

**COUNTY OF AMADOR**

**AUDIT REPORT**

**JUNE 30, 2004**

**COUNTY OF AMADOR  
AUDIT REPORT  
JUNE 30, 2004**

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# Bartig, Basler & Ray

A Professional Corporation

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## 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, 2004, 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 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, 2004, 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 December 1, 2004, 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 Governmental Accounting Standards Board. 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, CPAs, INC.

*Bartig, Basler & Ray, CPAs, Inc.*

December 1, 2004  
Roseville, California

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**MANAGEMENT'S DISCUSSION  
AND ANALYSIS**

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# COUNTY OF AMADOR

## Management's Discussion and Analysis June 30, 2004

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, 2004. 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 2003-2004 fiscal year by \$76,595,917 (net assets). Of this amount, \$17,923,551 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors, \$27,324,165 is restricted for specific purpose (restricted net assets), and \$31,348,201 is invested in capital assets, net of related debt.
- The County of Amador's total net assets decreased by \$5,404,648. The decrease in net assets are mainly attributable to:
  - The transfer of County Service Areas 1, 2, 3, and 4's assets of \$8,381,540 to the Amador Water Agency,
  - General governmental activities exceeding general governmental revenues by \$1,360,811,
  - Prior period adjustment to correct timing recognition of realignment revenues of \$4,187,004, and
  - Prior period adjustment for special assessment debt of \$533,147 (1915 act bonds) that is not the county's.
- As of June 30, 2004 the County of Amador's governmental funds reported combined fund balances of \$43,305,000, an increase of \$766,683. Approximately 39% of the combined fund balances, \$16,753,485 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 \$6,013,230, or 24% 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 decreased by \$572,323 from the prior year. The decrease in debt was mainly attributable to the removal of the special assessment debt of \$533,147 that is not the County's.

# COUNTY OF AMADOR

## Management's Discussion and Analysis June 30, 2004

### **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 and 15 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, 2004

**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 16-19 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.

**The proprietary funds financial statements can be found on pages 20-23 of this report.**

## COUNTY OF AMADOR

Management's Discussion and Analysis  
June 30, 2004

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 24-25 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 26-50 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 51-55 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 56-79 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, 2004

### County of Amador's Net Assets June 30, 2004

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
<b>Assets:</b>						
Current and other assets	\$ 50,368,079	\$ 50,511,488	\$ 1,036,576	\$ 3,446,963	\$ 51,404,655	\$ 53,958,451
Capital assets	27,696,176	26,071,593	4,077,534	10,792,329	31,773,710	36,863,922
Total assets	<u>78,064,255</u>	<u>76,583,081</u>	<u>5,114,110</u>	<u>14,239,292</u>	<u>83,178,365</u>	<u>90,822,373</u>
<b>Liabilities:</b>						
Current and other liabilities	3,105,362	4,751,371	185,091	383,024	3,290,453	5,134,395
Long-term liabilities	1,930,979	1,719,314	1,361,016	1,968,099	3,291,995	3,687,413
Total liabilities	<u>5,036,341</u>	<u>6,470,685</u>	<u>1,546,107</u>	<u>2,351,123</u>	<u>6,582,448</u>	<u>8,821,808</u>
<b>Net Assets:</b>						
Invested in capital net of related debt	27,432,996	25,749,387	3,915,205	9,892,374	31,348,201	35,641,761
Restricted net assets	27,324,165	26,548,086	--	--	27,324,165	26,548,086
Unrestricted net assets	18,270,753	17,814,923	(347,202)	1,995,795	17,923,551	19,810,718
Total net assets	<u>\$ 73,027,914</u>	<u>\$ 70,112,396</u>	<u>\$ 3,568,003</u>	<u>\$ 11,888,169</u>	<u>\$ 76,595,917</u>	<u>\$ 82,000,565</u>

### Analysis of Net Assets

Net assets exceeded liabilities by \$76,595,917 at the close of the 2003-2004 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 \$17,923,551 (unrestricted net assets) may be used to meet the government's ongoing obligations to the citizens and creditors. \$27,324,165 (restricted net assets) is restricted for a specific purpose. The remaining portion and largest \$31,348,201 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 asset decreased by \$5,404,648. The decrease in net assets are attributable to:

- The transfer of County Service Areas 1, 2, 3, and 4's assets of \$8,381,540 to the Amador Water Agency,
- General governmental activities exceeding general governmental revenues by \$1,360,811,
- Prior period adjustment correct timing recognition of realignment revenues of \$4,187,004, and
- Prior period adjustment for special assessment debt of \$533,147 (1915 act bonds) that is not the County's.

# COUNTY OF AMADOR

## Management's Discussion and Analysis June 30, 2004

### County of Amador's Changes in Net Assets For the Year Ended June 30, 2004

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
Revenues						
Program Revenues:						
Charges for services	\$ 5,764,295	\$ 4,678,447	\$ 493,517	\$ 1,615,742	\$ 6,257,812	\$ 6,294,189
Operating grants and contributions	22,325,494	20,007,248	74,343	231,624	22,399,837	20,238,872
Capital grants and contributions	--	1,864,237	--	--	--	1,864,237
General Revenues:						
Property taxes	9,874,315	9,539,640	63,355	105,196	9,937,670	9,644,836
Sales and use taxes	2,645,233	2,232,132	--	--	2,645,233	2,232,132
Other	819,962	620,777	--	--	819,962	620,777
Unrestricted interest and investment earnings	924,294	1,364,669	63,474	125,299	987,768	1,489,968
Miscellaneous	1,225,833	1,010,007	--	(109,394)	1,225,833	900,613
Special Item: Transfer of net assets CSA 1 through 4 to Amador Water Agency	--	--	(8,381,540)	--	(8,381,540)	--
Transfers	--	(292,528)	--	292,528	--	--
<b>Total revenues</b>	<b>43,579,426</b>	<b>41,024,629</b>	<b>(7,686,851)</b>	<b>2,260,995</b>	<b>35,892,575</b>	<b>43,285,624</b>
Expenses:						
General government	7,014,428	7,649,389	--	--	7,014,428	7,649,389
Public protection	19,286,109	15,715,675	--	--	19,286,109	15,715,675
Public ways and facilities	5,684,040	3,847,949	--	--	5,684,040	3,847,949
Health and sanitation	5,341,233	4,931,864	--	--	5,341,233	4,931,864
Public assistance	6,503,155	5,892,789	--	--	6,503,155	5,892,789
Education	853,530	732,383	--	--	853,530	732,383
Culture and recreation	243,597	152,013	--	--	243,597	152,013
Interest on long-term debt	14,145	16,627	--	--	14,145	16,627
Landfill	--	--	648,696	638,230	648,696	638,230
Airport	--	--	251,703	169,015	251,703	169,015
County Service Areas	--	--	329,831	1,799,484	329,831	1,799,484
<b>Total expenses</b>	<b>44,940,237</b>	<b>38,938,689</b>	<b>1,230,230</b>	<b>2,606,729</b>	<b>46,170,467</b>	<b>41,545,418</b>
Change in net assets	(1,360,811)	2,085,940	(8,917,081)	(345,734)	(10,277,892)	1,740,206
Prior period adjustment	4,276,329	--	596,915	--	4,873,244	--
Net assets at beginning year	70,112,396	68,026,456	11,888,169	12,233,903	82,000,565	80,260,359
<b>Net assets at end of year</b>	<b>\$ 73,027,914</b>	<b>\$ 70,112,396</b>	<b>\$ 3,568,003</b>	<b>\$ 11,888,169</b>	<b>\$ 76,595,917</b>	<b>\$ 82,000,565</b>

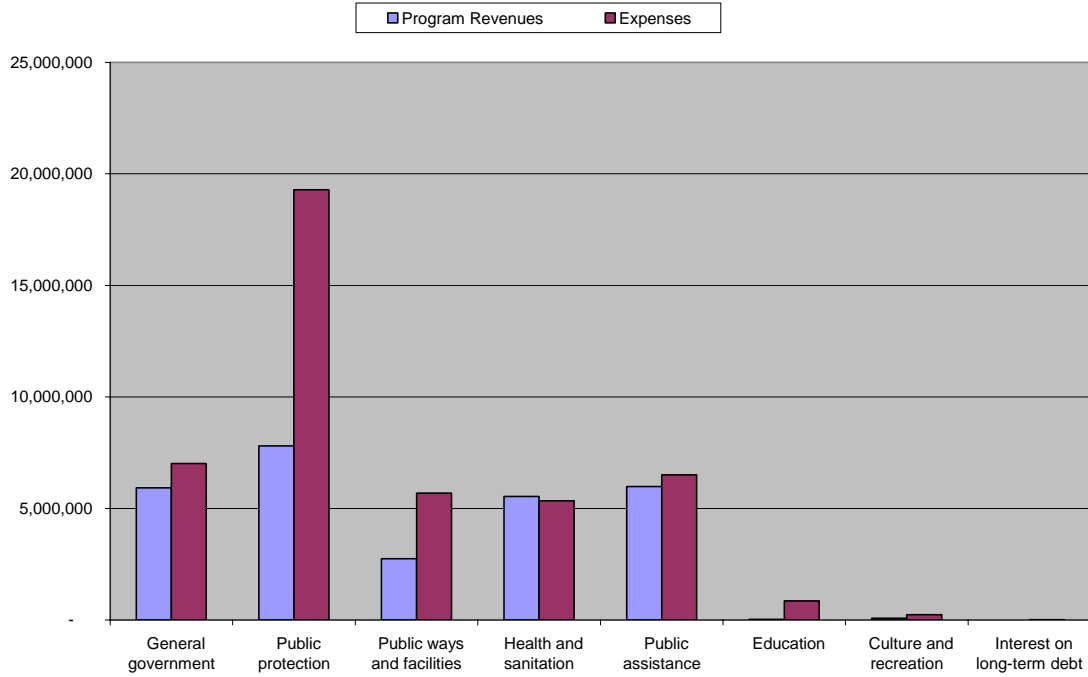
Governmental activities decreased the County's net assets by \$1,360,811. The decrease in net assets was due to the following:

- An increase in public protection expenses
- An increase in public ways and facilities expenses

