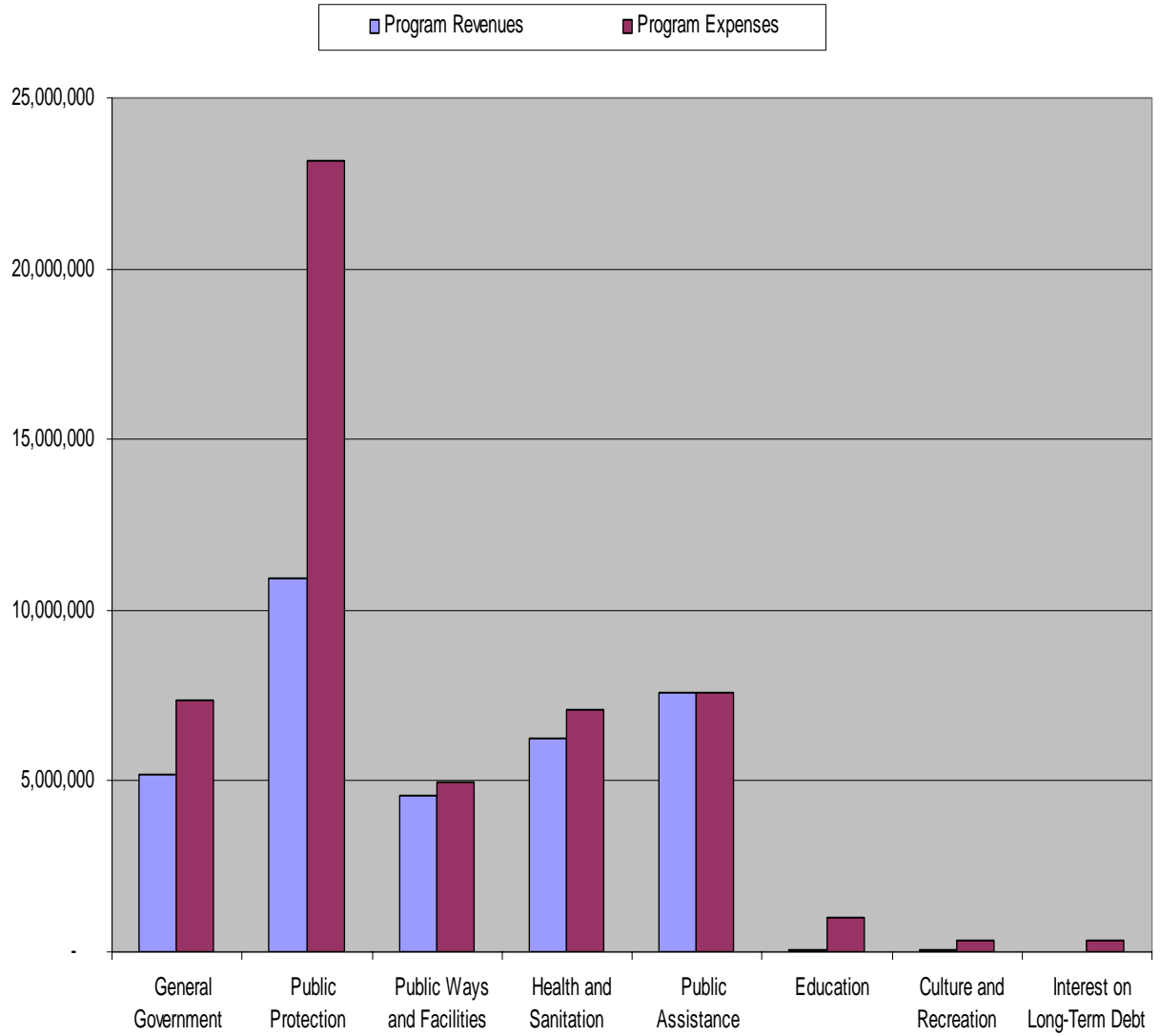
- \$7,515,381 increase from the construction of new County Administration Building \$16,135,349 net of issuance of certificate of participation and cost of issuance \$8,619,968
- \$629,829 decrease from governmental activities governmental funds resulting from increase expenditures in capital improvement
- \$251,869 decrease from government activities from the increase in liability from compensated absences and accrued interest payable, and
- \$220,668 increase from internal service fund activities reported as governmental activities.

COUNTY OF AMADOR

Management's Discussion and Analysis June 30, 2006

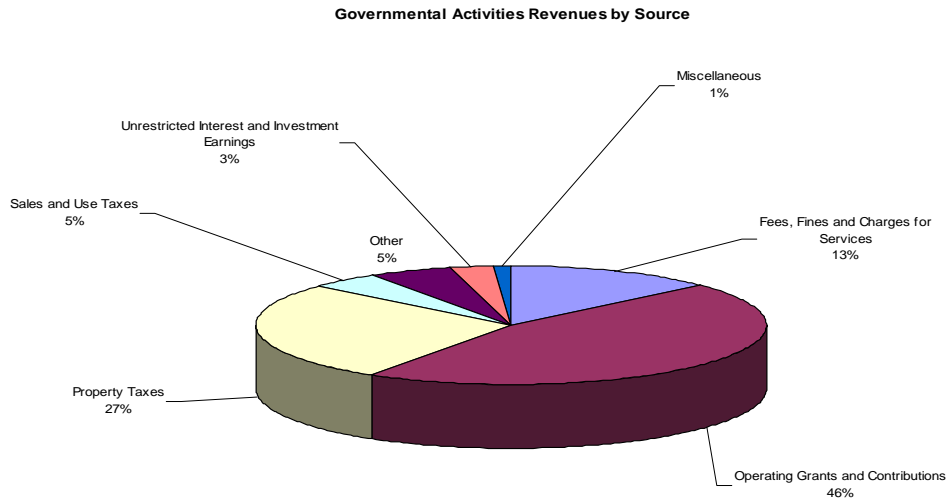
Governmental Activities Revenues and Expenses

2005 - 2006



COUNTY OF AMADOR

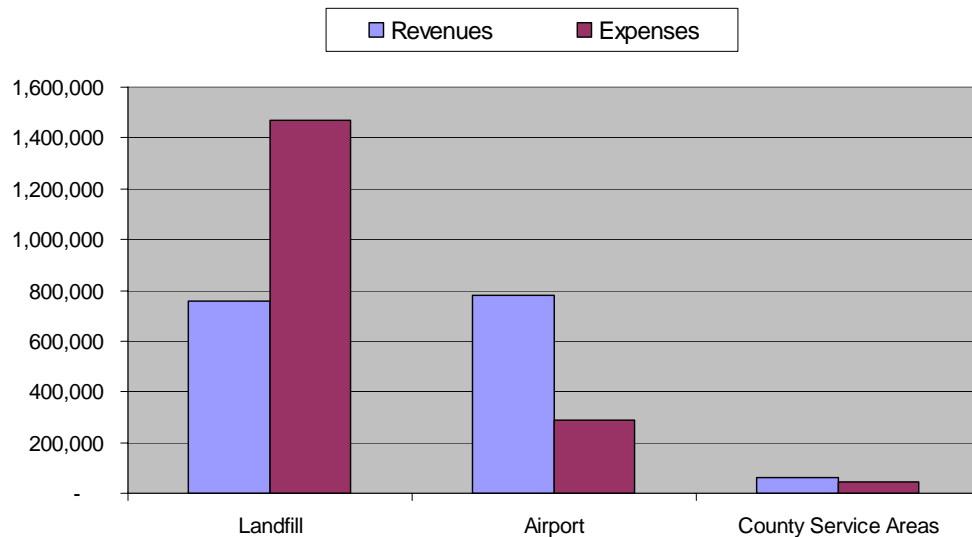
Management's Discussion and Analysis June 30, 2006



Business-type activities decreased the county's net assets by \$198,425. The decrease to net assets was due to the following:

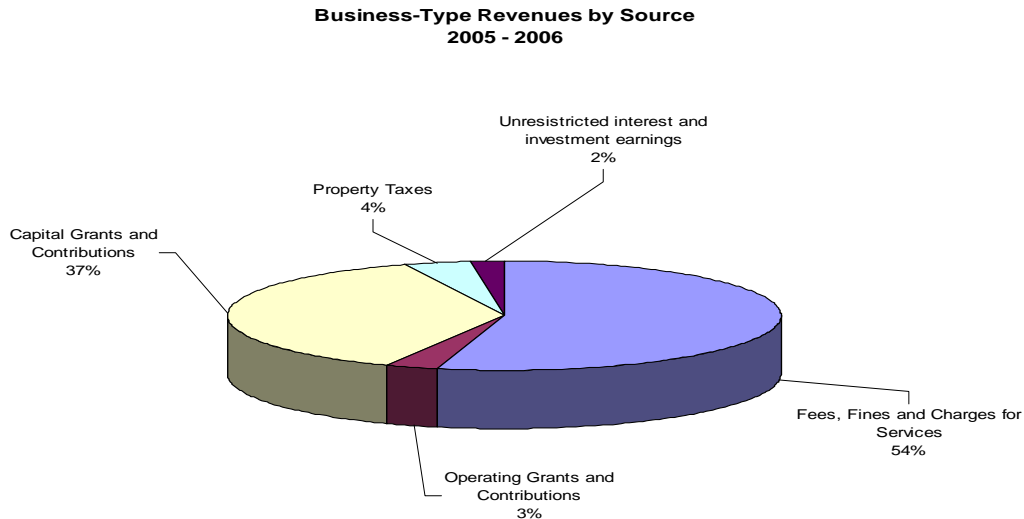
- \$708,790 decrease business type activities was attributable to landfill cost
- \$489,607 increase airport activities due to capital grant
- \$20,758 increase CSA activity

Business-Type Revenues and Expenses



COUNTY OF AMADOR

Management's Discussion and Analysis June 30, 2006



Financial analysis of the Governmental Funds

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

Government funds. The government functions are contained in the General, Special Revenue, and Capital Project Funds. Included in these funds are the special districts governed by the Board of Supervisors. The focus of the County of Amador'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 financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2006 the County of Amador's governmental funds reported combined ending fund balances of \$40,708,386 a decrease of \$629,829 in comparison with the prior year. Approximately 53% of the combined fund balance, \$21,526,019, constitutes unreserved fund balance, which is available to meet the County's current and future needs. The remainder of the fund balance, \$19,182,367, is reserved to indicate that it is not available for new spending because it has been committed:

1. imprest cash (\$24,600)
2. inventory (\$5,794)
3. liquidate contractual commitments (\$1,914,925)
4. loans and advances due from other funds (\$2,843,670)
5. general reserve (\$14,393,378)

COUNTY OF AMADOR

Management's Discussion and Analysis June 30, 2006

The general fund is the chief operating fund of the county. At June 30, 2006, unreserved fund balance of the general fund was \$11,341,216, while total fund balance reached \$19,916,870. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 39% of total general fund expenditures, while total fund balance represents 68% of total general fund expenditures. The General Fund's fund balance increased by \$123,496 during the current fiscal year. The other governmental funds' balances decreased by \$(753,325) resulting in an ending fund balance for all governmental funds other than the general fund of \$20,791,516.

Proprietary funds. The County of Amador's proprietary funds provide the same type of information found in the government-wide financial statements, but more detail. The net assets of the enterprise funds decreased by \$198,425. The net assets of the internal services funds' increased by \$419,300 to \$4,298,394. Included in the increase was a prior period adjustment of \$198,632 for correcting overstatement of claims liability.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget can be briefly summarized as follows:

- \$1,634,829 increase in general governmental budget
- \$1,108,144 increase in public protection budget
- \$2,750 increase in health and sanitation budget
- \$28 increase in public assistance budget
- \$20,512 increase in education budget
- \$67,658 increase in recreation and cultural services budget
- \$768,205 decrease capital outlay and contingency budget

Capital Asset and Debt Administration

Capital assets. The County of Amador's investment in capital assets for its governmental and business type activities as of June 30, 2006, amount to \$52,835,443 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. Additional information on the County's capital assets can be found in Note 5 of the Notes to the Basic Financial Statements.

COUNTY OF AMADOR

Management's Discussion and Analysis June 30, 2006

Debt Administration. At the end of the current fiscal year, the County had total long-term obligations outstanding of \$11,327,742. The long-term obligations are as follows:

- \$1,626,133 compensated absences
- \$190,000 liability for self-insurance
- \$9,511,609 notes payable

Additional information on the County's long-term debt obligations can be found in Note 6 of the Notes to the Basic Financial Statements.

Request for Information

This financial report is designed to provide a general overview of the County of Amador's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Amador County Auditor-Controller, 810 Court Street, Jackson, CA 95642.