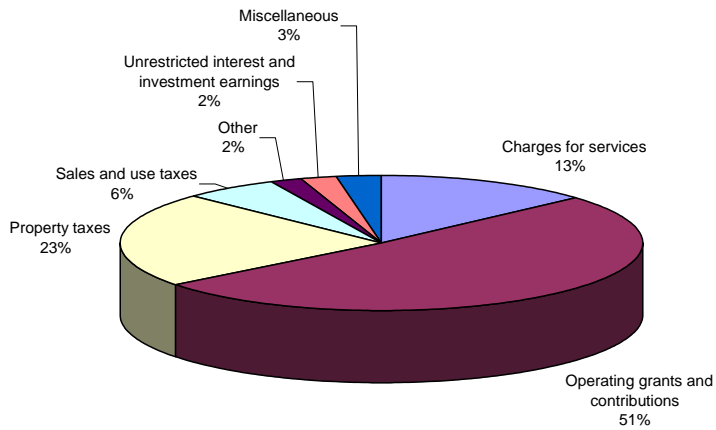
# COUNTY OF AMADOR

## Management's Discussion and Analysis June 30, 2004

**Governmental Activities Revenues and Expenses**



**Governmental Activities Revenues by Source**

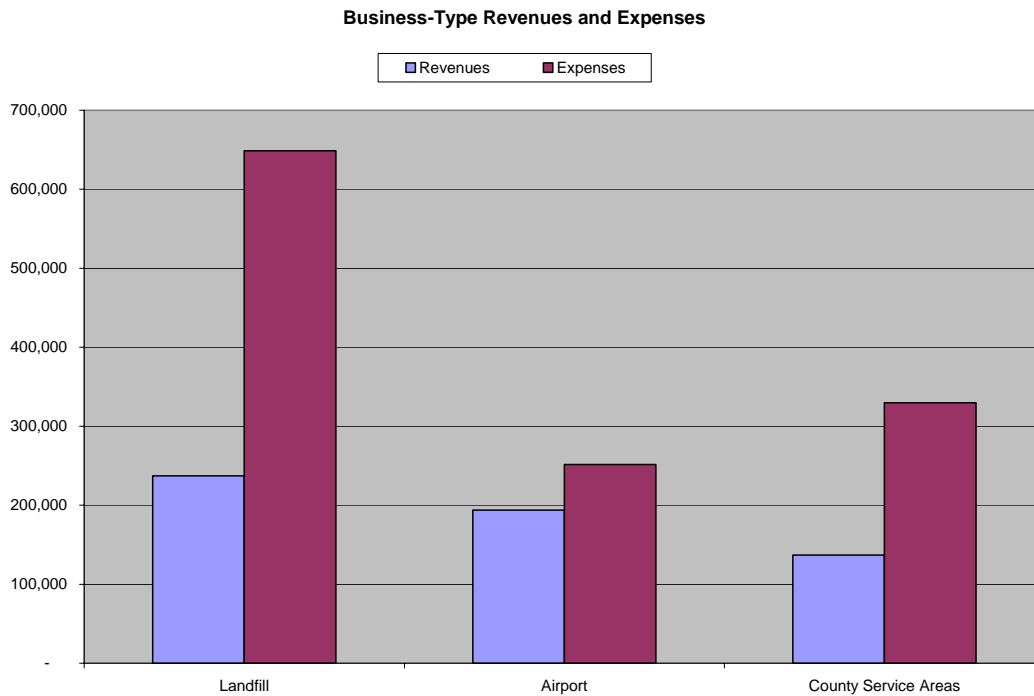


# COUNTY OF AMADOR

## Management's Discussion and Analysis June 30, 2004

Business-type activities decreased the county's net assets by \$8,917,081. The decrease to net assets were due to the following:

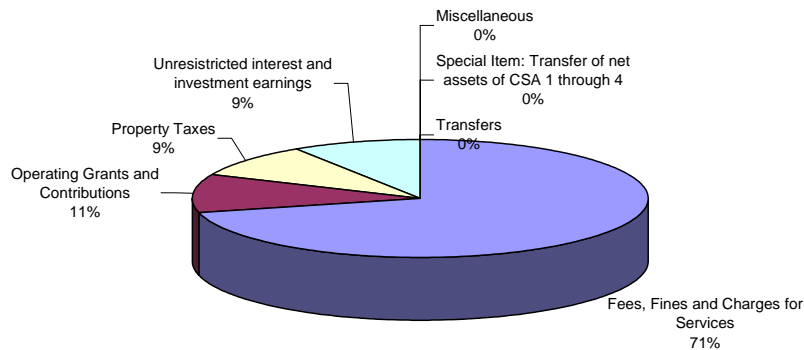
- The transfer of County Service Areas 1, 2, 3, and 4, assets of \$8,381,540 to the Amador Water Agency
- Landfill study for closure/sale



# COUNTY OF AMADOR

## Management's Discussion and Analysis June 30, 2004

**Business-Type Revenues by Source**



### 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, 2004 the County of Amador's governmental funds reported combined ending fund balances of \$43,305,000 an increase of \$766,683 in comparison with the prior year. Approximately 39% of the combined fund balance, \$16,753,485, constitutes unreserved fund balance, which is available to meet the County's current and future needs. The remainder of the fund, \$26,551,515, is reserved to indicate that it is not available for new spending because it has been committed:

1. imprest cash (\$24,650)
2. inventory (\$8,100)
3. liquidate contractual commitments (\$2,425,025)
4. loans and advances due from other funds (\$2,589,142)
5. general reserve (\$21,504,598)

## COUNTY OF AMADOR

### Management's Discussion and Analysis June 30, 2004

The general fund is the chief operating fund of the county. At June 30, 2004, unreserved fund balance of the general fund was \$6,013,230, while total fund balance reached \$15,980,835. 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 24% of total general fund expenditures, while total fund balance represents 65% of total general fund expenditures. The fund balance for the county's general fund decrease by \$9,396 during the current fiscal year. The other governmental funds' balances decreased by \$3,410,925. However there was a prior period adjustment to correct timing recognition of realignment revenues of \$4,187,004 resulting in a net increased to the other governmental funds' balances to \$27,324,165.

**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 \$8,917,081. However there was a prior period adjustment (increase) \$596,915 resulting in a net decreased to the enterprise fund balances to \$3,568,003. The net assets of the internal services funds' increased by \$540,920 to \$4,373,804.

#### **General Fund Budgetary Highlights**

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

- \$454,681 increase in general governmental budget
- \$1,000,841 increase in public protection budget
- \$54,232 increase in health and sanitation budget
- \$-0- increase/decrease in public assistance budget
- \$9,178 increase in education budget
- \$55,048 increase in recreation and cultural services budget
- \$67,500 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, 2004, amount to \$31,773,710 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. See footnote 5 on pages 40-41 for additional details of capital assets.



## COUNTY OF AMADOR

### Management's Discussion and Analysis June 30, 2004

**Debt Administration.** At the end of the current fiscal year, the County had total long-term obligations outstanding of \$2,094,652. The long-term obligations are as follows:

- \$1,398,000 compensated absences
- \$271,143 liability for self-insurance
- \$425,509 notes payable (of which \$263,180 belong to a blended component unit of the county)

See footnote 6 on pages 41-43 for additional details on long-term debt.

### **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, 500 Argonaut Lane, Jackson, CA 95642.

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**BASIC FINANCIAL STATEMENTS**  
**Government-Wide Financial Statements**

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**COUNTY OF AMADOR**

Statement of Net Assets  
June 30, 2004

<u><b>ASSETS</b></u>	Primary Government		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
Cash and investments in Pool	\$ 46,248,636	\$ 909,086	\$ 47,157,722
Restricted Assets:			
Cash and investments in Pool	--	1,349,903	1,349,903
Imprest cash	26,850	--	26,850
Accounts receivable	1,386,538	--	1,386,538
Taxes receivable	120,704	--	120,704
Interest receivable	188,109	9,187	197,296
Loans and notes receivable	1,157,542	--	1,157,542
Inventory	8,100	--	8,100
Internal balances	1,231,600	(1,231,600)	--
Capital Assets:			
Nondepreciable	4,649,798	2,653,267	7,303,065
Depreciable, net	23,046,378	1,424,267	24,470,645
Total Assets	<u>\$ 78,064,255</u>	<u>\$ 5,114,110</u>	<u>\$ 83,178,365</u>
 <u><b>LIABILITIES</b></u>			
Accounts payable	\$ 766,902	\$ 40,438	\$ 807,340
Due from other governments	638,290	--	638,290
Deposits held for others	--	144,653	144,653
Deferred revenue	1,700,170	--	1,700,170
Long-Term Liabilities:			
Portion due or payable within one year:			
Note payable	61,617	9,062	70,679
Compensated absences	698,286	615	698,901
Portion due or payable after one year:			
Note payable	201,563	153,267	354,830
Compensated absences	698,484	615	699,099
Liability for unpaid claims	271,029	--	271,029
Liability for landfill closure	--	1,197,457	1,197,457
Total Liabilities	<u>5,036,341</u>	<u>1,546,107</u>	<u>6,582,448</u>
 <u><b>NET ASSETS</b></u>			
Invested in capital assets, net of related debt	27,432,996	3,915,205	31,348,201
Restricted	27,324,165	--	27,324,165
Unrestricted	18,270,753	(347,202)	17,923,551
Total Net Assets	<u>73,027,914</u>	<u>3,568,003</u>	<u>76,595,917</u>
Total Liabilities and Net Assets	<u>\$ 78,064,255</u>	<u>\$ 5,114,110</u>	<u>\$ 83,178,365</u>

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

**COUNTY OF AMADOR**

Statement of Activities  
For the Year Ended June 30, 2004

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental Activities:				
General government	\$ 7,014,428	\$ 1,317,941	\$ 4,611,594	\$ --
Public protection	19,286,109	2,852,002	4,948,604	--
Public ways and facilities	5,684,040	750,985	1,991,543	--
Health and sanitation	5,341,233	753,867	4,780,399	--
Public assistance	6,503,155	--	5,976,159	--
Education	853,530	9,290	17,195	--
Culture and recreation	243,597	80,210	--	--
Debt Service:				
Interest	14,145	--	--	--
Total Governmental Activities	<u>44,940,237</u>	<u>5,764,295</u>	<u>22,325,494</u>	<u>--</u>
<b>Business-Type Activities:</b>				
Landfill	648,696	237,289	--	--
Airport	251,703	119,488	74,343	--
County Service Areas	329,831	136,740	--	--
Total Business-Type Activities:	<u>1,230,230</u>	<u>493,517</u>	<u>74,343</u>	<u>--</u>
Total Amador County	<u>\$ 46,170,467</u>	<u>\$ 6,257,812</u>	<u>\$ 22,399,837</u>	<u>\$ --</u>

General Revenues:

  Taxes:

    Property taxes

    Sales and use taxes

    Other

  Unrestricted interest and investment earnings

  Miscellaneous

  Special Item: Transfer of net assets of CSA 1 through 4 to the Amador Water Agency

    Total General Revenues, Special Item and Transfers

Change in Net Assets

Net assets - July 1, 2003

Prior period adjustment

Net assets - June 30, 2004

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
\$ (1,084,893)		\$ (1,084,893)
(11,485,503)		(11,485,503)
(2,941,512)		(2,941,512)
193,033		193,033
(526,996)		(526,996)
(827,045)		(827,045)
(163,387)		(163,387)
(14,145)		(14,145)
(16,850,448)		(16,850,448)
--	\$ (411,407)	(411,407)
--	(57,872)	(57,872)
--	(193,091)	(193,091)
--	(662,370)	(662,370)
(16,850,448)	(662,370)	(17,512,818)
9,874,315	63,355	9,937,670
2,645,233	--	2,645,233
819,962	--	819,962
924,294	63,474	987,768
1,225,833	--	1,225,833
--	(8,381,540)	(8,381,540)
15,489,637	(8,254,711)	7,234,926
(1,360,811)	(8,917,081)	(10,277,892)
70,112,396	11,888,169	82,000,565
4,276,329	596,915	4,873,244
\$ 73,027,914	\$ 3,568,003	\$ 76,595,917

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**BASIC FINANCIAL STATEMENTS**  
**Fund Financial Statement**

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**COUNTY OF AMADOR**

Balance Sheet  
Governmental Funds  
June 30, 2004

	General	Social Services	Road	County Improvement
<u>Assets</u>				
Cash and investments	\$ 14,454,045	\$ 1,776,699	\$ 1,475,245	\$ 10,726,936
Imprest cash	24,350	--	200	--
Accounts receivable	804,546	9,064	348,428	--
Taxes receivable	74,529	--	46,175	--
Interest receivable	99,459	439	6,824	43,982
Loans and notes receivable	--	--	--	--
Advances to other funds	700,000	--	--	731,600
Inventory	--	--	8,100	--
	<u>\$ 16,156,929</u>	<u>\$ 1,786,202</u>	<u>\$ 1,884,972</u>	<u>\$ 11,502,518</u>
 <u>Liabilities and Fund Balance</u>				
<u>Liabilities:</u>				
Accounts payable	\$ 176,094	\$ 23,153	\$ 122,004	\$ 351,182
Due to other governmental agencies	--	--	--	--
Deferred Revenue	--	--	--	--
Advances from other funds	--	200,000	--	--
	<u>176,094</u>	<u>223,153</u>	<u>122,004</u>	<u>351,182</u>
 <u>Fund Balance</u>				
<u>Reserved:</u>				
Imprest cash	24,350	--	200	--
Inventory	--	--	8,100	--
Encumbrances	1,044,158	7,569	1,089,950	247,354
Loans and advances	700,000	--	--	731,600
General	8,199,097	137,493	972,639	8,120,606
<u>Unreserved:</u>				
<u>Unreserved, undesignated, and reported in:</u>				
General fund	6,013,230	--	--	--
Special revenue funds	--	1,417,987	(307,921)	--
Capital projects funds	--	--	--	2,051,776
	<u>15,980,835</u>	<u>1,563,049</u>	<u>1,762,968</u>	<u>11,151,336</u>
 Total Fund Balance	<u>\$ 16,156,929</u>	<u>\$ 1,786,202</u>	<u>\$ 1,884,972</u>	<u>\$ 11,502,518</u>
 Total Liabilities and Fund Balance	<u>\$ 16,156,929</u>	<u>\$ 1,786,202</u>	<u>\$ 1,884,972</u>	<u>\$ 11,502,518</u>

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

Water Development Sinking	Other Governmental Funds	Total Governmental Funds
\$ 3,825,430	\$ 9,999,230	\$ 42,257,585
--	100	24,650
--	224,500	1,386,538
--	--	120,704
14,352	9,155	174,211
1,157,542	--	1,157,542
--	--	1,431,600
--	--	8,100
<u>\$ 4,997,324</u>	<u>\$ 10,232,985</u>	<u>\$ 46,560,930</u>

\$ --	\$ 45,037	\$ 717,470
--	638,290	638,290
--	1,700,170	1,700,170
--	--	200,000
<u>--</u>	<u>2,383,497</u>	<u>3,255,930</u>

--	100	24,650
--	--	8,100
--	35,994	2,425,025
1,157,542	--	2,589,142
3,693,666	381,097	21,504,598
--	--	6,013,230
--	7,432,297	8,542,363
146,116	--	2,197,892
<u>4,997,324</u>	<u>7,849,488</u>	<u>43,305,000</u>
<u>\$ 4,997,324</u>	<u>\$ 10,232,985</u>	<u>\$ 46,560,930</u>



**COUNTY OF AMADOR**

Reconciliation of the Governmental Funds Balance Sheet  
to the Government-Wide Statement of Net Assets - Governmental Activities  
June 30, 2004

Fund Balance - total governmental funds (page 16)	\$ 43,305,000
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	26,950,852
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:	4,373,804
Long-term liabilities, including loans payable, are not due and payable in the current period, and therefore are not reported in the governmental funds.	
Loans payable	(263,180)
Compensated absences	<u>(1,338,562)</u>
Net assets of governmental activities (page 14)	<u>\$ 73,027,914</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, 2004

	<u>General</u>	<u>Social Services</u>	<u>Road</u>	<u>County Improvement</u>
Revenues:				
Taxes	\$ 12,159,415	\$ --	\$ 1,165,471	\$ --
Licenses and permits	378,329	--	40,783	--
Intergovernmental	9,440,213	5,959,410	1,991,543	587,235
Fines and forfeitures	1,050,125	--	61,827	--
Use of money and property	414,943	2,428	37,022	229,514
Charges for services	1,809,786	--	648,375	22,718
Other	780,300	607	--	5,436
Total Revenues	<u>26,033,111</u>	<u>5,962,445</u>	<u>3,945,021</u>	<u>844,903</u>
Expenditures:				
Current:				
General government	5,355,057	--	--	891,298
Public protection	16,974,690	--	--	--
Public ways and facilities	--	--	4,576,634	--
Health and sanitation	1,182,512	--	--	--
Public assistance	89,313	6,340,679	--	--
Education	828,571	--	--	--
Recreation and cultural services	243,502	--	--	--
Capital outlay	73,842	5,678	212,752	3,492,812
Debt Service:				
Principal payments	--	--	--	--
Interest and fiscal charges	--	--	--	--
Total Expenditures	<u>24,747,487</u>	<u>6,346,357</u>	<u>4,789,386</u>	<u>4,384,110</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>1,285,624</u>	<u>(383,912)</u>	<u>(844,365)</u>	<u>(3,539,207)</u>
Other Financing Sources (Uses):				
Transfers in	--	--	--	--
Transfers out	<u>(1,295,020)</u>	--	--	--
Total Other Financing Sources (Uses)	<u>(1,295,020)</u>	--	--	--
Change in Fund Balance	(9,396)	(383,912)	(844,365)	(3,539,207)
Fund Balance, Beginning of Fiscal Year	15,990,231	13,367	2,607,333	14,690,543
Prior Period Adjustments	--	1,933,594	--	--
Fund Balance, End of Fiscal Year	<u>\$ 15,980,835</u>	<u>\$ 1,563,049</u>	<u>\$ 1,762,968</u>	<u>\$ 11,151,336</u>

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

Water Development Sinking	Other Governmental Funds	Total Governmental Funds
\$ --	\$ 14,624	\$ 13,339,510
--	--	419,112
--	4,347,093	22,325,494
--	3,017	1,114,969
116,759	71,610	872,276
--	1,369,784	3,850,663
--	315,890	1,102,233
<u>116,759</u>	<u>6,122,018</u>	<u>43,024,257</u>
--	--	6,246,355
6,127	1,020,583	18,001,400
--	--	4,576,634
--	4,023,548	5,206,060
--	--	6,429,992
--	--	828,571
--	--	243,502
--	37,789	3,822,873
--	59,026	59,026
--	14,145	14,145
<u>6,127</u>	<u>5,155,091</u>	<u>45,428,558</u>
<u>110,632</u>	<u>966,927</u>	<u>(2,404,301)</u>
--	279,000	279,000
--	--	(1,295,020)
--	<u>279,000</u>	<u>(1,016,020)</u>
110,632	1,245,927	(3,420,321)
4,886,692	4,350,151	42,538,317
--	2,253,410	4,187,004
<u>\$ 4,997,324</u>	<u>\$ 7,849,488</u>	<u>\$ 43,305,000</u>

**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, 2004

Net change to fund balance - total governmental funds (page 18) \$ (3,420,321)

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	3,827,878	
Less: current year depreciation	<u>(2,150,225)</u>	
		1,677,653

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		59,026
--------------------	--	--------

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		(218,089)
--------------------------------	--	-----------

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.

		<u>540,920</u>
--	--	----------------

Change in net assets of governmental activities (page 15)		<u><u>\$ (1,360,811)</u></u>
---	--	------------------------------