BASIC FINANCIAL STATEMENTS
Government-Wide Financial Statements

COUNTY OF AMADOR

Statement of Net Assets
June 30, 2006

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
<u>ASSETS</u>			
Cash and investments in Pool	\$ 42,881,676	\$ 405,685	\$ 43,287,361
Cash with fiscal agents	193,541	--	193,541
Restricted Assets:			
Cash and investments in Pool	--	77,209	77,209
Imprest cash	26,800	--	26,800
Accounts receivable	481,819	117,016	598,835
Taxes receivable	94,258	--	94,258
Interest receivable	393,565	5,630	399,195
Due from other governments	1,631,900	168,731	1,800,631
Loans and notes receivable	903,609	--	903,609
Inventory	5,794	--	5,794
Internal balances	1,331,600	(1,331,600)	--
Deferred charges	374,045	--	374,045
Capital Assets:			
Nondepreciable	27,373,935	2,760,267	30,134,202
Depreciable, net	21,058,056	1,643,185	22,701,241
Total Assets	<u>\$ 96,750,598</u>	<u>\$ 3,846,123</u>	<u>\$ 100,596,721</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 2,789,033	\$ 43,360	\$ 2,832,393
Due to other governments	489,275	--	489,275
Interest payable	93,605	--	93,605
Deposits held for others	--	180,032	180,032
Unearned revenues	510,724	--	510,724
Long-Term Liabilities:			
Portion due or payable within one year:	912,641	10,999	923,640
Portion due or payable after one year:	10,270,380	133,722	10,404,102
Liability for landfill post-closure expense	--	126,726	126,726
Total Liabilities	<u>15,065,658</u>	<u>494,839</u>	<u>15,560,497</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	39,631,501	4,259,919	43,891,420
Restricted for:			
Public safety	3,393,143	--	3,393,143
Health and public assistance	5,503,068	--	5,503,068
Community development and public facilities	2,847,931	--	2,847,931
Capital projects	10,344,085	--	10,344,085
Debt service	99,936	--	99,936
Other	935,642	--	935,642
Unrestricted	18,929,634	(908,635)	18,020,999
Total Net Assets	<u>81,684,940</u>	<u>3,351,284</u>	<u>85,036,224</u>
Total Liabilities and Net Assets	<u>\$ 96,750,598</u>	<u>\$ 3,846,123</u>	<u>\$ 100,596,721</u>

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

COUNTY OF AMADOR

Statement of Activities For the Year Ended June 30, 2006

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 7,347,750	\$ 1,122,565	\$ 4,045,009	\$ --
Public protection	23,130,731	4,771,225	6,181,829	--
Public ways and facilities	4,969,980	1,296,864	3,255,943	--
Health and sanitation	7,097,171	603,131	5,673,217	--
Public assistance	7,584,087	--	7,571,969	--
Education	987,090	10,835	18,911	--
Culture and recreation	311,529	5,189	70,956	--
Debt Service:				
Interest	332,674	--	--	--
Total Governmental Activities	51,761,012	7,809,809	26,817,834	--
Business-Type Activities:				
Landfill	1,469,131	656,937	20,428	--
Airport	290,673	150,275	31,450	594,923
County Service Areas	42,538	55,019	--	--
Total Business-Type Activities:	1,802,342	862,231	51,878	594,923
Total Amador County	\$ 53,563,354	\$ 8,672,040	\$ 26,869,712	\$ 594,923

General Revenues:

 Taxes:

 Property taxes

 Sales and use taxes

 In-lieu sales tax

 Franchise taxes

 Transfer taxes

 Other

 Excess tax loss reserve funds

 Unrestricted interest and investment earnings

 Miscellaneous

 Total General Revenues

Change in Net Assets

 Net assets, beginning of the year

 Prior period adjustment

 Net assets, end of the year

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
\$ (2,180,176)		\$ (2,180,176)
(12,177,677)		(12,177,677)
(417,173)		(417,173)
(820,823)		(820,823)
(12,118)		(12,118)
(957,344)		(957,344)
(235,384)		(235,384)
(332,674)		(332,674)
<u>(17,133,369)</u>		<u>(17,133,369)</u>
--	\$ (791,766)	(791,766)
--	485,975	485,975
--	12,481	12,481
<u>--</u>	<u>(293,310)</u>	<u>(293,310)</u>
<u>(17,133,369)</u>	<u>(293,310)</u>	<u>(17,426,679)</u>
15,981,623	65,264	16,046,887
1,890,208	--	1,890,208
477,230	--	477,230
343,142	--	343,142
403,665	--	403,665
109,817	--	109,817
2,500,000	--	2,500,000
1,664,878	29,621	1,694,499
617,157	--	617,157
<u>23,987,720</u>	<u>94,885</u>	<u>24,082,605</u>
6,854,351	(198,425)	6,655,926
74,631,957	3,549,709	78,181,666
198,632	--	198,632
<u>\$ 81,684,940</u>	<u>\$ 3,351,284</u>	<u>\$ 85,036,224</u>

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

BASIC FINANCIAL STATEMENTS
Fund Financial Statement

COUNTY OF AMADOR

Balance Sheet Governmental Funds June 30, 2006

	General	Social Services	Road	County Improvement
<u>Assets</u>				
Cash and investments	\$ 18,681,410	\$ 1,731,562	\$ 1,642,308	\$ 6,376,715
Cash with fiscal agent	--	--	--	--
Imprest cash	24,300	--	200	--
Accounts receivable	302,323	524	178,972	--
Taxes receivable	60,833	--	33,425	--
Due from other governments	578,551	57,396	748,605	--
Interest receivable	209,443	11,743	11,847	57,989
Loans and notes receivable	--	--	--	--
Advances to other funds	800,000	--	--	946,520
Inventory	--	--	5,794	--
	<u>\$ 20,656,860</u>	<u>\$ 1,801,225</u>	<u>\$ 2,621,151</u>	<u>\$ 7,381,224</u>
<u>Liabilities and Fund Balance</u>				
Liabilities:				
Accounts payable	\$ 227,150	\$ 31,634	\$ 27,822	\$ 2,205,415
Due to other governments	2,116	--	--	--
Unearned revenues	510,724	--	--	--
Advances from other funds	--	200,000	--	--
	<u>739,990</u>	<u>231,634</u>	<u>27,822</u>	<u>2,205,415</u>
Fund Balances:				
Reserved:				
Imprest cash	24,300	--	200	--
Inventory	--	--	5,794	--
Encumbrances	1,314,708	440	351,746	131,586
Loans and advances	800,000	--	--	946,520
Debt service	--	--	--	--
General	6,436,646	200,000	277,388	2,756,998
Unreserved:				
Unreserved, undesignated, and reported in:				
General fund	11,341,216	--	--	--
Special revenue funds	--	1,369,151	1,958,201	--
Capital projects funds	--	--	--	1,340,705
	<u>19,916,870</u>	<u>1,569,591</u>	<u>2,593,329</u>	<u>5,175,809</u>
Total Fund Balances	<u>\$ 20,656,860</u>	<u>\$ 1,801,225</u>	<u>\$ 2,621,151</u>	<u>\$ 7,381,224</u>
Total Liabilities and Fund Balances	<u>\$ 20,656,860</u>	<u>\$ 1,801,225</u>	<u>\$ 2,621,151</u>	<u>\$ 7,381,224</u>

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

Water Development Sinking	Other Governmental Funds	Total Governmental Funds
\$ 4,229,440	\$ 6,539,198	\$ 39,200,633
--	193,541	193,541
--	100	24,600
--	--	481,819
--	--	94,258
--	247,241	1,631,793
35,227	37,179	363,428
903,609	--	903,609
--	--	1,746,520
--	--	5,794
<u>\$ 5,168,276</u>	<u>\$ 7,017,259</u>	<u>\$ 44,645,995</u>
\$ --	\$ 245,589	\$ 2,737,610
--	487,159	489,275
--	--	510,724
--	--	200,000
<u>--</u>	<u>732,748</u>	<u>3,937,609</u>
--	100	24,600
--	--	5,794
--	116,445	1,914,925
903,609	--	2,650,129
--	193,541	193,541
4,139,266	583,080	14,393,378
--	--	11,341,216
--	5,391,345	8,718,697
125,401	--	1,466,106
<u>5,168,276</u>	<u>6,284,511</u>	<u>40,708,386</u>
<u>\$ 5,168,276</u>	<u>\$ 7,017,259</u>	<u>\$ 44,645,995</u>

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

COUNTY OF AMADOR

Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets - Governmental Activities June 30, 2006

Fund Balance - total governmental funds (page 18)	\$ 40,708,386
Amounts reported for governmental activities in the statement of net assets are different because:	
Deferred charges in governmental activities are not financial resources and therefore, are not reported in the governmental funds.	374,045
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	47,326,809
Internal service funds are used by the County to charge the cost of copying and fleet services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of assets. Internal service fund net assets are:	4,298,394
Interest payable on long-term liabilities does not require the use of current financial resources and, therefore, is not accrued as a liability in the governmental funds.	(93,605)
Long-term liabilities, including certificates of participation and loans payable, are not due and payable in the current period, and therefore are not reported in the governmental funds.	
Certificates of Participation	(9,090,000)
Loans payable	(278,076)
Compensated absences	<u>(1,561,013)</u>
Net assets of governmental activities (page 14)	<u>\$ 81,684,940</u>

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

COUNTY OF AMADOR

Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2006

	General	Social Services	Road	County Improvement
Revenues:				
Taxes	\$ 18,023,222	\$ --	\$ 813,300	\$ 350,000
Licenses and permits	739,009	--	263,984	--
Intergovernmental	9,445,520	7,556,288	3,255,943	632,882
Fines and forfeitures	604,031	--	53,449	2,500,000
Use of money and property	798,343	48,912	36,575	298,615
Charges for services	2,697,868	--	977,531	--
Other	556,448	580	--	14,000
Total Revenues	32,864,441	7,605,780	5,400,782	3,795,497
Expenditures:				
Current:				
General government	6,610,730	--	--	374,044
Public protection	20,799,095	--	--	--
Public ways and facilities	--	--	4,007,553	--
Health and sanitation	259,829	--	--	--
Public assistance	105,765	7,429,102	--	--
Education	973,294	--	--	--
Recreation and cultural services	308,055	--	--	--
Capital outlay	339,157	--	20,168	17,395,018
Debt Service:				
Principal payments	--	--	--	--
Interest and fiscal charges	--	--	--	--
Total Expenditures	29,395,925	7,429,102	4,027,721	17,769,062
Excess (Deficiency) of Revenue Over (Under) Expenditures	3,468,516	176,678	1,373,061	(13,973,565)
Other Financing Sources (Uses):				
Issuance of debt	--	--	--	9,090,000
Transfers in	--	--	--	3,145,000
Transfers out	(3,345,020)	--	--	(410,029)
Total Other Financing Sources (Uses)	(3,345,020)	--	--	11,824,971
Change in Fund Balances	123,496	176,678	1,373,061	(2,148,594)
Fund Balances, Beginning of Fiscal Year	19,793,374	1,392,913	1,220,268	7,324,403
Fund Balances, End of Fiscal Year	\$ 19,916,870	\$ 1,569,591	\$ 2,593,329	\$ 5,175,809

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

Water Development Sinking	Other Governmental Funds	Total Governmental Funds
\$ --	\$ 19,163	\$ 19,205,685
--	--	1,002,993
--	5,927,201	26,817,834
--	130,871	3,288,351
185,529	207,056	1,575,030
--	1,877,443	5,552,842
--	46,348	617,376
<u>185,529</u>	<u>8,208,082</u>	<u>58,060,111</u>
--	6,000	6,990,774
69,107	1,321,323	22,189,525
--	--	4,007,553
--	6,717,783	6,977,612
--	--	7,534,867
--	--	973,294
--	--	308,055
--	142,841	17,897,184
--	95,987	95,987
--	239,069	239,069
<u>69,107</u>	<u>8,523,003</u>	<u>67,213,920</u>
<u>116,422</u>	<u>(314,921)</u>	<u>(9,153,809)</u>
--	--	9,090,000
--	689,029	3,834,029
--	(645,000)	(4,400,049)
--	44,029	8,523,980
116,422	(270,892)	(629,829)
<u>5,051,854</u>	<u>6,555,403</u>	<u>41,338,215</u>
<u>\$ 5,168,276</u>	<u>\$ 6,284,511</u>	<u>\$ 40,708,386</u>

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

COUNTY OF AMADOR

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Government-Wide Statement of Activities - Governmental Activities
For the Year Ended June 30, 2006

Net change to fund balance - total governmental funds (page 21) \$ (629,829)

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.

Expenditures for general capital assets, infrastructure, and other related capital assets adjustments	17,902,837	
The net effect of various miscellaneous transactions involving capital assets such as sales, retirements, trade-ins and donations	(219)	
Less: current year depreciation	<u>(1,767,269)</u>	
		16,135,349

Issuance of certificates of participation provides current financial resourced to the
governmental funds but the bonds are reported as long-term liabilities in the
government-wide financial statements. (9,090,000)

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

Principal payments	95,987
--------------------	--------

Bond issuance costs are expenditures in the governmental funds but deferred
and amortized over the life of the bonds. 374,045

Some expenses reported in the statement of activities do not require the use of
current financial resources and, therefore, are not reported as expenditures in
governmental funds.

Change in compensated absences	(158,264)
Change in accrued interest payable	(93,605)

Internal service funds are used by management to charge the costs of certain
activities to individual funds. The net revenue of certain activities of the
the internal service funds is reported with governmental activities. 220,668

Change in net assets of governmental activities (page 16) \$ 6,854,351

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

COUNTY OF AMADOR

Statement of Net Assets
Proprietary Funds
June 30, 2006

	Business-Type Activities - Enterprise Funds			Total Enterprise Funds	Governmental
	Waste Management	Airport	Nonmajor Enterprise Funds		Internal Service Funds
<u>ASSETS</u>					
Current Assets:					
Cash and investments in Pool	\$ 57,218	\$ 53,285	\$ 295,182	\$ 405,685	\$ 3,681,043
Imprest cash	--	--	--	--	2,200
Accounts receivable	117,016	--	--	117,016	--
Interest receivable	1,933	1,209	2,488	5,630	30,137
Due from other governments	--	168,731	--	168,731	107
Total Current Assets	<u>176,167</u>	<u>223,225</u>	<u>297,670</u>	<u>697,062</u>	<u>3,713,487</u>
Noncurrent Assets:					
Restricted Assets:					
Cash and investments in Pool	77,209	--	--	77,209	--
Capital Assets:					
Nondepreciable	1,259,414	1,500,853	--	2,760,267	15,000
Depreciable, net	<u>275,239</u>	<u>1,367,946</u>	<u>--</u>	<u>1,643,185</u>	<u>1,090,182</u>
Total Noncurrent Assets	<u>1,611,862</u>	<u>2,868,799</u>	<u>--</u>	<u>4,480,661</u>	<u>1,105,182</u>
Total Assets	<u>\$ 1,788,029</u>	<u>\$ 3,092,024</u>	<u>\$ 297,670</u>	<u>\$ 5,177,723</u>	<u>\$ 4,818,669</u>
<u>LIABILITIES</u>					
Current Liabilities:					
Accounts payable	\$ 39,397	\$ 3,963	\$ --	\$ 43,360	\$ 51,423
Deposits held for others	--	--	180,032	180,032	--
Current portion of long-term liabilities:					
Loans payable	--	10,405	--	10,405	--
Compensated absences	<u>594</u>	<u>--</u>	<u>--</u>	<u>594</u>	<u>31,966</u>
Total Current Liabilities	<u>39,991</u>	<u>14,368</u>	<u>180,032</u>	<u>234,391</u>	<u>83,389</u>
Long-term Liabilities:					
Compensated absences	594	--	--	594	31,966
Loans payable	--	133,128	--	133,128	--
Advances from other funds	1,231,600	100,000	--	1,331,600	214,920
Claims liability	--	--	--	--	190,000
Liability for landfill post-closure costs	<u>126,726</u>	<u>--</u>	<u>--</u>	<u>126,726</u>	<u>--</u>
Total Long-term Liabilities	<u>1,358,920</u>	<u>233,128</u>	<u>--</u>	<u>1,592,048</u>	<u>436,886</u>
Total Liabilities	<u>1,398,911</u>	<u>247,496</u>	<u>180,032</u>	<u>1,826,439</u>	<u>520,275</u>
<u>NET ASSETS</u>					
Invested in capital assets, net of related debt	1,534,653	2,725,266	--	4,259,919	1,105,182
Unrestricted	<u>(1,145,535)</u>	<u>119,262</u>	<u>117,638</u>	<u>(908,635)</u>	<u>3,193,212</u>
Total Net Assets	<u>389,118</u>	<u>2,844,528</u>	<u>117,638</u>	<u>3,351,284</u>	<u>4,298,394</u>
Total Liabilities and Net Assets	<u>\$ 1,788,029</u>	<u>\$ 3,092,024</u>	<u>\$ 297,670</u>	<u>\$ 5,177,723</u>	<u>\$ 4,818,669</u>

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

COUNTY OF AMADOR

Statement of Revenues, Expenses and Changes in Net Assets Proprietary Funds For the Year Ended June 30, 2006

	Business-Type Activities - Enterprise Funds				Governmental
			Nonmajor	Total	Internal
	Waste Management	Airport	Enterprise Funds	Enterprise Funds	Service Funds
Operating Revenues:					
Charges for services	\$ 515,859	\$ 129,086	\$ 29,271	\$ 674,216	\$ 5,079,430
Other	141,078	21,189	25,748	188,015	--
Total Operating Revenues	<u>656,937</u>	<u>150,275</u>	<u>55,019</u>	<u>862,231</u>	<u>5,079,430</u>
Operating Expenses:					
Salaries and benefits	134,461	--	--	134,461	1,337,863
Services and supplies	733,376	118,512	42,538	894,426	3,874,581
Special projects	104,986	73,407	--	178,393	--
Depreciation	11,553	90,073	--	101,626	301,952
Closure/postclosure	484,755	--	--	484,755	--
Total Operating Expenses	<u>1,469,131</u>	<u>281,992</u>	<u>42,538</u>	<u>1,793,661</u>	<u>5,514,396</u>
Operating Income (Loss)	<u>(812,194)</u>	<u>(131,717)</u>	<u>12,481</u>	<u>(931,430)</u>	<u>(434,966)</u>
Non-Operating Revenues (Expenses):					
Taxes	65,264	--	--	65,264	--
Interest income	17,712	3,632	8,277	29,621	89,848
Intergovernmental revenues	20,428	31,450	--	51,878	107
Interest expense	--	(8,681)	--	(8,681)	--
Gain (loss) on sale of assets	--	--	--	--	(341)
Total Non-Operating Revenues (Expenses)	<u>103,404</u>	<u>26,401</u>	<u>8,277</u>	<u>138,082</u>	<u>89,614</u>
Net Income (Loss) before Transfers and Contributions	<u>(708,790)</u>	<u>(105,316)</u>	<u>20,758</u>	<u>(793,348)</u>	<u>(345,352)</u>
Transfers in	--	--	--	--	566,020
Capital contributions	--	594,923	--	594,923	--
Change in Net Assets	<u>(708,790)</u>	<u>489,607</u>	<u>20,758</u>	<u>(198,425)</u>	<u>220,668</u>
Net Assets, Beginning of Year	1,097,908	2,354,921	96,880	3,549,709	3,879,094
Prior Period Adjustment	--	--	--	--	198,632
Net Assets, End of Year	<u>\$ 389,118</u>	<u>\$ 2,844,528</u>	<u>\$ 117,638</u>	<u>\$ 3,351,284</u>	<u>\$ 4,298,394</u>

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

COUNTY OF AMADOR

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2006

	Business-Type Activities - Enterprise Funds				Governmental
			Nonmajor	Total	Activities
	Waste Management	Airport	Enterprise Funds	Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities:					
Receipts from customers and users	\$ 569,078	\$ 150,561	\$ 77,450	\$ 797,089	\$ --
Receipts from interfund services provided	--	--	--	--	5,087,676
Payments to suppliers	(1,348,080)	(202,703)	(42,538)	(1,593,321)	(3,877,785)
Payments to employees	(133,940)	--	--	(133,940)	(1,335,933)
Net Cash Provided (Used) by Operating Activities	(912,942)	(52,142)	34,912	(930,172)	(126,042)
Cash Flows from Investing Activities:					
Interest received	15,778	3,083	7,459	26,320	87,625
Net Cash Provided (Used) by Investing Activities	15,778	3,083	7,459	26,320	87,625
Cash Flows from Capital and Related Financing Activities:					
Proceeds from capital grants	--	426,192	--	426,192	--
Purchase of capital assets	--	(529,169)	--	(529,169)	(608,070)
Interest payments on debt	--	(8,681)	--	(8,681)	--
Principal payments on debt	--	(9,734)	--	(9,734)	--
Net Cash Provided (Used) by Capital and Related Financing Activities	--	(121,392)	--	(121,392)	(608,070)
Cash Flows from Non-Capital Financing Activities:					
Aid from other governmental agencies	20,428	31,450	--	51,878	--
Taxes received	65,264	--	--	65,264	--
Advances received from other funds	--	100,000	--	100,000	--
Repayment of advances to other funds	--	--	--	--	(132,209)
Transfers received from other funds	--	--	--	--	566,020
Net Cash Provided (Used) by Non-Capital Financing Activities	85,692	131,450	--	217,142	433,811
Net Increase (Decrease) in Cash and Cash Equivalents	(811,472)	(39,001)	42,371	(808,102)	(212,676)
Cash and Cash Equivalents, Beginning of Year	945,899	92,286	252,811	1,290,996	3,895,919
Cash and Cash Equivalents, End of Year	<u>\$ 134,427</u>	<u>\$ 53,285</u>	<u>\$ 295,182</u>	<u>\$ 482,894</u>	<u>\$ 3,683,243</u>

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

continued

COUNTY OF AMADOR

Statement of Cash Flows (continued)
 Proprietary Funds
 For the Year Ended June 30, 2006

	Business-Type Activities - Enterprise Funds			Governmental	
	Waste Management	Airport	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (812,194)	\$ (131,717)	\$ 12,481	\$ (931,430)	\$ (434,966)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Depreciation	11,553	90,073	--	101,626	301,952
Changes in assets and liabilities:					
Accounts receivable	(87,859)	286	--	(87,573)	8,246
Accounts payable	28,311	(10,784)	--	17,527	(93,204)
Compensated absences payable	521	--	--	521	1,930
Deposits held for others	--	--	22,431	22,431	--
Other liabilities	--	--	--	--	90,000
Landfill closure liability	(53,274)	--	--	(53,274)	--
 Net Cash Provided (Used) by Operating Activities	 <u>(912,942)</u>	 <u>(52,142)</u>	 <u>34,912</u>	 <u>(930,172)</u>	 <u>(126,042)</u>
 Recap of Cash and Cash Equivalents, as reported on the Statement of Net Assets					
Cash and investments in Pool	\$ 57,218	\$ 53,285	\$ 295,182	\$ 405,685	\$ 3,681,043
Imprest cash	--	--	--	--	2,200
Restricted Assets:					
Cash and investments in Pool	<u>77,209</u>	<u>--</u>	<u>--</u>	<u>77,209</u>	<u>--</u>
	<u>\$ 134,427</u>	<u>\$ 53,285</u>	<u>\$ 295,182</u>	<u>\$ 482,894</u>	<u>\$ 3,683,243</u>

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

COUNTY OF AMADOR

Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2006

	Investment Trust Funds	Agency Funds
	<u> </u>	<u> </u>
<u>Assets</u>		
Current Assets:		
Cash and investments	\$ 22,505,976	\$ 11,474,441
Interest receivable	--	4,766
Taxes receivable	--	3,419,514
	<u> </u>	<u> </u>
Total Assets	<u>\$ 22,505,976</u>	<u>\$ 14,898,721</u>
<u>Liabilities and Net Assets</u>		
Current Liabilities:		
Agency obligations	\$ --	\$ 14,898,721
Net Assets:		
Held in trust for external participants	<u>22,505,976</u>	<u>--</u>
Total Liabilities and Net Assets	<u>\$ 22,505,976</u>	<u>\$ 14,898,721</u>

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

COUNTY OF AMADOR

Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2006

	<u>Investment Trust Funds</u>
ADDITIONS:	
Net investment earnings	\$ 705,909
Contributions to investment pool	<u>47,437,958</u>
Total Additions	48,143,867
DEDUCTIONS:	
Distributions from investment pool	<u>53,648,119</u>
CHANGE IN NET ASSETS	(5,504,252)
NET ASSETS, BEGINNING	<u>28,010,228</u>
NET ASSETS, ENDING	<u><u>\$ 22,505,976</u></u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

The notes provided in the financial section of this report are considered an integral and essential part of adequate disclosure and fair presentation of this report. The notes include a summary of significant accounting policies for the County, and other necessary disclosure of pertinent matters relating to the financial position of the County. The notes express significant insight to the financial statements and are conjunctive to understanding the rationale for presentation of the financial statements and information contained in this document.

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2006

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

A. Description of the Reporting Entity

The County of Amador (County), the primary government, is a political subdivision of the State of California. It is governed by an elected board of five County Supervisors. The County provides various services on a county-wide basis including law enforcement, education, detention, social health, fire protection, road construction and maintenance, elections and records, planning, zoning, and tax collection. These financial statements present the government and its component units, entities for which the government is considered to be financially accountable under the criteria set by Governmental Accounting Standards Board Statement No. 14.