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

**COUNTY OF AMADOR**

Statement of Net Assets  
Proprietary Funds  
June 30, 2004

	Business-Type Activities - Enterprise Funds				Governmental
				Total	Activities
	Landfill	Airport	Nonmajor Enterprise Funds	Enterprise Funds	Internal Service Funds
<b><u>ASSETS</u></b>					
Current Assets:					
Cash and investments in Pool	\$ 159,495	\$ 130,301	\$ 619,290	\$ 909,086	\$ 3,991,051
Imprest cash	--	--	--	--	2,200
Interest receivable	5,792	472	2,923	9,187	13,898
Total Current Assets	<u>165,287</u>	<u>130,773</u>	<u>622,213</u>	<u>918,273</u>	<u>4,007,149</u>
Noncurrent Assets:					
Restricted Assets:					
Cash and investments in Pool	1,349,903	--	--	1,349,903	--
Capital Assets:					
Nondepreciable	1,259,414	1,393,853	--	2,653,267	15,000
Depreciable, net	298,344	1,125,923	--	1,424,267	730,324
Total Noncurrent Assets	<u>2,907,661</u>	<u>2,519,776</u>	<u>--</u>	<u>5,427,437</u>	<u>745,324</u>
Total Assets	<u>\$ 3,072,948</u>	<u>\$ 2,650,549</u>	<u>\$ 622,213</u>	<u>\$ 6,345,710</u>	<u>\$ 4,752,473</u>
<b><u>LIABILITIES</u></b>					
Current Liabilities:					
Accounts payable	\$ 16,888	\$ 23,550	\$ --	\$ 40,438	\$ 49,432
Advances from other funds	1,231,600	--	--	1,231,600	--
Deposits held for others	--	--	144,653	144,653	--
Current portion of long-term liabilities:					
Loans payable	--	9,062	--	9,062	--
Compensated absences	615	--	--	615	29,105
Total Current Liabilities	<u>1,249,103</u>	<u>32,612</u>	<u>144,653</u>	<u>1,426,368</u>	<u>78,537</u>
Long-term Liabilities:					
Loans payable	--	153,267	--	153,267	--
Compensated absences	615	--	--	615	29,103
Claims liability	--	--	--	--	271,029
Liability for landfill closure	1,197,457	--	--	1,197,457	--
Total Long-term Liabilities	<u>1,198,072</u>	<u>153,267</u>	<u>--</u>	<u>1,351,339</u>	<u>300,132</u>
Total Liabilities	<u>2,447,175</u>	<u>185,879</u>	<u>144,653</u>	<u>2,777,707</u>	<u>378,669</u>
<b><u>NET ASSETS</u></b>					
Invested in capital assets, net of related debt	1,557,758	2,519,776	--	4,077,534	745,324
Restricted	1,349,903	--	--	1,349,903	--
Unrestricted	(2,281,888)	(55,106)	477,560	(1,859,434)	3,628,480
Total Net Assets	<u>625,773</u>	<u>2,464,670</u>	<u>477,560</u>	<u>3,568,003</u>	<u>4,373,804</u>
Total Liabilities and Net Assets	<u>\$ 3,072,948</u>	<u>\$ 2,650,549</u>	<u>\$ 622,213</u>	<u>\$ 6,345,710</u>	<u>\$ 4,752,473</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, 2004

	Business-Type Activities - Enterprise Funds				Governmental
			Nonmajor	Total	Internal
	Landfill	Airport	Enterprise Funds	Enterprise Funds	Service Funds
Operating Revenues:					
Charges for services	\$ 203,212	\$ 120,368	\$ 130,214	\$ 453,794	\$ 4,096,612
Other	34,077	(880)	6,526	39,723	123,600
Total Operating Revenues	<u>237,289</u>	<u>119,488</u>	<u>136,740</u>	<u>493,517</u>	<u>4,220,212</u>
Operating Expenses:					
Salaries and benefits	65,808	--	37,713	103,521	1,012,827
Services and supplies	376,916	103,181	292,118	772,215	3,409,538
Special projects	--	48,780	--	48,780	--
Depreciation	11,553	90,073	--	101,626	324,965
Closure/postclosure	194,419	--	--	194,419	--
Total Operating Expenses	<u>648,696</u>	<u>242,034</u>	<u>329,831</u>	<u>1,220,561</u>	<u>4,747,330</u>
Operating Income (Loss)	<u>(411,407)</u>	<u>(122,546)</u>	<u>(193,091)</u>	<u>(727,044)</u>	<u>(527,118)</u>
Non-Operating Revenues (Expenses):					
Taxes	44,317	--	19,038	63,355	--
Interest income	28,861	1,499	33,114	63,474	52,018
Intergovernmental revenues	--	74,343	--	74,343	--
Interest expense	--	(9,669)	--	(9,669)	--
Total Non-Operating Revenues (Expenses)	<u>73,178</u>	<u>66,173</u>	<u>52,152</u>	<u>191,503</u>	<u>52,018</u>
Income (Loss) Before Special Item and Transfers	<u>(338,229)</u>	<u>(56,373)</u>	<u>(140,939)</u>	<u>(535,541)</u>	<u>(475,100)</u>
Transfers in	--	--	--	--	1,016,020
Net Income Before Special Item	<u>(338,229)</u>	<u>(56,373)</u>	<u>(140,939)</u>	<u>(535,541)</u>	<u>540,920</u>
Special Item: Transfer of net assets of CSA 1 through 4 to the Amador Water Agency	--	--	(8,381,540)	(8,381,540)	--
Change in Net Assets	<u>(338,229)</u>	<u>(56,373)</u>	<u>(8,522,479)</u>	<u>(8,917,081)</u>	<u>540,920</u>
Net Assets, Beginning of Year	964,002	2,521,043	8,403,124	11,888,169	3,832,884
Prior Period Adjustment	--	--	596,915	596,915	--
Net Assets, End of Year	<u>\$ 625,773</u>	<u>\$ 2,464,670</u>	<u>\$ 477,560</u>	<u>\$ 3,568,003</u>	<u>\$ 4,373,804</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, 2004

	Business-Type Activities - Enterprise Funds				Governmental
			Nonmajor	Total	Internal
	Landfill	Airport	Enterprise Funds	Enterprise Funds	Service Funds
<b>Cash Flows from Operating Activities:</b>					
Receipts from customers and users	\$ 302,895	\$ 119,488	\$ 421,493	\$ 843,876	\$ --
Receipts from interfund services provided	--	--	--	--	4,246,755
Payments to suppliers	(403,615)	(133,976)	(404,570)	(942,161)	--
Payments to employees	(64,578)	--	(37,713)	(102,291)	(1,006,533)
Payments for interfund services used	--	--	--	--	(3,388,315)
Net Cash Provided (Used) by Operating Activities	<u>(165,298)</u>	<u>(14,488)</u>	<u>(20,790)</u>	<u>(200,576)</u>	<u>(148,093)</u>
<b>Cash Flows from Investing Activities:</b>					
Interest received	<u>31,677</u>	<u>(9,332)</u>	<u>30,191</u>	<u>52,536</u>	<u>54,569</u>
Net Cash Provided (Used) by Investing Activities	<u>31,677</u>	<u>(9,332)</u>	<u>30,191</u>	<u>52,536</u>	<u>54,569</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Interest expense	--	1,499	--	1,499	--
Purchase of capital assets	(156,724)	--	--	(156,724)	(182,573)
Principal payments on debt	--	(8,391)	--	(8,391)	--
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(156,724)</u>	<u>(6,892)</u>	<u>--</u>	<u>(163,616)</u>	<u>(182,573)</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>					
Aid from other governmental agencies	--	74,343	--	74,343	--
Taxes	44,317	--	19,038	63,355	--
Transfer to Water Agency	--	--	(1,732,179)	(1,732,179)	--
Transfers in (out)	--	--	--	--	1,016,020
Transfer of bond reserves to agency fund	--	--	(243,680)	(243,680)	--
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>44,317</u>	<u>74,343</u>	<u>(1,956,821)</u>	<u>(1,838,161)</u>	<u>1,016,020</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(246,028)	43,631	(1,947,420)	(2,149,817)	739,923
Cash and Cash Equivalents, Beginning of Year	<u>1,755,426</u>	<u>86,670</u>	<u>2,566,710</u>	<u>4,408,806</u>	<u>3,253,328</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 1,509,398</u></u>	<u><u>\$ 130,301</u></u>	<u><u>\$ 619,290</u></u>	<u><u>\$ 2,258,989</u></u>	<u><u>\$ 3,993,251</u></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, 2003

	Business-Type Activities - Enterprise Funds				Governmental
			Nonmajor	Total	Internal
	Landfill	Airport	Enterprise Funds	Enterprise Funds	Service Funds
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ (411,407)	\$ (122,546)	\$ (193,091)	\$ (727,044)	\$ (527,118)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Depreciation	11,553	90,073	--	101,626	324,965
Changes in assets and liabilities:					
Accounts receivable	65,606	--	140,100	205,706	26,543
Accounts payable	(9,185)	17,985	(112,452)	(103,652)	(25,085)
Compensated absences payable	1,230	--	--	1,230	6,294
Deposits held for others	--	--	144,653	144,653	--
Other liabilities	--	--	--	--	46,308
Landfill closure liability	176,905	--	--	176,905	--
 Net Cash Provided (Used) by Operating Activities	 <u>(165,298)</u>	 <u>(14,488)</u>	 <u>(20,790)</u>	 <u>(200,576)</u>	 <u>(148,093)</u>
 Recap of Cash and Cash Equivalents, as reported on the Statement of Net Asset					
Cash and investments in Pool	\$ 159,495	\$ 130,301	\$ 619,290	\$ 909,086	\$ 3,991,051
Imprest cash	--	--	--	--	2,200
Restricted Assets:					
Cash and investments in Pool	<u>1,349,903</u>	<u>--</u>	<u>--</u>	<u>1,349,903</u>	<u>--</u>
	<u>\$ 1,509,398</u>	<u>\$ 130,301</u>	<u>\$ 619,290</u>	<u>\$ 2,258,989</u>	<u>\$ 3,993,251</u>
 Schedule of Noncash Investing, Capital and Financing Activities:					
Transfer of capital assets to the Water Agency	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (6,769,895)</u>	<u>\$ (6,769,895)</u>	

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



**COUNTY OF AMADOR**

Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2004

	<u>Investment Trust Funds</u>	<u>Agency Funds</u>	<u>Total Fiduciary Funds</u>
<u>Assets</u>			
Current Assets:			
Cash and investments	\$ 33,904,832	\$ 10,458,698	\$ 44,363,530
Imprest cash	8,697	925	9,622
Accounts receivable	7,319	--	7,319
Taxes receivable	--	3,226,734	3,226,734
Due from other governmental agencies	150,000	--	150,000
	<u>34,070,848</u>	<u>13,686,357</u>	<u>47,757,205</u>
Total Assets	<u>\$ 34,070,848</u>	<u>\$ 13,686,357</u>	<u>\$ 47,757,205</u>
<u>Liabilities and Net Assets</u>			
Current Liabilities:			
Accounts payable	\$ 24,289	\$ --	\$ 24,289
Due to other governments	92,425	--	92,425
Deferred revenue	548,956	--	548,956
Agency obligations	--	13,686,357	13,686,357
	<u>665,670</u>	<u>13,686,357</u>	<u>14,352,027</u>
Total Liabilities	<u>665,670</u>	<u>13,686,357</u>	<u>14,352,027</u>
Net Assets:			
Held in trust for external participants	<u>33,405,178</u>	<u>--</u>	<u>33,405,178</u>
Total Net Assets	<u>33,405,178</u>	<u>--</u>	<u>33,405,178</u>
Total Liabilities and Net Assets	<u>\$ 34,070,848</u>	<u>\$ 13,686,357</u>	<u>\$ 47,757,205</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, 2004

	Investment Trust Funds
<b>ADDITIONS:</b>	
Net investment earnings	\$ 455,526
Contributions to investment pool	<u>55,162,494</u>
Total Additions	55,618,020
<b>DEDUCTIONS:</b>	
Distributions from investment pool	<u>47,114,178</u>
<b>CHANGE IN NET ASSETS</b>	8,503,842
<b>NET ASSETS, BEGINNING</b>	<u>24,901,336</u>
<b>NET ASSETS, ENDING</b>	<u><u>\$ 33,405,178</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, 2004

### 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. 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 is determined by the following:

- The County appoints a voting majority of a component unit's governing body.
- Ability of the County to impose its will on the component unit, including the ability to affect its day-to-day operations, to remove appointed members of the governing board at will, to modify or approve its budget, to modify its rates or fee charges, to veto, overrule, or modify the decisions of its governing body.
- There is a potential for the component unit to provide specific financial benefits to or impose specific financial burdens on the County.
- Fiscal dependency of the component unit on the County, including the inability of the component unit to determine its own budget, levy, taxes, set rates or charges, or issue bonded debt without the approval of the County.