The decision to include a component unit in the reporting entity was made by applying the criteria set forth in the Governmental Accounting Standards Board (GASB) Statement No. 14. The basic criteria used in the determination of component units are financial accountability of the County for the component unit. Financial accountability generally is defined as the appointment of a voting majority of the component unit's board and the County's ability to impose its will on the organization.

Reporting for component units on the County's financial statements can be blended or discretely presented. Blended component units, although legally separate entities, are in substance, part of the government's operations. Blended component units are an extension of the County and so data from these units are combined with the data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the County. Each component unit has a June 30th year end.

The following entities have been classified as blended component units of the County:

Amador County Public Facilities	Amador Fire Protection District
Financing Authority	Amador IHSS Public Authority
Victory Lighting	CSA's 5, 6 and 8

The above component units are legally separate entities governed by the County's Board of Supervisors; as such, their financial data has been combined with the County's financial data and presented as blended component units.

Discretely Presented Component Units – There are no component units of the County which meet the criteria for discrete presentation.

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2006

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 for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. 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 demonstrates the degree to which program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated indirect expenses. 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 first before 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 activity of each fund. *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 AMADOR

Notes to Basic Financial Statements June 30, 2006

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 public protection, public ways and facilities, health and sanitation, public assistance, education and recreation services.
- The *Social Service Fund* is used to administer social services that promote job-readiness and self-sufficiency of individuals and families.
- The *Road Fund* is used to account for the planning, design, construction, maintenance and administration of the County's roads and infrastructure.
- The *County Improvement Fund* is used to account for the acquisition and construction of County facilities.
- The *Water Development sinking Fund* is used to account for the development of new or additional water for Amador County.

The County reports the following major enterprise funds:

- The *Waste Management Fund* is used to provide for operations and maintenance of the County's closed landfill, the collection and disposal of household hazardous wastes, the development and implementation of recycling and waste reduction and recycling programs countywide.
- The *Airport Fund* is used to operate the County's airport for business and recreational use of County residents and visitors.

The County reports the following additional fund types:

- *Internal Service Funds* account for the County's fleet maintenance, purchasing and copy services provided to other departments or other governments and the County's self-insurance programs. Activities include the County's self-insurance programs, providing services to County-governed districts, service areas and advisory councils and equipment financing of the County.

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2006

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

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

Fund Financial Statements (continued)

- The *Investment Trust Fund* accounts for the external portion of the County's Investment Pool which commingles resources of legally separate local governments within the County in an investment portfolio for the benefit of all participants. These entities include school and community college districts, other special districts governed by local boards, regional boards and authorities. These funds represent the assets, primarily cash and investments, and the related liabilities of the County to disburse these monies on demand.
- The *Agency Funds* account for assets held by the County as an agent for the state and various local governments. These funds typically do not involve a formal trust agreement and are used to account for situations where the role is purely custodial such as the receipt, temporary investment or remittance of fiduciary resources.

C. **Basis of Accounting**

The government-wide, proprietary, and investment trust fund 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 gives (or receives) value without directly receiving (or giving) equal value in exchange, include 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 tax are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in 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 ("susceptible to accrual"). Property and sales taxes, interest, state and federal grants and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be 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

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2006

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

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

in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financial sources.

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

D. **Investments**

California Government Code Section 53600, et seq., authorizes the County to invest in obligations of the U.S. Treasury, agencies and instrumentalities, obligations of the state or any local agency of the State of California, bankers' acceptances, commercial paper, negotiable certificates of deposits, repurchase agreements or reverse repurchase agreements, medium-term notes issued by corporations and the State of California Local Agency Investment Fund. The County Treasurer may also invest in certain open-ended mutual funds permitted by the Government Code.

In accordance with GASB Statement No. 31, investments are reported on the statement of net assets/balance sheet at their fair value and all changes in fair value are reflected in income. Fair values were obtained from custodial statements for all investments. Investments are marked to fair value annually and an adjustment is made to each fund accordingly. The fair value of each participant's position in the pool is the same as the value of the pool shares determined on a dollar-to-dollar basis, adjusted for investment income distributed at the end of each quarter. Only a withdrawal from the pool of a size that jeopardizes pool participants would cause the withdrawal to be done at market value.

E. **Cash and Cash Equivalents**

For purposes of the statements 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 AMADOR

Notes to Basic Financial Statements June 30, 2006

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

F. **Accounts Receivable and Deferred Revenues**

Receivables consist mostly of amounts due from other agencies. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

The County reports unearned revenue on its financial statements. Unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when the County receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability of unearned revenue is removed from the financial statements and revenue is recognized.

G. **Compensated Absences**

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources is reported as a long-term liability in the government-wide financial statements. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of Statement No. 16 of the Governmental Accounting Standards Board, Accounting for Compensated Absences, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave benefits that is estimated will be taken as “terminal leave” prior to retirement.

H. **Encumbrances**

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid.

I. **Capital Assets**

Capital assets (including infrastructure) are recorded at historical cost or 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

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2006

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

I. **Capital Assets** (continued)

certain improvements including roads, bridges, water/sewer, lighting system, draining systems, and flood control. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 for equipment and \$10,000 for buildings and an estimated useful life in excess of one year. Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide statements and proprietary funds.

The estimated useful lives are as follows:

Infrastructure	20 to 60 years
Structures and improvements	15 to 60 years
Equipment	3 to 20 years

The County has five networks of infrastructure assets – roads, water/sewer, lighting, drainage, and flood control.

J. **Interfund Transactions**

Interfund transactions are reflected as 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 are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2006

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

K. Other Assets

Inventory: Inventory consists of expendable supplies held for consumption. In governmental funds, inventories are valued at cost. In proprietary funds, they are valued at lower of cost or market. Cost is determined by using either the weighted average or the first-in, first-out method. The consumption method of accounting of inventory is used where cost is recorded as an expenditure at the time individual inventory items are used. For the governmental fund types, the reserve for inventory indicates that a portion of the fund balance is not an available financial resource.

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

L. Use of Estimates

The preparation of the general purpose financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the basic financial statements and the reported amount of revenue and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

Note 2: **Restatements of Fund Equity/Net Assets**

Adjustments resulting from errors or change 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 net assets.

Claims Liability

An adjustment of \$198,632 was made to the net assets of governmental activities and the self-insurance internal services fund to correct a prior year overstatement of the claims liability.

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2006

Note 2: **Restatements of Fund Equity/Net Assets** (continued)

A recap of the effect of restatements of fund equity/net assets is as follows:

	Fund Financial Statements <hr/> Internal Service Funds <hr/>	Government-Wide Financial Statements <hr/> Total Governmental Activities <hr/>
Fund balances/net assets, June 30, 2005, as previously reported	\$ 3,879,094	\$ 74,631,957
Restatements:		
Correct overstatement of the Claims liability	<hr/> 198,632	<hr/> 198,632
Total restatements	<hr/> 198,632	<hr/> 198,632
Fund balances/net assets, June 30, 2005, as restated	<hr/> <u>\$ 4,077,726</u>	<hr/> <u>\$ 74,830,589</u>

Note 3: **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 quarterly to the participating funds using a formula based on the average daily cash balance of each fund. The County has not provided or obtained any legally binding guarantees during the fiscal year ended June 30, 2006, to support the value of shares in the Treasurer's Investment Pool.

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

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2006

Note 3: **Cash and Investments** (continued)

The County investment pool is not registered with the Securities and Exchange Commission as an investment company. Investments made by the Treasurer are regulated by the California Government Code and by the County's investment policy. The objectives of the policy are in order of priority: safety, liquidity, yield, and public trust. 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. The report covers the type of investments in the pool, maturity dates, par value, actual costs and fair value.

At June 30, 2006, total County cash and investments were as follows:

Cash:

Cash on hand	\$ 322,685
Deposits	2,492,881
Outstanding warrants	<u>(6,048,349)</u>
Total cash overdrafts	<u>(3,232,783)</u>

Investments:

In Treasurer's pool	80,604,570
Held with fiscal agents	<u>193,541</u>
Total investments	<u>80,798,111</u>

Total cash and investments	<u>\$ 77,565,328</u>
----------------------------	----------------------

Total cash and investments at June 30, 2006 were presented on the County's financial statements as follows:

	Primary Government	Investment Trust Fund	Agency Funds	Total
County Investment Pool:				
Unrestricted	\$43,287,361	\$22,505,976	\$11,474,441	\$77,267,778
Restricted for Closure/Postclosure	<u>77,209</u>	<u>--</u>	<u>--</u>	<u>77,209</u>
Total in County Investment Pool	43,364,570	22,505,976	11,474,441	77,344,987
Cash with fiscal agents	193,541	--	--	193,541
Imprest cash	<u>26,800</u>	<u>--</u>	<u>--</u>	<u>26,800</u>
Total	<u>\$43,584,911</u>	<u>\$22,505,976</u>	<u>\$11,474,441</u>	<u>\$77,565,328</u>

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2006

Note 3: **Cash and Investments** (continued)

Deposits – Custodial Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code requires that a financial institution secure the County’s cash deposits by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of pledged securities in the collateral pool must equal at least 110% of the County’s cash deposits. California law also allows institutions to secure County deposits by pledging first trust deed mortgage notes having a value of 150% of the County’s total cash deposits.

At June 30, 2006, the carrying value of the County’s deposits was \$(3,555,468) and the bank balance was \$3,238,246. The difference between the carrying amount and the bank balance is a result of transactions in transit. Of the bank balance, \$100,000 was covered by Federal Depository Insurance Corporation (FDIC) and the remainder was covered by the multiple financial institution collateral pool that insures public deposits.

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. Treasury Bills	1 Year	None	None
U.S. Agency Securities (Excluding Discount Notes)	5 Years	75%	35%
U.S. Agency Discount Notes	1 Year	None	None
Banker's Acceptances	180 Days	25%	5%
Commercial Paper	270 Days	25%	5%
Negotiable Certificates of Deposit	3 Years	25%	5%
Non-negotiable Certificates of Deposit	3 Years	25%	5%
Repurchase Agreements	180 Days	20%	None
Medium Term Notes	3 years	25%	5%
Mutual Funds/Money Market Mutual Funds	N/A	10%	10%
Local Agency Investment Fund (LAIF)	N/A	None	\$40 Million
California Asset Management Program (CAMP)	N/A	None	\$15 Million

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2006

Note 3: **Cash and Investments** (continued)

Investments (continued)

At June 30, 2006, the County had the following investments:

	Interest Rates	Maturities	Par	Fair Value	Carrying Value	Weighted Average Maturity (Years)
Investments in Investment Pool						
U.S. Treasury Notes	2.375% - 6.500%	8/2006 - 5/2009	\$ 8,000,000	\$ 7,913,791	\$ 7,968,873	0.86
U.S. Government Agencies	2.150% - 7.000%	7/2006 - 3/2010	52,565,000	51,758,542	52,679,554	1.15
U.S. Government Agency Discount Notes	Discount	7/2006 - 8/2006	4,000,000	3,940,614	3,917,508	0.09
Commercial Paper	Discount	9/2006 - 10/2006	2,000,000	1,966,611	1,957,043	0.22
Corporate Medium-Term Notes	2.750% - 6.750%	9/2006 - 2/2009	5,500,000	5,476,350	5,549,766	1.42
California Asset Management Program (CAMP)	N/A	On Demand	5,251,762	5,251,762	5,251,762	0.00
Local Agency Investment Fund (LAIF)	N/A	On Demand	3,280,064	3,280,064	3,280,064	0.00
Total			<u>\$ 80,596,826</u>	<u>\$ 79,587,734</u>	<u>\$ 80,604,570</u>	<u>0.94</u>
Investments outside Investment Pool						
<i>Cash held with fiscal agent</i>						
Money market mutual funds			\$ 5,834	\$ 5,834	\$ 5,834	0
Investment contracts			187,707	187,707	187,707	0.25
			<u>\$ 193,541</u>	<u>\$ 193,541</u>	<u>\$ 193,541</u>	<u>0.24</u>

At June 30, 2006 the difference between the cost and fair value of cash and investments was not material (fair value was 98.74% 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.

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.

Concentration of Credit Risk

At June 30, 2006, in accordance with state law and the County's Investment Policy, the County did not have 5% or more of its net investment in commercial paper, corporate bonds or medium term notes of a single organization, nor did it have 10% or more of its net investment in any one money market mutual fund. Investments in

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2006

Note 3: **Cash and Investments** (continued)

Concentration of Credit Risk (continued)

obligations of the U.S. government, U.S. government agencies, or government-sponsored enterprises are exempt from these limitations.

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, 2006.

	<u>S&P</u>	<u>Moody's</u>	<u>% of Portfolio</u>
U.S. Treasury Notes	AAA	Aaa	9.88%
U.S. Government Agencies (FNMA)	AAA	Aaa	12.97%
U.S. Government Agencies (FHLB)	AAA	Aaa	31.80%
U.S. Government Agencies (FHLMC)	AAA	Aaa	19.38%
U.S. Government Agencies (FFCB)	AAA	Aaa	1.20%
U.S. Gov't Agency Discount Notes (FNMA)	AAA	Aaa	3.64%
U.S. Gov't Agency Discount Notes (FHLMC)	AAA	Aaa	1.22%
Corporate Medium-Term Note	AA-	Aa1	1.25%
Corporate Medium-Term Note	AA-	Aa1	1.27%
Corporate Medium-Term Note	AAA	Aaa	3.73%
Corporate Medium-Term Note	AA-	Aa2	0.64%
Commercial Paper	AAA	Aaa	2.43%
California Asset Management Program (CAMP)	AAAm	Unrated	6.52%
Local Agency Investment Fund (LAIF)	Unrated	Unrated	4.07%
Total			<u>100.00%</u>

Custodial Credit Risk

For 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's investment pool 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,

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2006

Note 3: **Cash and Investments** (continued)

Local Agency Investment Fund (continued)

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, 2006, the County's investment position in the State of California Local Agency Investment Fund (LAIF) was \$3,280,064 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 approximately \$63.5 billion. Of that amount, 97.43% was invested in non-derivative financial products and 2.57% in structured notes and asset-backed securities. Fair value is based on information provided by the state for the Local Agency Investment Fund.

County Investment pool Condensed Financial Statements

The following represents a condensed statement of net assets and changes in net assets for the Treasurer's investment pool as of June 30, 2006:

Statement of Net Assets

Net assets held for pool participants	<u>\$ 77,344,987</u>
Equity of internal pool participants	\$ 54,839,011
Equity of external pool participants	<u>22,505,976</u>
Total net assets	<u>\$ 77,344,987</u>

Statement of Changes in Net Assets

Investment earnings	\$ 2,747,288
Investment expenses	(240,465)
Net withdrawals by pool participants	<u>(10,804,668)</u>
Decrease in Net Assets	(8,297,845)
Net assets at July 1, 2005	<u>85,642,832</u>
Net assets at June 30, 2006	<u>\$ 77,344,987</u>

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2006

Note 4: **Interfund Transactions**

Advances to/from other funds:

<u>Receivable From</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Social Services	\$ 200,000	Initial deposit to establish department
	Waste Management	500,000	Temporary cash flow assistance
	Airport	<u>100,000</u>	Temporary cash flow assistance
		<u>800,000</u>	
County Improvement	Waste Management	731,600	Project financing
County Improvement	Internal Service Funds	<u>214,920</u>	Payoff conservator accounts
		<u>946,520</u>	
		<u>\$ 1,746,520</u>	

Transfers:

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various County operations and re-allocations of special revenue. The following schedule briefly summarizes the County's transfer activities;

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Other Governmental Funds	\$ 279,000	GF subsidy
	County Improvement	2,500,000	Construction contribution
	Internal Service Funds	<u>566,020</u>	GF subsidy
		3,345,020	
County Improvement	Other Governmental Funds	410,029	Debt proceeds
Other Governmental Funds	County Improvement	<u>645,000</u>	Construction contribution
		<u>\$ 4,400,049</u>	

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2006

Note 5: **Capital Assets**

Capital asset activity for the year ended June 30, 2006, was as follows:

	<u>Balance</u> <u>July 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers &</u> <u>Adjustments</u>	<u>Balance</u> <u>June 30, 2006</u>
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 3,299,887	\$ --	\$ --	\$ --	\$ 3,299,887
Construction in progress	<u>6,673,377</u>	<u>17,400,671</u>	<u>--</u>	<u>--</u>	<u>24,074,048</u>
Total capital assets, not being depreciated	<u>9,973,264</u>	<u>17,400,671</u>	<u>--</u>	<u>--</u>	<u>27,373,935</u>
Capital assets, being depreciated:					
Infrastructure	39,807,056	--	--	--	39,807,056
Structures and improvements	15,688,007	--	--	--	15,688,007
Equipment	<u>12,624,314</u>	<u>1,110,236</u>	<u>(11,009)</u>	<u>(3,172)</u>	<u>13,720,369</u>
Total capital assets, being depreciated	<u>68,119,377</u>	<u>1,110,236</u>	<u>(11,009)</u>	<u>(3,172)</u>	<u>69,215,432</u>
Less accumulated depreciation for:					
Infrastructure	(30,794,741)	(692,012)	--	--	(31,486,753)
Structures and improvements	(5,097,827)	(339,863)	--	--	(5,437,690)
Equipment	<u>(10,209,207)</u>	<u>(1,037,346)</u>	<u>10,790</u>	<u>2,830</u>	<u>(11,232,933)</u>
Total accumulated depreciation	<u>(46,101,775)</u>	<u>(2,069,221)</u>	<u>10,790</u>	<u>2,830</u>	<u>(48,157,376)</u>
Total capital assets, being depreciated, net	<u>22,017,602</u>	<u>(958,985)</u>	<u>(219)</u>	<u>(342)</u>	<u>21,058,056</u>
Government activities capital assets, net	<u>\$ 31,990,866</u>	<u>\$ 16,441,686</u>	<u>\$ (219)</u>	<u>\$ (342)</u>	<u>\$ 48,431,991</u>
Business-Type Activities					
Capital assets, not being depreciated:					
Land	\$ 2,069,875	\$ 107,000	\$ --	\$ --	\$ 2,176,875
Construction in progress	<u>583,392</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>583,392</u>
Total capital assets, not being depreciated	<u>2,653,267</u>	<u>107,000</u>	<u>--</u>	<u>--</u>	<u>2,760,267</u>
Capital assets, being depreciated:					
Infrastructure	1,036,524	422,169	--	--	1,458,693
Structures and improvements	1,333,717	--	--	--	1,333,717
Equipment	<u>82,758</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>82,758</u>
Total capital assets, being depreciated	<u>2,452,999</u>	<u>422,169</u>	<u>--</u>	<u>--</u>	<u>2,875,168</u>
Less accumulated depreciation for:					
Infrastructure	(645,595)	(47,857)	--	--	(693,452)
Structures and improvements	(434,835)	(47,362)	--	--	(482,197)
Equipment	<u>(49,927)</u>	<u>(6,407)</u>	<u>--</u>	<u>--</u>	<u>(56,334)</u>
Total accumulated depreciation	<u>(1,130,357)</u>	<u>(101,626)</u>	<u>--</u>	<u>--</u>	<u>(1,231,983)</u>
Total capital assets, being depreciated, net	<u>1,322,642</u>	<u>320,543</u>	<u>--</u>	<u>--</u>	<u>1,643,185</u>
Business-type activities capital assets, net	<u>\$ 3,975,909</u>	<u>\$ 427,543</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 4,403,452</u>

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2006

Note 5: **Capital Assets** (continued)

Depreciation expense was charged to governmental functions as follows:

	<u>Total</u>
General government	\$ 174,141
Public protection	641,952
Public ways	853,266
Health and sanitation	55,623
Public assistance	26,186
Education	12,627
Culture and recreation	3,474
Depreciation on capital assets held by the County's internal service funds are charged to various functions based on their usage of the assets	<u>301,952</u>
Total	<u><u>\$ 2,069,221</u></u>

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

	<u>Total</u>
Waste Management	11,553
Airport	<u>90,073</u>
Total	<u><u>\$ 101,626</u></u>

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2006

Note 6: **Long-Term Debt**

Long-term liabilities at June 30, 2006 consisted of the following:

	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2006</u>
<u>Governmental Activities</u>						
2005 Certificates of Participation <i>construct County Administration Building</i>	8/1/2005	10/1/2025	4.00%	\$330,000 - \$670,000	\$ 9,090,000	\$ 9,090,000
Note payable <i>purchase of fire fighting equipment and fire trucks</i>	4/1/2002	4/1/2008	4.39%	\$59,026 - \$70,094	378,750	137,240
<i>purchase of land at 13775 Mount Zion Road, Pine Grove</i>	11/9/2004	11/9/2009	4.29%	\$31,664 - \$37,457	172,500	140,836
Total Governmental Activities					<u>\$ 9,641,250</u>	<u>\$ 9,368,076</u>
<u>Business-Type Activities</u>						
Notes payable	2001	2018	5.66%	\$8,391 - \$16,446	\$ 194,000	\$ 143,533
Total Business-Type Activities					<u>\$ 194,000</u>	<u>\$ 143,533</u>

The following is a summary of long-term liability transactions for the year ended June 30, 2006:

	<u>Balance July 1, 2005</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2006</u>	<u>Amounts Due Within One Year</u>
<u>Governmental Activities</u>					
Certificates of participation	\$ --	\$ 9,090,000	\$ --	\$ 9,090,000	\$ --
Notes Payable - Fire Protection District	374,063	--	95,987	278,076	100,169
Compensated absences	1,464,751	160,193	--	1,624,944	812,472
Liability for self-insurance	100,000	129,703	39,703	190,000	--
Total Governmental Activities Long-term liabilities	<u>\$ 1,938,814</u>	<u>\$ 9,379,896</u>	<u>\$ 135,690</u>	<u>\$ 11,183,020</u>	<u>\$ 912,641</u>
<u>Business-type Activities</u>					
Notes Payable - Airport	\$ 153,267	\$ --	\$ 9,734	\$ 143,533	\$ 10,405
Compensated absences	667	521	--	1,188	594
Total Business-type Activities Long-term liabilities	<u>\$ 153,934</u>	<u>\$ 521</u>	<u>\$ 9,734</u>	<u>\$ 144,721</u>	<u>\$ 10,999</u>

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2006

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

As of June 30, 2006, annual debt service requirements of governmental activities to maturity are as follows:

Year Ending June 30:	Certificates of Participation			Notes Payable		
	Principal	Interest	Total	Principal	Interest	Total
2007	\$ --	\$ 374,419	\$ 374,419	\$ 100,169	\$ 12,066	\$ 112,235
2008	330,000	367,819	697,819	104,533	7,702	112,235
2009	340,000	354,419	694,419	35,917	3,147	39,064
2010	355,000	340,519	695,519	37,457	1,607	39,064
2011	370,000	326,019	696,019	--	--	--
2012-2016	2,080,000	1,391,494	3,471,494	--	--	--
2017-2021	2,525,000	932,253	3,457,253	--	--	--
2022-2026	3,090,000	347,663	3,437,663	--	--	--
	<u>\$ 9,090,000</u>	<u>\$ 4,434,605</u>	<u>\$ 13,524,605</u>	<u>\$ 278,076</u>	<u>\$ 24,522</u>	<u>\$ 302,598</u>

As of June 30, 2006, annual debt service requirements of business activities to maturity are as follows:

Year Ending June 30:	Business Activities		
	Loans Payable		
	Principal	Interest	Total
2007	\$ 10,405	\$ 8,129	\$ 18,534
2008	11,076	7,540	18,616
2009	11,747	6,913	18,660
2010	12,419	6,247	18,666
2011	13,090	5,544	18,634
2012-2016	75,519	15,839	91,358
2017	9,277	525	9,802
	<u>\$ 143,533</u>	<u>\$ 50,737</u>	<u>\$ 194,270</u>

Claims and judgments will be paid from the County's Insurance Fund. Compensated absences liabilities will be paid by several of the County's funds, including the general fund, five special revenue funds, three internal service funds, and one enterprise fund. Historically, 96 percent of these costs have been paid from the County's governmental funds, with the remaining 4 percent paid from its proprietary funds.

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2006

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

New Debt Issuance

In August 2005, the County issued 2005 Certificates of Participation in an amount of \$9,090,000. The certificates were used to finance the acquisition and construction of the County Administration Building and to pay the costs incurred in connection with the execution and delivery of the certificates.

The certificates bear interest between 4% and 4.375%. Interest is payable on April 1 and October 1 of each year beginning April 1, 2006. Principal repayments are due October 1 each year and begin October 1, 2007.

Special Assessment Debt: The total matured and unmatured bonds outstanding related to special assessment debt is \$652,921 at June 30, 2006. The County acts as an agent for the property owners in collecting special assessments, forwarding the collections to bondholders and initiating foreclosure proceedings, when appropriate. The County is not liable for repayment of the special assessment debt, and accordingly, they are not reflected in the accompanying basic financial statements. Cash held on deposit of \$173,350 and corresponding amounts payable are reported in the Agency Fund.

Note 7: **Landfill Closure and Postclosure Maintenance Costs**

The Buena Vista Landfill, located in Amador County, is used as the County's landfill site. State and federal laws and regulations require that the County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. During fiscal year ended June 30, 2005, the landfill was closed and no longer accepts waste.