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 30<sup>th</sup> year end.

# COUNTY OF AMADOR

Notes to Basic Financial Statements  
June 30, 2004

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

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

Based on the foregoing criteria, the following entities have been classified as blended component units of the County:

Amador Fire Protection District  
Amador IHSS Public Authority  
CSA's 5, 6 and 8

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

During the fiscal year ended June 30, 2004, oversight for CSA 1 through 4 was transferred to the Amador County Water Agency, an independent nonrelated organization. Accordingly, these districts are no longer treated as blended component units. See footnote 14 for the adjustment to remove assets and liabilities from the County's financial statements.

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

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.

# COUNTY OF AMADOR

## Notes to Basic Financial Statements June 30, 2004

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

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

##### *Government-Wide Financial Statements* (continued)

Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

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

##### *Fund Financial Statements*

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

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

The County reports the following major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as 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.

# COUNTY OF AMADOR

## Notes to Basic Financial Statements June 30, 2004

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

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

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

- 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 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.

The *Investment Trust Fund* accounts for the assets of legally separate entities that deposit cash with the County Treasurer. These entities include school and community college districts, other special districts governed by local boards, regional boards and authorities and pass through funds for tax collections for other governments. 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 various local governments.

#### 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.

# COUNTY OF AMADOR

## Notes to Basic Financial Statements June 30, 2004

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

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

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 annual 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 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. **Non-Current Governmental Assets/Liabilities**

GASB Statement No. 34 eliminates the presentation of account groups, but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the government-wide statement of net assets.



# COUNTY OF AMADOR

## Notes to Basic Financial Statements June 30, 2004

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

#### E. **Cash and Investments**

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements.

The County has implemented GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available. Interest earned on investments is allocated to all funds on the basis of monthly cash and investment balances.

The County participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF) which has invested a portion of the pool funds in derivatives and similar transactions. LAIF's investments are subject to credit risk with the full faith of the State of California collateralizing these investments. In addition, these derivatives and similar transactions are subject to market risk as to change in interest rates.

#### F. **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.

#### G. **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 deferred revenue on its financial statements. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred 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 deferred revenue is removed from the financial statements and revenue is recognized.

# COUNTY OF AMADOR

## Notes to Basic Financial Statements June 30, 2004

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

### H. **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.

### I. **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.

### J. **Capital Assets**

Capital assets (including infrastructure) are recorded at historical cost or estimated historical cost if actual historical cost is not available. Contributed fixed assets are valued at their estimated fair market value on the data contributed. Capital assets include public domain (infrastructure) general fixed assets consisting of 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.

# COUNTY OF AMADOR

## Notes to Basic Financial Statements June 30, 2004

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

### **K. Interfund Transactions**

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”.

Advances between funds, as reported in the fund financial statements, 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.

### **L. 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 for the governmental fund types and the proprietary fund types. The 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.

### **M. Property Tax Revenue**

Property taxes attach as an enforceable lien on January 1. Taxes are levied on July 1 and payable in two installments, December 10 and April 10. All general property taxes are then allocated by the County Auditor-Controller’s Office to various taxing entities per the legislation implementing Proposition 13. The method of allocation used by the County is subject to review by the State of California. County property

**COUNTY OF AMADOR**

Notes to Basic Financial Statements  
June 30, 2004

tax revenues are recognized when levied in accordance with the alternative method (Teeter Plan) of recording property taxes.

**COUNTY OF AMADOR**

Notes to Basic Financial Statements  
June 30, 2004

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

**N. 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.

**O. Change in Reporting Entity from Prior Years**

Effective September 23, 2003, the County Services Areas 1 through 4 were closed and transferred to the Amador Water Agency.

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

**Prior Period Adjustments**

Governmental Fund	Social Services Fund	\$ 1,933,594	Recognize realignment revenues from prior years
	Mental Health Fund	851,508	Recognize realignment revenues from prior years
	Health Fund	1,401,902	Recognize realignment revenues from prior years
Enterprise Funds	CSA 1	(1,147)	Correct for prior year revenues and expenses
	CSA 2	(1,533)	Correct for prior year revenues and expenses
	CSA 3 Water	604,692	Correct for prior year revenues and expenses
	CSA 3 Sewer	90,962	Correct for prior year revenues and expenses
	CSA 4 Sewer	9,607	Correct for prior year revenues and expenses
	CSA 5 Road	(105,666)	Correct for prior year revenues and expenses
Government-Wide			Correct beginning balance of governmental funds capital assets
		<u>89,325</u>	
		<u>\$ 4,873,244</u>	

**COUNTY OF AMADOR**

Notes to Basic Financial Statements  
June 30, 2004

Note 3: **Cash and Investments**

The County maintains a cash and investment pool for the purpose of increasing interest income through pooled investment activities. This pool, which is available for use by all funds, is displayed on the basic financial statements as “Cash and Investments.”

Cash and investments with the County Treasurer are invested pursuant to investment policy guidelines established by the County Treasurer. The objectives of the policy are, in order of priority, legality of investment, safety of principal, liquidity and yield.

Total County cash and investments are as follows:

Cash on hand	\$ 625,387
Deposits	1,929,685
Investments	<u>94,058,344</u>
Total Cash in Treasury	96,613,416
Less: Outstanding Deposits	<u>(3,742,261)</u>
Total Cash and Investments	<u>\$ 92,871,155</u>

Total County cash and investments are reported as follows:

Primary government	
Unrestricted	\$ 47,157,722
Restricted for Closure-Postclosure	
Financial Assurances	1,349,903
Investment trust funds	33,904,832
Agency funds	<u>10,458,698</u>
Total Cash and Investments	<u>\$ 92,871,155</u>

**Deposits**

Deposits are placed with financial institutions and are carried at cost. At year end, the carrying amount of the County’s deposits was \$1,929,685 and the bank balance was \$1,108,673. The difference between the carrying amount and the bank balance is a result of transactions in transit. Financial institutions are required to maintain collateral for public demand deposits and certificates of deposit at 110% of all public deposits not covered by federal deposit insurance. Of the bank balance, \$100,000 was covered by federal depository insurance and \$1,008,673 was covered by collateral held in the pledging bank’s trust department.

**COUNTY OF AMADOR**

Notes to Basic Financial Statements  
June 30, 2004

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

**Investments**

The County's investments are categorized to give an indication of the level of custodial risk assumed by the County at year end. Category 1 includes investments that are insured or registered, or securities held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments with securities held by the counterparty's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investment with securities held by the counterparty, or by the counterparty's safekeeping department or agent, but not in the County's name. All of the County's investments at June 30, 2004 were categorized as Category 1.

At June 30, 2004, investments included the following:

	<u>Maturity Date</u>	<u>Stated Interest Rates</u>	<u>Carrying Amount</u>	<u>Fair Values</u>	<u>Par Values</u>
Category 1:					
U.S. Treasury notes	10/15/06-11/15/06	3.50-6.50%	\$ 1,575,452	\$ 1,552,500	\$ 1,500,000
Federal agencies	12/15/04-5/15/09	2.10-6.625%	50,114,393	49,576,691	49,810,000
Commercial paper	1/28/05	1.85%	1,977,887	1,877,857	2,000,000
Medium term notes	9/25/06-10/1/06	2.75-6.75%	<u>1,049,810</u>	<u>1,034,300</u>	<u>1,000,000</u>
			54,717,542	54,141,348	54,310,000
Non-Categorized:					
Cash in California Local Agency Investment Fund (L.A.I.F.)			38,248,011	38,186,209	38,248,011
Cash in California Asset Management Program (CAMP)			<u>1,092,791</u>	<u>1,092,791</u>	<u>1,092,791</u>
<b>Total Investments</b>			<u>\$ 94,058,344</u>	<u>\$ 93,420,348</u>	<u>\$ 93,650,802</u>

Inasmuch as the fair values represent 99.3% of the carrying values, the difference has been deemed to be immaterial and hence no adjustment has been made pursuant to GASB No. 31 and carrying values are used for financial statement purposes. The County did not invest in any types of investments during fiscal year ended June 30, 2004, other than those owned as of June 30, 2004. Fair market values were obtained from custodial statements for all.

The Amador County Treasurer's Pool is not SEC-registered, but is invested in accordance with California State Government Code, and the Amador County Treasurer's Investment Policy. California State Government Code requires the formation of an Investment Oversight Committee, which is charged with overseeing activity in the pool for compliance to policy and code requirements. To this end, the Oversight Committee reviews the monthly investment report prior to presentation to the Board of Supervisors and causes an audit of investments to occur annually.

**COUNTY OF AMADOR**

Notes to Basic Financial Statements  
June 30, 2004

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

Investments (continued)

The Amador County Treasurer's Pool maintains an investment in the State of California Local Agency Investment Fund (L.A.I.F.), managed by the State Treasurer. This fund is not SEC-registered, but is required to invest according to California State Code. Participants in the pool include involuntary participants such as special districts and school districts for which there are legal provisions regarding their investment in the Amador County Treasury. L.A.I.F. is invested 100 percent in non-derivative financial products. The Local Investment Advisory Board (Board) has oversight responsibility for L.A.I.F. The Board consists of five members as designated by State Statute. As of June 30, 2004, L.A.I.F. reported that 0% of the pooled portfolio was invested in asset-backed securities. There were no other derivative type investments.

In accordance with GASB 31, investments are marked to fair market values annually, if material, and an adjustment is made to each fund accordingly (no adjustment was required for current year). However, actual daily activity is done on a dollar to dollar basis and only a withdrawal from the pool of a size that jeopardizes pool participants would cause the withdrawal to be done at market value. L.A.I.F. is the only outside pool utilized by the Amador County Treasurer's Investment Pool. Fair values for the pool shares were provided by LAIF.