The recognition of the estimated liability for closure and post closure maintenance costs is based on the estimated remaining life of the landfill. The estimated liability of the County's landfill site for closure and postclosure maintenance costs was \$126,726 for fiscal year 2006, and was based on 100% usage (filled) of the landfill. It is estimated that no additional liability will be recognized as closure and postclosure maintenance costs because the landfill has been closed. The estimated total current cost of the landfill closure and postclosure maintenance cost of \$126,726 is based on the amount that would be paid if all equipment, facilities and services required to close, monitor and maintain the landfills were acquired as of the balance sheet date. However, the costs for landfill closure and post closure maintenance are based on yearly estimates, reviewed by the California Integrated Waste Management Board, as prepared by the County. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2006

Note 7: **Landfill Closure and Postclosure Maintenance Costs** (continued)

The County is required by state and federal laws and regulations to make annual contributions to a trust fund to finance closure and post closure cost. The County is in compliance with these requirements, and at June 30, 2006, cash and investments of \$77,209 are held for these purposes. These are reported as restricted assets on the Landfill Enterprise statement of net assets. The County expects that future inflation costs will be paid from interest earnings on these contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined, these costs may need to be covered by charges to future landfill users. The County has incurred actual expenditures related to the first of three phases to close its landfill and these expenditures have not been charged to the restricted cash account.

Note 8: **Public Employee Retirement System**

Plan Description

The County contributes to the California Public Employees' Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute. Copies of PERS' annual financial reports may be obtained from their Executive Office located at 400 P Street, Sacramento, California 95814.

Funding Policy

County employees are required by state statute to contribute 7% for miscellaneous employees and 7% to 9% for safety employees of their annual covered salary. The County makes the contributions required of County employees on their behalf and for their account which amounted to \$1,419,786 for the year ended June 30, 2006.

Annual Pension Cost

For fiscal year 2005-2006, the County's annual pension cost of \$2,486,481 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 include an inflation component of 3.0%. 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 losses.

COUNTY OF AMADOR

Notes to Basic Financial Statements
June 30, 2006

Note 8: **Public Employee Retirement System** (continued)

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

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
06/30/04	\$ 450,395	100%	\$ --
06/30/05	1,823,724	100%	--
06/30/06	2,486,481	100%	--

Note 9: **Property Taxes**

The County levies property taxes July 1 on assessed values established on the lien date of the previous January 1 for all taxable property located within the County. Local assessed values are determined subject to appeal before the Assessment Appeals Board, by the County Assessor's Office. Locally assessed real property is appraised at the 1975-76 base year value and is adjusted each year after 1975 by the change in the California Consumer Price Index not to exceed an increase of 2% per year.

Article XIII-A of the California Constitution (Proposition 13) requires the County Assessor to reappraised all property from the 1975-76 base year value to current full value upon either a change in ownership or new construction. Thereafter, it continues to be increased annually by the change in the California Consumer Price Index not to exceed 2%. The net asset value for the 2005-2006 fiscal year is \$3,624,371,497.

The County is permitted by Division 1, Part 0.5, Chapter 5.5, of the California Revenue and Taxation Code, to levy taxes up to \$1.00 per \$100 of assessed valuation for general governmental services other than the payment of principal and interest on general obligation bonds or other indebtedness approved by voters prior to July 1, 1978. Taxes are allocated to local agencies and school districts as outlined in Chapter 6 of the California Revenue and Taxation Code.

Taxes are due in one installment (unsecured rolled) when billed and are subject to late payment penalties if paid after August 31, or two installments (secured roll) due on November 1 and March 1, and subject to the late payment penalties if paid after December 10 and April 10, respectively. Additionally, supplemental property taxes are levied on a pro rata basis when changes in assessed valuation occur due to sales transactions or the completion of construction.

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2006

Note 9: **Property Taxes** (continued)

The County and its political subdivisions operate under the provisions of Sections 4701-4717 of the California Revenue and Taxation Code. This provision is otherwise known as the "Teeter Plan." Under this method, the accounts of political subdivisions that adopted the Teeter Plan and levy taxes on the County tax roll are credited with 100% of their respective secured tax levy, regardless of the actual payments and delinquencies. This method then provides for Teetered delinquent penalties and redemptions to flow to the County's general fund.

Pursuant to Section 4703 of the California Revenue and Taxation Code, all counties electing to operate under the "Teeter Plan," are required to maintain a Property Tax Losses Reserve Fund. The fund is used to cover losses that may occur in the amount of tax liens as a result of special sales of tax-defaulted property. Whenever in any year the amount of the Tax Losses Reserve Fund has reached an amount equivalent to 1% of the total of all taxes and assessments levied on the secured roll for that year, the excess may be credited to the County's General Fund. During the fiscal year ended June 30, 2006, the County authorized a one time transfer of \$2,500,000 of excess tax loss reserve funds to fund ongoing construction projects. This amount was recognized as general revenues in the government-wide statement of activities. After the transfer, the Tax Losses Reserve Fund balance was in excess of the statutory 1% minimum.

Note 10: **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 is a member of the County supervisors Association of California Excess Insurance Authority (CSAC-EIA), a public entity risk pool currently operating as a common risk manager and insurance program for counties. Should actual losses among pool participants be greater than anticipated, the County will be assessed its prorated share of the deficiency. Conversely, if the actual pool losses are less than anticipated, the County will be refunded its prorated share of the excess. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

The County maintains a risk management internal service fund (Self-Insurance Fund) to consolidate the County's fully insured Worker's Compensation program and the general liability, medical malpractice and property insurance programs that are partially self-insured. Fund revenues are primarily premium charges to other funds and are planned to equal workers' compensation premiums, estimated payments resulting from self-insurance programs, liability insurance coverage in excess of the self-insured amount and operating expenses.

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2006

Note 10: **Risk Management** (continued)

The County maintains a self-insured retention (SIR) of \$100,000 for its general liability program, \$10,000 per occurrence for its medical malpractice program and \$5,000 for its property program. A commercial insurance policy has been purchased, that covers all SIR related losses except for the first \$10,000. Losses which exceed the SIR are covered by the excess insurance policy described above.

The Total claims liability of \$190,000 at June 30, 2006, is based on the requirements of Governmental Accounting Standards Board (GASB) Statement No. 10, as amended by GASB Statement No. 30. These statements require 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.

Estimates of the liabilities for incurred (both reported and unreported) but unpaid claims, are based on claims loss reports. Liabilities are based on the estimated cost of settling the claims.

Changes in the County's claims liabilities amount for the fiscal years ended June 30, 2006 and 2005, were as follows:

	<u>2006</u>	<u>2005</u>
Unpaid claims, beginning of year	\$ 100,000	\$ 72,397
Estimated claims incurred and adjustments	129,703	90,586
Claims payments	<u>(39,703)</u>	<u>(62,983)</u>
Unpaid claims, end of year	<u>\$ 190,000</u>	<u>\$ 100,000</u>

Note 11: **Net Assets/Fund Balances**

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

- *Invested in Capital Assets, Net of Related Debt* – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2006

Note 11: **Net Assets/Fund Balances** (continued)

- *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 or enabling legislation. Included in governmental activities restricted net assets at June 30, 2006, are net assets restricted by enabling legislation of \$878,000.
- *Unrestricted Net Assets* – This category represents net assets of the County, not restricted for any project or other purpose.

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

As of June 30, 2006, reservations of fund balance are described below:

The term “reserved” is used to indicate that a portion of reported fund balance is (1) legally restricted to a specific use or (2) not available for appropriation or expenditure. The County’s management will sometimes designate portions of unreserved (available) fund balance based on tentative future spending plans.

Designated portions of fund balance represent financial resources legally available for uses other than those tentatively planned.

The County has “reserved” fund balances as follows:

- Reserve for Imprest Cash was created to represent the portion of the fund balance that is not available for expenditure because the County maintains various levels of revolving funds for daily operations.
- Reserve for Inventory was created to represent the portion of the fund balance that is not available for expenditure because the County expects to use these resources within the next budgetary period.
- Reserve for Encumbrances was created to represent encumbrances outstanding at the end of the fiscal year, based on purchase orders and contracts signed by the County but not completed as of the close of the fiscal year.
- Reserve for Loans and Advances was created to represent long-term receivables and interfund loans not available to finance current year expenditures.

COUNTY OF AMADOR

Notes to Basic Financial Statements June 30, 2006

Note 11: **Net Assets/Fund Balances** (continued)

- Reserve for Debt Service was created to reflect the funds held by trustees or fiscal agents for future payment of bond principal and interest. These funds are not available for general operations.
- Reserve for General was created to represent the portion of fund equity the County expects to use for unpredicted future events.

Note 12: **Joint Venture**

Central Sierra Child Support Agency

The Central Sierra Child Support Agency (the Agency) acts as the local child support agency for Amador, Alpine and Calaveras counties. The Agency operates under a Joint Powers Agreement between Amador, Alpine and Calaveras counties and in compliance with the applicable standards and regulations set forth by the State of California. Central Sierra Child Support Agency has an independent governing board including members from the Board of Supervisors of Amador, Alpine and Calaveras counties. The Agency is a public agency, which is separate and apart from its constituent county. Financial statements for the Authority can be obtained by contacting the Authority at 639 New York Ranch Road, Jackson CA 95642.

Note 13: **Contingent Liabilities**

Federal Grants – The County participates in several federal and state grant programs. These programs have been audited in accordance with the provisions of the federal Single Audit Act of 1984 and applicable state requirements. No cost disallowances were proposed as a result of these audits. However, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The County expects such amounts, if any, to be immaterial.

**REQUIRED
SUPPLEMENTARY INFORMATION**

COUNTY OF AMADOR

Required Supplementary Information
For the Fiscal Year Ended June 30, 2006

SCHEDULE OF FUNDING PROGRESS

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

SAFETY PLAN

This information is no longer available for the Safety Plan. Information is available on a pooled-basis only and can be obtained from CalPERS, P.O. box 942709, Sacramento, CA 94229-2709.

MISCELLANEOUS PLAN

<u>Actuarial Valuation Date</u>	<u>Entry Age Actuarial Accrued Liability</u>	<u>Actuarial Asset Value</u>	<u>Underfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Underfunded Actuarial Liability as Percentage of Covered Payroll</u>
06/30/03	59,092,222	58,142,724	949,498	98.4%	13,642,048	7.0%
06/30/04	62,653,262	58,967,207	3,686,055	94.1%	13,794,954	26.7%
06/30/05	67,435,716	62,910,979	4,524,737	93.3%	14,522,614	31.2%

COUNTY OF AMADOR

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual General Fund For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 14,130,000	\$ 14,130,000	\$ 18,023,222	\$ 3,893,222
Licenses and permits	747,244	1,128,367	739,009	(389,358)
Intergovernmental	8,501,110	9,057,368	9,445,520	388,152
Fines and forfeitures	1,144,165	1,144,165	604,031	(540,134)
Use of money and property	406,775	406,775	798,343	391,568
Charges for services	2,328,581	2,519,157	2,697,868	178,711
Other	859,160	707,100	556,448	(150,652)
Total Revenue	<u>28,117,035</u>	<u>29,092,932</u>	<u>32,864,441</u>	<u>3,771,509</u>
Expenditures:				
Current:				
General government	6,230,930	7,865,759	6,610,730	1,255,029
Public protection	21,687,626	22,795,770	20,799,095	1,996,675
Health and sanitation	280,692	283,442	259,829	23,613
Public assistance	113,254	113,282	105,765	7,517
Education	972,272	992,784	973,294	19,490
Recreation and cultural services	309,757	377,415	308,055	69,360
Capital outlay	1,748,338	1,469,244	339,157	1,130,087
Contingency	1,054,122	565,011	--	565,011
Total Expenditures	<u>32,396,991</u>	<u>34,462,707</u>	<u>29,395,925</u>	<u>5,066,782</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(4,279,956)</u>	<u>(5,369,775)</u>	<u>3,468,516</u>	<u>8,838,291</u>
Other Financing Sources (Uses):				
Transfers out	(3,715,368)	(3,445,020)	(3,345,020)	100,000
Total Other Financing Sources (Uses)	<u>(3,715,368)</u>	<u>(3,445,020)</u>	<u>(3,345,020)</u>	<u>100,000</u>
Change in Fund Balance	(7,995,324)	(8,814,795)	123,496	8,938,291
Fund Balance, Beginning of Fiscal Year	<u>19,793,374</u>	<u>19,793,374</u>	<u>19,793,374</u>	<u>--</u>
Fund Balance, End of Fiscal Year	<u>\$ 11,798,050</u>	<u>\$ 10,978,579</u>	<u>\$ 19,916,870</u>	<u>\$ 8,938,291</u>

COUNTY OF AMADOR

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Social Services
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 8,209,624	\$ 8,211,024	\$ 7,556,288	\$ (654,736)
Use of money and property	--	--	48,912	48,912
Other	--	--	580	580
Total Revenue	<u>8,209,624</u>	<u>8,211,024</u>	<u>7,605,780</u>	<u>(605,244)</u>
Expenditures:				
Current:				
Public assistance	<u>8,209,624</u>	<u>8,215,083</u>	<u>7,429,102</u>	<u>785,981</u>
Total Expenditures	<u>8,209,624</u>	<u>8,215,083</u>	<u>7,429,102</u>	<u>785,981</u>
Change in Fund Balance	--	(4,059)	176,678	180,737
Fund Balance, Beginning of Fiscal Year	<u>1,392,913</u>	<u>1,392,913</u>	<u>1,392,913</u>	--
Fund Balance, End of Fiscal Year	<u>\$ 1,392,913</u>	<u>\$ 1,388,854</u>	<u>\$ 1,569,591</u>	<u>\$ 180,737</u>

COUNTY OF AMADOR

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Road
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 939,687	\$ 939,687	\$ 813,300	(126,387)
Licenses and permits	42,000	42,000	263,984	221,984
Intergovernmental	4,413,202	4,413,202	3,255,943	(1,157,259)
Fines and forfeitures	45,000	45,000	53,449	8,449
Use of money and property	20,000	20,000	36,575	16,575
Charges for services	1,747,800	1,867,090	977,531	(889,559)
Total Revenue	<u>7,207,689</u>	<u>7,326,979</u>	<u>5,400,782</u>	<u>(1,926,197)</u>
Expenditures:				
Current:				
Public Ways	7,905,163	8,135,389	4,007,553	4,127,836
Capital outlay	74,050	108,350	20,168	88,182
Total Expenditures	<u>7,979,213</u>	<u>8,243,739</u>	<u>4,027,721</u>	<u>4,216,018</u>
Change in Fund Balance	(771,524)	(916,760)	1,373,061	2,289,821
Fund Balance, Beginning of Fiscal Year	<u>1,220,268</u>	<u>1,220,268</u>	<u>1,220,268</u>	<u>--</u>
Fund Balance, End of Fiscal Year	<u>\$ 448,744</u>	<u>\$ 303,508</u>	<u>\$ 2,593,329</u>	<u>\$ 2,289,821</u>

COUNTY OF AMADOR

Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2006

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 not legally exceed appropriations. Any amendments or transfers of appropriations between object levels within the same budget unit or between departments or funds are approved by the Board of Supervisors. Budgeted amounts in the budgetary financial schedules are reported as originally adopted and as amended during the fiscal year by resolutions approved by the Board of Supervisors.

The 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.

Budgets are adopted on a basis which materially conforms to generally accepted accounting principles. Unexpended appropriations lapse at year end.

SUPPLEMENTARY INFORMATION

COUNTY OF AMADOR

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2006

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Totals</u>
<u>Assets</u>			
Cash and investments	\$ 6,539,198	\$ --	\$ 6,539,198
Cash with fiscal agent	--	193,541	193,541
Imprest cash	100	--	100
Due from other governments	247,241	--	247,241
Interest receivable	37,179	--	37,179
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 6,823,718</u>	<u>\$ 193,541</u>	<u>\$ 7,017,259</u>
 <u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable	\$ 245,589	\$ --	\$ 245,589
Due to other governments	487,159	--	487,159
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>732,748</u>	<u>--</u>	<u>732,748</u>
 Fund Balances:			
Reserved:			
Imprest cash	100	--	100
Encumbrances	116,445	--	116,445
Debt service	--	193,541	193,541
General	583,080	--	583,080
Unreserved:			
Undesignated	5,391,345	--	5,391,345
	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>6,090,970</u>	<u>193,541</u>	<u>6,284,511</u>
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 6,823,718</u>	<u>\$ 193,541</u>	<u>\$ 7,017,259</u>

COUNTY OF AMADOR

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended June 30, 2006

	Special Revenue	Debt Service	Total
Revenues:			
Taxes	\$ 19,163	\$ --	\$ 19,163
Intergovernmental	5,927,201	--	5,927,201
Fines and forfeitures	130,871	--	130,871
Use of money and property	200,724	6,332	207,056
Charges for services	1,877,443	--	1,877,443
Other	46,348	--	46,348
Total Revenues	8,201,750	6,332	8,208,082
Expenditures:			
Current:			
General government	6,000	--	6,000
Public protection	1,321,323	--	1,321,323
Health and sanitation	6,717,783	--	6,717,783
Capital outlay	142,841	--	142,841
Debt Service:			
Principal payments	95,987	--	95,987
Interest and fiscal charges	16,249	222,820	239,069
Total Expenditures	8,300,183	222,820	8,523,003
Excess (Deficiency) of Revenue Over (Under) Expenditures	(98,433)	(216,488)	(314,921)
Other Financing Sources (Uses):			
Transfers in	279,000	410,029	689,029
Transfers out	(645,000)	--	(645,000)
Total Other Financing Sources (Uses)	(366,000)	410,029	44,029
Change in Fund Balances	(464,433)	193,541	(270,892)
Fund Balances, Beginning of Fiscal Year	6,555,403	--	6,555,403
Fund Balances, End of Fiscal Year	\$ 6,090,970	\$ 193,541	\$ 6,284,511

Nonmajor Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

COUNTY OF AMADOR

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2006

	<u>Memorial Hall</u>	<u>Mental Health</u>	<u>Health</u>	<u>Fish & Game</u>
<u>Assets</u>				
Cash and investments	\$ 180,965	\$ 498,384	\$ 2,605,838	\$ 10,061
Imprest cash	--	--	--	--
Due from other governments	--	145,090	102,151	--
Interest receivable	1,527	5,463	21,457	91
 Total Assets	 <u>\$ 182,492</u>	 <u>\$ 648,937</u>	 <u>\$ 2,729,446</u>	 <u>\$ 10,152</u>
 <u>Liabilities and Fund Balances</u>				
<u>Liabilities:</u>				
Accounts payable	\$ --	\$ 33,684	\$ 26,220	\$ --
Due to other governments	--	--	--	--
 Total Liabilities	 <u>--</u>	 <u>33,684</u>	 <u>26,220</u>	 <u>--</u>
 <u>Fund Balances:</u>				
<u>Reserved:</u>				
Imprest cash	--	--	--	--
Encumbrances	--	147	116,298	--
General	185,007	100,000	100,000	8,019
<u>Unreserved:</u>				
Unreserved, undesignated	<u>(2,515)</u>	<u>515,106</u>	<u>2,486,928</u>	<u>2,133</u>
 Total Fund Balances	 <u>182,492</u>	 <u>615,253</u>	 <u>2,703,226</u>	 <u>10,152</u>
 Total Liabilities and Fund Balances	 <u>\$ 182,492</u>	 <u>\$ 648,937</u>	 <u>\$ 2,729,446</u>	 <u>\$ 10,152</u>

Continued

COUNTY OF AMADOR

Combining Balance Sheet (continued)
 Nonmajor Special Revenue Funds
 June 30, 2006

	Miscellaneous Special Revenue Funds	Special Districts Governed by County Board of Supervisors			Totals
		Victory Lighting	IHSS Public Authority	Amador Fire Protection	
<u>Assets</u>					
Cash and investments	\$ 2,232,270	\$ 22,236	\$ 46,950	\$ 942,494	\$ 6,539,198
Imprest cash	--	--	--	100	100
Due from other governments	--	--	--	--	247,241
Interest receivable	--	182	166	8,293	37,179
Total Assets	<u>\$ 2,232,270</u>	<u>\$ 22,418</u>	<u>\$ 47,116</u>	<u>\$ 950,887</u>	<u>\$ 6,823,718</u>
<u>Liabilities and Fund Balances</u>					
<u>Liabilities:</u>					
Accounts payable	\$ --	\$ --	\$ 2,489	\$ 183,196	\$ 245,589
Due to other governments	487,159	--	--	--	487,159
Total Liabilities	<u>487,159</u>	<u>--</u>	<u>2,489</u>	<u>183,196</u>	<u>732,748</u>
<u>Fund Balances:</u>					
<u>Reserved:</u>					
Imprest cash	--	--	--	100	100
Encumbrances	--	--	--	--	116,445
General	--	20,116	10,000	159,938	583,080
<u>Unreserved:</u>					
Unreserved, undesignated	1,745,111	2,302	34,627	607,653	5,391,345
Total Fund Balances	<u>1,745,111</u>	<u>22,418</u>	<u>44,627</u>	<u>767,691</u>	<u>6,090,970</u>
Total Liabilities and Fund Balances	<u>\$ 2,232,270</u>	<u>\$ 22,418</u>	<u>\$ 47,116</u>	<u>\$ 950,887</u>	<u>\$ 6,823,718</u>

COUNTY OF AMADOR

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2006

	Memorial Hall	Mental Health	Health	Fish & Game
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ --
Intergovernmental	--	2,481,024	2,691,389	--
Fines and forfeitures	--	--	--	760
Use of money and property	5,431	33,703	87,711	313
Charges for services	--	137,238	438,041	--
Other	--	556	45,792	--
Total Revenues	5,431	2,652,521	3,262,933	1,073
Expenditures:				
Current:				
General government	6,000	--	--	--
Public protection	--	--	--	1,009
Health & Sanitation	--	3,483,831	2,979,891	--
Debt Service:				
Principal payments	--	--	--	--
Interest and fiscal charges	--	--	--	--
Capital outlay	--	--	24,719	--
Total Expenditures	6,000	3,483,831	3,004,610	1,009
Excess (Deficiency) of Revenue Over (Under) Expenditures	(569)	(831,310)	258,323	64
Other Financing Sources (Uses):				
Transfers in	--	--	279,000	--
Transfers out	--	--	(645,000)	--
Total Other Financing Sources (Uses)	--	--	(366,000)	--
Change in Fund Balances	(569)	(831,310)	(107,677)	64
Fund Balances, Beginning of Fiscal Year	183,061	1,446,563	2,810,903	10,088
Fund Balances, End of Fiscal Year	\$ 182,492	\$ 615,253	\$ 2,703,226	\$ 10,152

Continued

COUNTY OF AMADOR

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (continued)
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2006

	Miscellaneous Special Revenue Funds	Special Districts Governed by County Board of Supervisors			Totals
		Victory Lighting	IHSS Public Authority	Amador Fire Protection	
Revenues:					
Taxes	\$ --	\$ 2,238	\$ --	\$ 16,925	\$ 19,163
Intergovernmental	--	39	259,883	494,866	5,927,201
Fines and forfeitures	130,111	--	--	--	130,871
Use of money and property	44,681	620	596	27,669	200,724
Charges for services	1,900	--	--	1,300,264	1,877,443
Other	--	--	--	--	46,348
Total Revenues	<u>176,692</u>	<u>2,897</u>	<u>260,479</u>	<u>1,839,724</u>	<u>8,201,750</u>
Expenditures:					
Current:					
General government	--	--	--	--	6,000
Public protection	--	710	--	1,319,604	1,321,323
Health & Sanitation	--	--	254,061	--	6,717,783
Debt Service:					
Principal payments	--	--	--	95,987	95,987
Interest and fiscal charges	--	--	--	16,249	16,249
Capital outlay	--	--	--	118,122	142,841
Total Expenditures	<u>--</u>	<u>710</u>	<u>254,061</u>	<u>1,549,962</u>	<u>8,300,183</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>176,692</u>	<u>2,187</u>	<u>6,418</u>	<u>289,762</u>	<u>(98,433)</u>
Other Financing Sources (Uses):					
Transfers in	--	--	--	--	279,000
Transfers out	--	--	--	--	(645,000)
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(366,000)</u>
Change in Fund Balances	176,692	2,187	6,418	289,762	(464,433)
Fund Balances, Beginning of Fiscal Year	<u>1,568,419</u>	<u>20,231</u>	<u>38,209</u>	<u>477,929</u>	<u>6,555,403</u>
Fund Balances, End of Fiscal Year	<u>\$ 1,745,111</u>	<u>\$ 22,418</u>	<u>\$ 44,627</u>	<u>\$ 767,691</u>	<u>\$ 6,090,970</u>

Nonmajor Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the government’s council is that the costs of providing goods to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government’s council has decided that periodic determination of net income is appropriate for accountability purposes.