In accordance with Government Code Section 53647, interest on all money deposited in the County Treasury belongs to the County unless otherwise directed by law or the County Board of Supervisors. The County has numerous funds in which the interest earned is deposited into the General Fund to comply with the above code section.

The following represents a condensed statement of net assets and changes in net assets for the Treasurer's investment pool as of June 30, 2004:

<u>Statement of Net Assets</u>	
Net assets held for pool participants	<u>\$ 92,871,155</u>
Equity of external pool participants	\$ 33,904,832
Equity of internal pool participants	<u>58,966,323</u>
Total Equity	<u>\$ 92,871,155</u>



**COUNTY OF AMADOR**

Notes to Basic Financial Statements  
June 30, 2004

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

Investments (continued)

Statement of Changes in Net Assets

Investment earnings	\$ 1,709,015
Investment expenses	(186,682)
Net contributions from pool participants	<u>6,686,806</u>
Increase in Net Assets	8,209,139
 Net Assets at July 1, 2003	 <u>84,662,016</u>
 Net Assets at June 30, 2004	 <u>\$ 92,871,155</u>

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 Fund	\$ 200,000	Initial deposit to establish department
	Landfill	<u>500,000</u>	Temporary cash flow assistance
		<u>700,000</u>	
County Improvement	Landfill	<u>731,600</u>	Project financing
		<u>\$ 1,431,600</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>
General Fund	Nonmajor Governmental Funds	\$ 279,000
	Internal Service Funds	<u>1,016,020</u>
		<u>\$ 1,295,020</u>

## COUNTY OF AMADOR

### Notes to Basic Financial Statements June 30, 2004

**Note 5: Capital Assets**

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

	<u>Balance</u> <u>July 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers &amp;</u> <u>Adjustments</u>	<u>Balance</u> <u>June 30, 2004</u>
<b>Governmental Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 801,808	\$ --	\$ --	\$ --	\$ 801,808
Construction in progress	<u>1,833,130</u>	<u>3,492,812</u>	<u>--</u>	<u>(1,477,952)</u>	<u>3,847,990</u>
Total capital assets, not being depreciated	<u>2,634,938</u>	<u>3,492,812</u>	<u>--</u>	<u>(1,477,952)</u>	<u>4,649,798</u>
Capital assets, being depreciated:					
Infrastructure	39,807,056	--	--	--	39,807,056
Structures and improvements	16,594,778	--	--	1,477,952	18,072,730
Equipment	<u>13,116,773</u>	<u>512,633</u>	<u>(140,213)</u>	<u>89,326</u>	<u>13,578,519</u>
Total capital assets, being depreciated	<u>69,518,607</u>	<u>512,633</u>	<u>(140,213)</u>	<u>1,567,278</u>	<u>71,458,305</u>
Less accumulated depreciation for:					
Infrastructure	(29,372,590)	(713,280)	--	--	(30,085,870)
Structures and improvements	(7,288,188)	(366,688)	--	--	(7,645,224)
Equipment	<u>(9,421,174)</u>	<u>(1,395,222)</u>	<u>130,510</u>	<u>14,705</u>	<u>(10,680,833)</u>
Total accumulated depreciation	<u>(46,081,952)</u>	<u>(2,475,190)</u>	<u>130,510</u>	<u>14,705</u>	<u>(48,411,927)</u>
Total capital assets, being depreciated, net	<u>23,436,655</u>	<u>(1,962,557)</u>	<u>(9,703)</u>	<u>1,581,983</u>	<u>23,046,378</u>
Government activities capital assets, net	<u>\$ 26,071,593</u>	<u>\$ 1,530,255</u>	<u>\$ (9,703)</u>	<u>\$ 104,031</u>	<u>\$ 27,696,176</u>
<b>Business-Type Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 2,082,288	\$ --	\$ (12,413)	\$ --	\$ 2,069,875
Construction in progress	<u>452,705</u>	<u>156,724</u>	<u>(26,037)</u>	<u>--</u>	<u>583,392</u>
Total capital assets, not being depreciated	<u>2,534,993</u>	<u>156,724</u>	<u>(38,450)</u>	<u>--</u>	<u>2,653,267</u>
Capital assets, being depreciated:					
Infrastructure	8,449,030	--	(7,412,508)	--	1,036,522
Structures and improvements	4,740,260	--	(3,406,543)	--	1,333,717
Equipment	<u>271,000</u>	<u>--</u>	<u>(187,242)</u>	<u>--</u>	<u>83,758</u>
Total capital assets, being depreciated	<u>13,460,290</u>	<u>--</u>	<u>(11,006,293)</u>	<u>--</u>	<u>2,453,997</u>
Less accumulated depreciation for:					
Infrastructure	(3,205,809)	(47,858)	2,655,929	--	(597,738)
Structures and improvements	(1,815,457)	(47,361)	1,475,345	--	(387,473)
Equipment	<u>(181,688)</u>	<u>(6,407)</u>	<u>143,576</u>	<u>--</u>	<u>(44,519)</u>
Total accumulated depreciation	<u>(5,202,954)</u>	<u>(101,626)</u>	<u>4,274,850</u>	<u>--</u>	<u>(1,029,730)</u>
Total capital assets, being depreciated, net	<u>8,257,336</u>	<u>(101,626)</u>	<u>(6,731,443)</u>	<u>--</u>	<u>1,424,267</u>
Government activities capital assets, net	<u>\$ 10,792,329</u>	<u>\$ 55,098</u>	<u>\$ (6,769,893)</u>	<u>\$ --</u>	<u>\$ 4,077,534</u>

**COUNTY OF AMADOR**

Notes to Basic Financial Statements  
June 30, 2004

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

Depreciation expense was charged to governmental functions as follows:

General government	\$ 598,705
Public protection	803,656
Public ways	936,708
Health and sanitation	72,839
Public assistance	41,394
Education	21,334
Culture and recreation	<u>554</u>
	<u>\$ 2,475,190</u>

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

Landfill	\$ 11,553
Airport	<u>90,073</u>
	<u>\$ 101,626</u>

Note 6: **Long-Term Debt**

Long-term liabilities at June 30, 2004 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, 2004</u>
<b><u>Governmental Activities</u></b>						
Note payable <i>purchase of fire fighting equipment and fire trucks</i>	4/1/2002	4/1/2008	4.39%	\$59,026 – \$70,094	\$ <u>378,750</u>	\$ <u>263,180</u>
Total Governmental Activities					\$ <u>378,750</u>	\$ <u>263,180</u>
<b><u>Business-Type Activities</u></b>						
Notes payable	2001	2018	5.66%	\$8,391 – \$16,446	\$ <u>194,000</u>	\$ <u>162,329</u>
Total Business-Type Activities					\$ <u>194,000</u>	\$ <u>162,329</u>

**COUNTY OF AMADOR**

Notes to Basic Financial Statements  
June 30, 2004

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

The following is a summary of long-term liability transactions for the year ended June 30, 2004:

	Balance July 1, 2003	Additions	Deletions	Adjustment	Balance June 30, 2004	Amounts Due Within One Year
<b>Governmental Activities:</b>						
Note payable	\$ 322,206	\$ --	\$ 59,026	\$ --	\$ 263,180	\$ 61,617
Compensated absences	1,172,387	224,383	--	--	1,396,770	698,286
Liability for self-insurance	<u>224,721</u>	<u>46,308</u>	<u>--</u>	<u>--</u>	<u>271,029</u>	<u>--</u>
Total Governmental Activities	<u>\$ 1,719,314</u>	<u>\$ 270,691</u>	<u>\$ 59,026</u>	<u>\$ --</u>	<u>\$ 1,930,979</u>	<u>\$ 759,903</u>
<b>Business-Type Activities:</b>						
Airport						
Bonds payable	\$ 170,720	\$ --	\$ 8,391	\$ --	\$ 162,329	\$ 9,062
CSA #3 Water						
Bonds payable	776,827	--	39,202	(737,625) <sup>a</sup>	--	--
Compensated absences	<u>--</u>	<u>1,230</u>	<u>--</u>	<u>--</u>	<u>1,230</u>	<u>615</u>
Total Business-Type Activities	<u>\$ 947,547</u>	<u>\$ 1,230</u>	<u>\$ 47,593</u>	<u>\$ (737,625)</u>	<u>\$ 163,559</u>	<u>\$ 9,677</u>

<sup>a</sup>The total matured and unmatured bonds outstanding related to special assessment debt is \$737,625 at June 30, 2004. In prior years, the debt was recorded on the County's financial statements. However, as of July 1, 2003, it was determined that the County is not liable in anyway for this debt.

As of June 30, 2004, annual debt service requirements of governmental activities to maturity are as follows:

Year Ending June 30:	Governmental Activities		
	Notes Payable		
	Principal	Interest	Total
2005	\$ 61,617	\$ 11,554	\$ 73,171
2006	64,322	8,849	73,171
2007	67,147	6,024	73,171
2008	<u>70,094</u>	<u>3,077</u>	<u>73,171</u>
	<u>\$ 263,180</u>	<u>\$ 29,504</u>	<u>\$ 292,684</u>

**COUNTY OF AMADOR**

Notes to Basic Financial Statements  
June 30, 2004

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

As of June 30, 2004, annual debt service requirements of business-type activities to maturity are as follows:

<u>Year Ending June 30:</u>	<u>Business-Type Activities</u>		
	<u>Notes Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 9,062	\$ 9,194	\$ 18,256
2006	9,734	8,681	18,415
2007	10,405	8,129	18,534
2008	11,076	7,540	18,616
2009	11,747	6,913	18,660
2010-2014	68,807	23,823	92,630
2015-2017	41,498	4,333	45,831
	\$ 162,329	\$ 68,613	\$ 230,942

*Special Assessment Debt:* The total matured and unmatured bonds outstanding related to special assessment debt is \$737,625 at June 30, 2004. 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 \$165,673 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. In addition to operating expenses related to current activities of the landfill, an estimated liability is being recognized based on the future closure and post closure maintenance costs that will be incurred near or after the date the landfill 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 \$1,197,457 for fiscal year 2004, and was based on approximately 93% usage (filled) of the landfill. It is estimated that an additional \$94,043 liability will be recognized as closure and postclosure maintenance costs between the date of the balance sheet and the date the landfill is expected to be closed. The estimated total current cost of the landfill closure and post

## COUNTY OF AMADOR

### Notes to Basic Financial Statements June 30, 2004

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

closure maintenance cost of \$1,291,500 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.

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, 2004, cash and investments of \$1,349,903 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 \$1,250,439 for the year ended June 30, 2004.

**COUNTY OF AMADOR**

Notes to Basic Financial Statements  
June 30, 2004

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

Annual Pension Cost

For fiscal year 2003-2004, the County's annual pension cost of \$450,395 for PERS was equal to the County's required and actual contributions. The required contribution was determined as part of the June 30, 2001 actuarial assumptions included 8.25% investment rate of return (net of administrative expenses) and projected annual salary increases that vary by duration of service ranging from 3.75% to 14.20% for miscellaneous members and include an inflation component of 3.5%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a two to five year period depending on the size of investment gains and/or losses. PERS unfunded actuarial accrued liability (or surplus) is being amortized as a level percentage of projected payroll on a closed basis.

Three-Year Trend Information for PERS

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
06/30/02	\$ --	100%	\$ --
06/30/03	143,347	100%	--
06/30/04	450,395	100%	--

Note 9: **Deferred Compensation**

Employees of the County of Amador may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the County. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is available for withdrawal upon termination, retirement, death, or in an emergency as defined by the plan.

Changes in the laws governing IRC Section 457 Plans and GASB Statement No. 32, required a change in the reporting of the County employees' deferred compensation plan. Previously, employee amounts deferred by the plan participants were required to be reported as assets of the employer. The new law prevents the employer's use of these funds and requires the funds to be held exclusively for the benefit of the participants. Accordingly, the County's deferred compensation plan was amended in December 1998 to

# COUNTY OF AMADOR

## Notes to Basic Financial Statements June 30, 2004

Note 9: **Deferred Compensation** (continued)

conform with the law. Therefore, the assets and associated participants' liability of the plan were removed from our financial statements and only the current deductions which have not been forwarded to the contract plan administrator are reported.

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.

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 \$271,029 at June 30, 2004, 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.



**COUNTY OF AMADOR**

Notes to Basic Financial Statements  
June 30, 2004

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

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, 2003 and 2004, were as follows:

	<u>2004</u>	<u>2003</u>
Unpaid claims, beginning of year	\$ 224,721	\$ 248,360
Estimated claims incurred and adjustments	77,989	54,595
Claims payments	<u>(31,681)</u>	<u>(78,234)</u>
Unpaid claims, end of year	<u>\$ 271,029</u>	<u>\$ 224,721</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.
- *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.
- *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.

## COUNTY OF AMADOR

### Notes to Basic Financial Statements June 30, 2004

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

As of June 30, 2004, 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.
- Reserve for General was created to represent the portion of fund equity the County expects to use for unpredicted future events.

**COUNTY OF AMADOR**

Notes to Basic Financial Statements  
June 30, 2004

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. The Agency's financial statements include the accounts of all the Agency's operations. Financial statements for the Authority are produced annually and are available from the County of Amador.

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.

Note 14: **Special Item**

During the fiscal year ended June 30, 2004, oversight of CSA 1 through 4 was transferred to the Amador County Water Agency, an independent non-related organization. The transfer of County Service Area assets, net of liability resulted in a loss of \$8,381,540 as follows:

	<u>CSA 1</u>	<u>CSA 2</u>	<u>CSA 3 Sewer</u>	<u>CSA 3 Water</u>	<u>CSA 4</u>	<u>Total</u>
Cash	\$ 216,684	\$ 154,427	\$ 205,173	\$ 481,084	\$ 671,278	\$ 1,728,646
Land	--	12,413	--	--	--	12,413
Construction in progress	--	--	26,037	--	--	26,037
Structures and improvements, net	433,336	626	136,305	1,300,814	60,744	1,931,825
Infrastructure, net	1,617,583	172,962	510,668	1,459,723	995,642	4,756,578
Equipment, net	<u>215</u>	<u>--</u>	<u>25,515</u>	<u>13,235</u>	<u>4,076</u>	<u>43,041</u>
	<u>\$ 2,267,818</u>	<u>\$ 340,428</u>	<u>\$ 903,698</u>	<u>\$ 3,254,856</u>	<u>\$ 1,731,740</u>	<u>\$ 8,498,540</u>

## COUNTY OF AMADOR

### Notes to Basic Financial Statements June 30, 2004

#### Note 15: New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) recently released several new accounting and financial reporting standards. Four of the new standards, GASB Statement No. 40, *Deposit and Investment Risk Disclosures, an amendment of GASB Statement No. 3*, GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section, an amendment of NCGA Statement 1*, and GASB Statement No. 45, *Accounting and Financial Reporting by Employers of Postemployment Benefits Other than Pensions (OPEB)*, may have a significant impact on the County's financial reporting process.

GASB Statement No. 40 modifies previous custodial credit risk disclosure requirements and establishes more comprehensive disclosure requirements relating to other common risks of investments such as credit risk, concentration of credit risk and interest rate risk. GASB Statement No. 40 will be implemented in the financial statements for the year ending June 30, 2005.

GASB Statement No. 42 establishes accounting and financial reporting standards for impairment of capital assets. GASB No. 42 will be effective for the fiscal year ending June 30, 2006.

GASB Statement No. 44 guides the preparation of supplementary information included in the statistical section. This new statement provides specific requirements for the information presented in accordance with GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and will enhance comparability among governments presenting a statistical section. GASB No. 44 will be effective for the fiscal year ending June 30, 2006.

GASB Statement No. 45 establishes standards for the measurement, recognition and display of OPEB expenses/expenditures, related assets and liabilities, note disclosures and, if applicable, required supplementary information in the financial reports of state and local government employers. GASB No. 45 will be effective for the fiscal year ending June 30, 2008.

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**REQUIRED  
SUPPLEMENTARY INFORMATION**

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**COUNTY OF AMADOR**

Required Supplementary Information  
For the Fiscal Year Ended June 30, 2004

**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:

<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>
<b><u>SAFETY PLAN</u></b>						
6/30/01	\$ 18,264,526	\$ 19,772,995	\$ (1,508,469)	108.3%	\$ 3,909,571	(38.6)%
6/30/02	19,909,217	18,633,363	1,276,154	93.6%	4,403,853	29.0%
6/30/03	21,990,994	19,106,171	2,884,823	86.9%	4,404,096	65.5%
<b><u>MISCELLANEOUS PLAN</u></b>						
06/30/01	47,537,937	59,939,152	(12,401,215)	126.1%	12,143,974	(102.1)%
06/30/02	52,055,859	57,365,686	(5,309,827)	110.2%	13,636,205	(38.9)%
06/30/03	59,092,222	58,142,724	949,498	98.4%	13,642,048	7.0%

**COUNTY OF AMADOR**

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
General Fund  
For the Year Ended June 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 10,255,000	\$ 10,255,000	\$ 12,159,415	\$ 1,904,415
Licenses and permits	318,250	318,250	378,329	60,079
Intergovernmental	9,216,524	9,545,412	9,440,213	(105,199)
Fines and forfeitures	915,505	915,505	1,050,125	134,620
Use of money and property	426,842	426,842	414,943	(11,899)
Charges for services	1,757,956	1,787,532	1,809,786	22,254
Other	752,575	771,703	780,300	8,597
Total Revenue	<u>23,642,652</u>	<u>24,020,244</u>	<u>26,033,111</u>	<u>2,012,867</u>
Expenditures:				
Current:				
General government	8,186,724	8,641,405	5,355,057	3,286,348
Public protection	17,489,889	18,490,730	16,974,690	1,516,040
Health and sanitation	1,372,782	1,427,014	1,182,512	244,502
Public assistance	101,451	101,451	89,313	12,138
Education	935,398	944,576	828,571	116,005
Recreation and cultural services	307,567	362,615	243,502	119,113
Capital outlay	--	--	73,842	(73,842)
Contingency	852,972	785,472	--	785,472
Total Expenditures	<u>29,246,783</u>	<u>29,967,791</u>	<u>24,747,487</u>	<u>6,005,776</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(5,604,131)</u>	<u>(5,947,547)</u>	<u>1,285,624</u>	<u>8,018,643</u>
Other Financing Sources (Uses):				
Transfers in	48,500	--	--	--
Transfers out	<u>(1,931,906)</u>	<u>--</u>	<u>(1,295,020)</u>	<u>(1,295,020)</u>
Total Other Financing Sources (Uses)	<u>(1,883,406)</u>	<u>--</u>	<u>(1,295,020)</u>	<u>(1,295,020)</u>
Change in Fund Balance	(7,487,537)	(5,947,547)	(9,396)	6,723,623
Fund Balance, Beginning of Fiscal Year	15,990,231	15,990,231	15,990,231	--
Prior Period Adjustments	--	--	--	--
Fund Balance, End of Fiscal Year	<u>\$ 8,502,694</u>	<u>\$ 10,042,684</u>	<u>\$ 15,980,835</u>	<u>\$ 6,723,623</u>

**COUNTY OF AMADOR**

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Social Services  
For the Year Ended June 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 6,507,676	\$ 6,798,237	\$ 5,959,410	\$ (838,827)
Use of money and property	--	--	2,428	2,428
Other	50,000	50,000	607	(49,393)
Total Revenue	<u>6,557,676</u>	<u>6,848,237</u>	<u>5,962,445</u>	<u>(885,792)</u>
Expenditures:				
Current:				
Public assistance	6,557,676	6,837,190	6,340,679	496,511
Capital outlay	--	--	5,678	(5,678)
Total Expenditures	<u>6,557,676</u>	<u>6,837,190</u>	<u>6,346,357</u>	<u>490,833</u>
Change in Fund Balance	--	11,047	(383,912)	(394,959)
Fund Balance, Beginning of Fiscal Year	13,367	13,367	13,367	--
Prior Period Adjustments	1,933,594	1,933,594	1,933,594	--
Fund Balance, End of Fiscal Year	<u>\$ 1,946,961</u>	<u>\$ 1,958,008</u>	<u>\$ 1,563,049</u>	<u>\$ (394,959)</u>



**COUNTY OF AMADOR**

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Road  
For the Year Ended June 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,097,000	\$ 1,097,000	\$ 1,165,471	68,471
Licenses and permits	--	--	40,783	40,783
Intergovernmental	2,394,957	2,394,957	1,991,543	(403,414)
Fines and forfeitures	22,000	22,000	61,827	39,827
Use of money and property	35,000	35,000	37,022	2,022
Charges for services	20,000	20,000	648,375	628,375
Other	1,157,000	1,185,188	--	(1,185,188)
Total Revenue	<u>4,725,957</u>	<u>4,754,145</u>	<u>3,945,021</u>	<u>(809,124)</u>
Expenditures:				
Current:				
Public Ways	5,031,733	5,809,726	4,576,634	1,233,092
Capital outlay	164,200	236,075	212,752	23,323
Total Expenditures	<u>5,195,933</u>	<u>6,045,801</u>	<u>4,789,386</u>	<u>1,256,415</u>
Change in Fund Balance	(469,976)	(1,291,656)	(844,365)	447,291
Fund Balance, Beginning of Fiscal Year	<u>2,607,333</u>	<u>2,607,333</u>	<u>2,607,333</u>	--
Fund Balance, End of Fiscal Year	<u>\$ 2,137,357</u>	<u>\$ 1,315,677</u>	<u>\$ 1,762,968</u>	<u>\$ 447,291</u>

## COUNTY OF AMADOR

### Notes to Required Supplementary Information For the Fiscal Year Ended June 30, 2004

#### **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.

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## **SUPPLEMENTARY INFORMATION**

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## **Nonmajor Special Revenue Funds**

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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.