COUNTY OF AMADOR

Combining Statement of Net Assets
All Nonmajor Enterprise Funds
June 30, 2006

	<u>CSA #4</u>	<u>CSA #5</u>	<u>CSA #6</u>	<u>CSA #8</u>	<u>Total</u>
<u>ASSETS</u>					
Current Assets:					
Cash and investments in Pool	\$ 38,015	\$ 212,344	\$ 306	\$ 44,517	\$ 295,182
Interest receivable	315	1,734	81	358	2,488
	<u>38,330</u>	<u>214,078</u>	<u>387</u>	<u>44,875</u>	<u>297,670</u>
Total Assets	<u>\$ 38,330</u>	<u>\$ 214,078</u>	<u>\$ 387</u>	<u>\$ 44,875</u>	<u>\$ 297,670</u>
<u>LIABILITIES</u>					
Current Liabilities:					
Deposits held for others	\$ --	\$ 180,032	\$ --	\$ --	\$ 180,032
	<u>--</u>	<u>180,032</u>	<u>--</u>	<u>--</u>	<u>180,032</u>
Total Liabilities	<u>--</u>	<u>180,032</u>	<u>--</u>	<u>--</u>	<u>180,032</u>
<u>NET ASSETS</u>					
Unrestricted	<u>38,330</u>	<u>34,046</u>	<u>387</u>	<u>44,875</u>	<u>117,638</u>
Total Net Assets	<u>38,330</u>	<u>34,046</u>	<u>387</u>	<u>44,875</u>	<u>117,638</u>
Total Liabilities and Net Assets	<u>\$ 38,330</u>	<u>\$ 214,078</u>	<u>\$ 387</u>	<u>\$ 44,875</u>	<u>\$ 297,670</u>

COUNTY OF AMADOR

Combining Statement of Revenues, Expenditures
and Changes in Net Assets
All Nonmajor Enterprise Funds
June 30, 2006

	<u>CSA #4</u>	<u>CSA #5</u>	<u>CSA #6</u>	<u>CSA #8</u>	<u>Total</u>
Operating Revenues:					
Charges for services	\$ --	\$ --	\$ 29,271	\$ --	\$ 29,271
Other	--	18,332	--	7,416	25,748
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Operating Revenues	--	18,332	29,271	7,416	55,019
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Operating Expenses:					
Services and supplies	--	1,571	40,967	--	42,538
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Operating Expenses	--	1,571	40,967	--	42,538
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Operating Income (Loss)	--	16,761	(11,696)	7,416	12,481
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Non-Operating Revenues (Expenses):					
Interest income	1,109	5,520	461	1,187	8,277
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Non-Operating Revenues (Expenses)	1,109	5,520	461	1,187	8,277
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Change in Net Assets	1,109	22,281	(11,235)	8,603	20,758
Net Assets, Beginning of Year	37,221	11,765	11,622	36,272	96,880
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Assets, End of Year	<u>\$ 38,330</u>	<u>\$ 34,046</u>	<u>\$ 387</u>	<u>\$ 44,875</u>	<u>\$ 117,638</u>

COUNTY OF AMADOR

Combining Statement of Cash Flows
All Nonmajor Enterprise Funds
For the Year Ended June 30, 2006

	<u>CSA #4</u>	<u>CSA #5</u>	<u>CSA #6</u>	<u>CSA #8</u>	<u>Total</u>
Cash Flows from Operating Activities:					
Receipts from customers and users	\$ --	\$ 40,763	\$ 29,271	\$ 7,416	\$ 77,450
Payments to suppliers	--	(1,571)	(40,967)	--	(42,538)
Net Cash Provided (Used) by Operating Activities	<u>--</u>	<u>39,192</u>	<u>(11,696)</u>	<u>7,416</u>	<u>34,912</u>
Cash Flows from Investing Activities:					
Interest received	<u>1,008</u>	<u>4,765</u>	<u>654</u>	<u>1,032</u>	<u>7,459</u>
Net Cash Provided (Used) by Investing Activities	<u>1,008</u>	<u>4,765</u>	<u>654</u>	<u>1,032</u>	<u>7,459</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,008	43,957	(11,042)	8,448	42,371
Cash and Cash Equivalents, Beginning of Year	<u>37,007</u>	<u>168,387</u>	<u>11,348</u>	<u>36,069</u>	<u>252,811</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 38,015</u></u>	<u><u>\$ 212,344</u></u>	<u><u>\$ 306</u></u>	<u><u>\$ 44,517</u></u>	<u><u>\$ 295,182</u></u>
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	\$ --	\$ 16,761	\$ (11,696)	\$ 7,416	\$ 12,481
Adjustments to reconcile net income (loss) provided by operating activities:					
Changes in assets and liabilities:					
Deposits held for Others	<u>--</u>	<u>22,431</u>	<u>--</u>	<u>--</u>	<u>22,431</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ --</u></u>	<u><u>\$ 39,192</u></u>	<u><u>\$ (11,696)</u></u>	<u><u>\$ 7,416</u></u>	<u><u>\$ 34,912</u></u>

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

COUNTY OF AMADOR

Combining Statement of Net Assets
All Internal Service Funds
June 30, 2006

	General Services Support	General Services Motor Pool	Communications	Self Insurance	Total
<u>ASSETS</u>					
Current Assets:					
Cash and investments in Pool	\$ 134,664	\$ 324,927	\$ 80,750	\$ 3,140,702	\$ 3,681,043
Imprest cash	2,150	--	--	50	2,200
Due from other governments	--	107	--	--	107
Interest receivable	1,014	3,786	--	25,337	30,137
Total Current Assets	<u>137,828</u>	<u>328,820</u>	<u>80,750</u>	<u>3,166,089</u>	<u>3,713,487</u>
Noncurrent Assets:					
Capital Assets:					
Nondepreciable	15,000	--	--	--	15,000
Depreciable, net	39,474	1,036,218	13,946	544	1,090,182
Total Noncurrent Assets	<u>54,474</u>	<u>1,036,218</u>	<u>13,946</u>	<u>544</u>	<u>1,105,182</u>
Total Assets	<u>\$ 192,302</u>	<u>\$ 1,365,038</u>	<u>\$ 94,696</u>	<u>\$ 3,166,633</u>	<u>\$ 4,818,669</u>
<u>LIABILITIES</u>					
Current Liabilities:					
Accounts payable	\$ 31,279	\$ 4,316	\$ 11,450	\$ 4,378	\$ 51,423
Current portion of long-term liabilities:					
Compensated absences	17,988	11,740	--	2,238	31,966
Total Current Liabilities	<u>49,267</u>	<u>16,056</u>	<u>11,450</u>	<u>6,616</u>	<u>83,389</u>
Long-term Liabilities:					
Compensated absences	17,988	11,740	--	2,238	31,966
Advances payable	--	--	--	214,920	214,920
Claims liability	--	--	--	190,000	190,000
Total Long-term Liabilities	<u>17,988</u>	<u>11,740</u>	<u>--</u>	<u>407,158</u>	<u>436,886</u>
Total Liabilities	<u>67,255</u>	<u>27,796</u>	<u>11,450</u>	<u>413,774</u>	<u>520,275</u>
<u>NET ASSETS</u>					
Invested in capital assets, net of related debt	54,474	1,036,218	13,946	544	1,105,182
Unrestricted	70,573	301,024	69,300	2,752,315	3,193,212
Total Net Assets	<u>125,047</u>	<u>1,337,242</u>	<u>83,246</u>	<u>2,752,859</u>	<u>4,298,394</u>
 Total Liabilities and Net Assets	<u>\$ 192,302</u>	<u>\$ 1,365,038</u>	<u>\$ 94,696</u>	<u>\$ 3,166,633</u>	<u>\$ 4,818,669</u>

COUNTY OF AMADOR

Combining Statement of Revenues, Expenses and Changes in Net Assets All Internal Service Funds For the Year Ended June 30, 2006

	General Services Support	General Services Motor Pool	Communications	Self Insurance	Total
Operating Revenues:					
Charges for services	\$ 1,644,695	\$ 1,591,643	\$ 283,533	\$ 1,559,559	\$ 5,079,430
Total Operating Revenues	<u>1,644,695</u>	<u>1,591,643</u>	<u>283,533</u>	<u>1,559,559</u>	<u>5,079,430</u>
Operating Expenses:					
Salaries and benefits	779,783	358,619	58,813	140,648	1,337,863
Services and supplies	823,724	950,793	235,705	1,864,359	3,874,581
Depreciation	7,752	285,852	7,914	434	301,952
Total Operating Expenses	<u>1,611,259</u>	<u>1,595,264</u>	<u>302,432</u>	<u>2,005,441</u>	<u>5,514,396</u>
Operating Income (Loss)	<u>33,436</u>	<u>(3,621)</u>	<u>(18,899)</u>	<u>(445,882)</u>	<u>(434,966)</u>
Non-Operating Revenues (Expenses):					
Interest income	(2,633)	17,400	--	75,081	89,848
Intergovernmental revenues	--	107	--	--	107
Gain (loss) on sale of assets	(341)	--	--	--	(341)
Total Non-Operating Revenues (Expenses)	<u>(2,974)</u>	<u>17,507</u>	<u>--</u>	<u>75,081</u>	<u>89,614</u>
Net Income (Loss) before Transfers	30,462	13,886	(18,899)	(370,801)	(345,352)
Transfers In	<u>--</u>	<u>--</u>	<u>--</u>	<u>566,020</u>	<u>566,020</u>
Change in Net Assets	30,462	13,886	(18,899)	195,219	220,668
Net Assets, Beginning of Year	94,585	1,323,356	102,145	2,359,008	3,879,094
Prior period adjustment	<u>--</u>	<u>--</u>	<u>--</u>	<u>198,632</u>	<u>198,632</u>
Net Assets, End of Year	<u>\$ 125,047</u>	<u>\$ 1,337,242</u>	<u>\$ 83,246</u>	<u>\$ 2,752,859</u>	<u>\$ 4,298,394</u>

COUNTY OF AMADOR

Combining Statement of Cash Flows
All Internal Service Funds
For the Year Ended June 30, 2006

	<u>General Services Support</u>	<u>General Services Motor Pool</u>	<u>Communications</u>	<u>Self Insurance</u>	<u>Total</u>
Cash Flows from Operating Activities:					
Receipts from interfund services provided	\$ 1,652,941	\$ 1,591,643	\$ 283,533	\$ 1,559,559	\$ 5,087,676
Payments to employees	(775,499)	(353,287)	(58,813)	(148,334)	(1,335,933)
Payments to suppliers	(819,392)	(979,847)	(230,580)	(1,847,966)	(3,877,785)
Net Cash Provided (Used) by Operating Activities	<u>58,050</u>	<u>258,509</u>	<u>(5,860)</u>	<u>(436,741)</u>	<u>(126,042)</u>
Cash Flows from Investing Activities:					
Interest received	<u>2,797</u>	<u>17,597</u>	<u>1</u>	<u>67,230</u>	<u>87,625</u>
Net Cash Provided (Used) by Investing Activities	<u>2,797</u>	<u>17,597</u>	<u>1</u>	<u>67,230</u>	<u>87,625</u>
Cash Flows from Capital and Related Financing Activities:					
Purchase of capital assets	<u>--</u>	<u>(608,070)</u>	<u>--</u>	<u>--</u>	<u>(608,070)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>--</u>	<u>(608,070)</u>	<u>--</u>	<u>--</u>	<u>(608,070)</u>
Cash Flows from Non-Capital Financing Activities:					
Transfers received from other funds	<u>--</u>	<u>--</u>	<u>--</u>	<u>566,020</u>	<u>566,020</u>
Repayment of advances	<u>--</u>	<u>--</u>	<u>--</u>	<u>(132,209)</u>	<u>(132,209)</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>--</u>	<u>--</u>	<u>--</u>	<u>433,811</u>	<u>433,811</u>
Net Increase (Decrease) in Cash and Cash Equivalents	60,847	(331,964)	(5,859)	64,300	(212,676)
Cash and Cash Equivalents, Beginning of Year	<u>75,967</u>	<u>656,891</u>	<u>86,609</u>	<u>3,076,452</u>	<u>3,895,919</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 136,814</u></u>	<u><u>\$ 324,927</u></u>	<u><u>\$ 80,750</u></u>	<u><u>\$ 3,140,752</u></u>	<u><u>\$ 3,683,243</u></u>

continued

COUNTY OF AMADOR

Combining Statement of Cash Flows (continued)
 All Internal Service Funds
 For the Year Ended June 30, 2006

	<u>General Services Support</u>	<u>General Services Motor Pool</u>	<u>Communications</u>	<u>Self Insurance</u>	<u>Total</u>
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 33,436	\$ (3,621)	\$ (18,899)	\$ (445,882)	\$ (434,966)
Adjustments to reconcile net income (loss) to provided by operating activities:					
Depreciation	7,752	285,852	7,914	434	301,952
Changes in assets and liabilities:					
Accounts receivable	8,246	--	--	--	8,246
Accounts payable	4,332	(29,054)	5,125	(73,607)	(93,204)
Other liabilities	--	--	--	90,000	90,000
Compensated absences payable	4,284	5,332	--	(7,686)	1,930
	<u>4,284</u>	<u>5,332</u>	<u>--</u>	<u>(7,686)</u>	<u>1,930</u>
 Net Cash Provided (Used) by Operating Activities	 <u>\$ 58,050</u>	 <u>\$ 258,509</u>	 <u>\$ (5,860)</u>	 <u>\$ (436,741)</u>	 <u>\$ (126,042)</u>