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**COUNTY OF AMADOR**

Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 June 30, 2004

	<u>Memorial</u>	<u>Mental</u>		<u>Fish &amp;</u>	<u>Tobacco</u>
	<u>Hall</u>	<u>Health</u>	<u>Health</u>	<u>Game</u>	<u>Reduction</u>
					<u>Fund</u>
<u>Assets</u>					
Cash and investments	\$ 178,685	\$ 1,149,314	\$ 2,970,530	\$ 9,140	\$ 89,984
Imprest cash	--	--	--	--	--
Accounts Receivable	--	166,275	22,206	--	--
Interest receivable	671	506	4,357	36	--
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 179,356</u>	<u>\$ 1,316,095</u>	<u>\$ 2,997,093</u>	<u>\$ 9,176</u>	<u>\$ 89,984</u>
 <u>Liabilities and Fund Balance</u>					
<u>Liabilities:</u>					
Accounts payable	\$ --	\$ 1,438	\$ 9,496	\$ --	\$ --
Due to other governments	--	--	--	--	89,984
Deferred revenue	--	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	--	1,438	9,496	--	89,984
 <u>Fund Balance</u>					
<u>Reserved:</u>					
Imprest cash	--	--	--	--	--
Encumbrances	--	9,806	3,678	--	--
General	8,838	100,000	100,000	4,996	--
<u>Unreserved:</u>					
Unreserved, undesignated	170,518	1,204,851	2,883,919	4,180	--
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balance	179,356	1,314,657	2,987,597	9,176	--
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balance	<u>\$ 179,356</u>	<u>\$ 1,316,095</u>	<u>\$ 2,997,093</u>	<u>\$ 9,176</u>	<u>\$ 89,984</u>

continued

**COUNTY OF AMADOR**

Combining Balance Sheet (continued)  
 Nonmajor Special Revenue Funds  
 June 30, 2004

	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	\$ 4,829,379	\$ 18,515	\$ 8,271	\$ 745,412	\$ 9,999,230
Imprest cash	--	--	--	100	100
Accounts Receivable	--	--	36,019	--	224,500
Interest receivable	--	69	79	3,437	9,155
<b>Total Assets</b>	<u>\$ 4,829,379</u>	<u>\$ 18,584</u>	<u>\$ 44,369</u>	<u>\$ 748,949</u>	<u>\$ 10,232,985</u>
<u>Liabilities and Fund Balance</u>					
<u>Liabilities:</u>					
Accounts payable	\$ --	\$ --	\$ 66	\$ 34,037	\$ 45,037
Due to other governments	548,306	--	--	--	638,290
Deferred revenue	1,700,170	--	--	--	1,700,170
<b>Total Liabilities</b>	<u>2,248,476</u>	<u>--</u>	<u>66</u>	<u>34,037</u>	<u>2,383,497</u>
<u>Fund Balance</u>					
<u>Reserved:</u>					
Imprest cash	--	--	--	100	100
Encumbrances	--	--	22,510	--	35,994
General	--	17,377	--	149,886	381,097
<u>Unreserved:</u>					
Unreserved, undesignated	2,580,903	1,207	21,793	564,926	7,432,297
<b>Total Fund Balance</b>	<u>2,580,903</u>	<u>18,584</u>	<u>44,303</u>	<u>714,912</u>	<u>7,849,488</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 4,829,379</u>	<u>\$ 18,584</u>	<u>\$ 44,369</u>	<u>\$ 748,949</u>	<u>\$ 10,232,985</u>

**COUNTY OF AMADOR**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended June 30, 2004

	<u>Memorial Hall</u>	<u>Mental Health</u>	<u>Health</u>	<u>Fish &amp; Game</u>	<u>Tobacco Reduction Fund</u>
Revenues:					
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental	--	1,961,350	1,789,910	--	--
Fines and forfeitures	--	--	--	3,017	--
Use of money and property	3,086	(1,746)	12,897	154	--
Charges for services	--	29,209	440,825	--	--
Other	--	19	46,825	--	--
Total Revenues	<u>3,086</u>	<u>1,988,832</u>	<u>2,290,457</u>	<u>3,171</u>	<u>--</u>
Expenditures:					
Current:					
Public protection	--	--	--	1,117	--
Health & Sanitation	--	1,698,508	2,201,750	--	--
Debt Service:					
Principal payments	--	--	--	--	--
Interest and fiscal charges	--	--	--	--	--
Capital outlay	--	--	--	--	--
Total Expenditures	<u>--</u>	<u>1,698,508</u>	<u>2,201,750</u>	<u>1,117</u>	<u>--</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>3,086</u>	<u>290,324</u>	<u>88,707</u>	<u>2,054</u>	<u>--</u>
Other Financing Sources (Uses):					
Transfers in	--	--	279,000	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>279,000</u>	<u>--</u>	<u>--</u>
Change in Fund Balance	3,086	290,324	367,707	2,054	--
Fund Balance, Beginning of Fiscal Year	176,270	172,825	1,217,988	7,122	--
Prior Period Adjustments	<u>--</u>	<u>851,508</u>	<u>1,401,902</u>	<u>--</u>	<u>--</u>
Fund Balance, End of Fiscal Year	<u>\$ 179,356</u>	<u>\$ 1,314,657</u>	<u>\$ 2,987,597</u>	<u>\$ 9,176</u>	<u>\$ --</u>

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, 2004

	Miscellaneous Special Revenue Funds	Special Districts Governed by County Board of Supervisors			Totals
		Victory Lighting	IHSS Public Authority	Amador Fire Protection	
Revenues:					
Taxes	\$ --	\$ 1,427	\$ --	\$ 13,197	\$ 14,624
Intergovernmental	--	30	166,815	428,988	4,347,093
Fines and forfeitures	--	--	--	--	3,017
Use of money and property	41,504	402	266	15,047	71,610
Charges for services	271,222	--	--	628,528	1,369,784
Other	46,885	--	512	221,649	315,890
Total Revenues	<u>359,611</u>	<u>1,859</u>	<u>167,593</u>	<u>1,307,409</u>	<u>6,122,018</u>
Expenditures:					
Current:					
Public protection	--	652	--	1,018,814	1,020,583
Health & Sanitation	--	--	123,290	--	4,023,548
Debt Service:					
Principal payments	--	--	--	59,026	59,026
Interest and fiscal charges	--	--	--	14,145	14,145
Capital outlay	--	--	--	37,789	37,789
Total Expenditures	<u>--</u>	<u>652</u>	<u>123,290</u>	<u>1,129,774</u>	<u>5,155,091</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>359,611</u>	<u>1,207</u>	<u>44,303</u>	<u>177,635</u>	<u>966,927</u>
Other Financing Sources (Uses):					
Transfers in	--	--	--	--	279,000
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>279,000</u>
Change in Fund Balance	359,611	1,207	44,303	177,635	1,245,927
Fund Balance, Beginning of Fiscal Year	2,221,292	17,377	--	537,277	4,350,151
Prior Period Adjustments	--	--	--	--	2,253,410
Fund Balance, End of Fiscal Year	<u>\$ 2,580,903</u>	<u>\$ 18,584</u>	<u>\$ 44,303</u>	<u>\$ 714,912</u>	<u>\$ 7,849,488</u>



## **Nonmajor Enterprise Funds**

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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.

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**COUNTY OF AMADOR**

Combining Statement of Net Assets  
All Nonmajor Enterprise Funds  
June 30, 2004

	<u>CSA #1</u>	<u>CSA #2</u>	<u>CSA #3 Water</u>
<b><u>ASSETS</u></b>			
Current Assets:			
Cash and investments in Pool	\$ --	\$ --	\$ 377,497
Interest receivable	--	--	1,993
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 379,490</u>
<b><u>LIABILITIES</u></b>			
Current Liabilities:			
Deposits held for others	\$ --	\$ --	\$ --
	<hr/>	<hr/>	<hr/>
Total Liabilities	--	--	--
<b><u>NET ASSETS</u></b>			
Unrestricted	--	--	379,490
	<hr/>	<hr/>	<hr/>
Total Net Assets	--	--	379,490
	<hr/>	<hr/>	<hr/>
Total Liabilities and Net Assets	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 379,490</u>

continued

**COUNTY OF AMADOR**

Combining Statement of Net Assets (continued)  
 All Nonmajor Enterprise Funds  
 June 30, 2004

	<u>CSA #3</u> <u>Sewer</u>	<u>CSA #4</u>	<u>CSA #5</u>
<b><u>ASSETS</u></b>			
Current Assets:			
Cash and investments in Pool	\$ --	\$ 36,332	\$ 153,148
Interest receivable	--	136	510
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ --</u>	<u>\$ 36,468</u>	<u>\$ 153,658</u>
<b><u>LIABILITIES</u></b>			
Current Liabilities:			
Deposits held for others	\$ --	\$ --	\$ 144,653
	<hr/>	<hr/>	<hr/>
Total Liabilities	--	--	144,653
<b><u>NET ASSETS</u></b>			
Unrestricted	--	36,468	9,005
	<hr/>	<hr/>	<hr/>
Total Net Assets	--	36,468	9,005
	<hr/>	<hr/>	<hr/>
Total Liabilities and Net Assets	<u>\$ --</u>	<u>\$ 36,468</u>	<u>\$ 153,658</u>

continued

**COUNTY OF AMADOR**

Combining Statement of Net Assets (continued)  
All Nonmajor Enterprise Funds  
June 30, 2004

	<u>CSA #6</u>	<u>CSA #8</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Current Assets:			
Cash and investments in Pool	\$ 23,937	\$ 28,376	\$ 619,290
Interest receivable	<u>180</u>	<u>104</u>	<u>2,923</u>
Total Assets	<u>\$ 24,117</u>	<u>\$ 28,480</u>	<u>\$ 622,213</u>
<b><u>LIABILITIES</u></b>			
Current Liabilities:			
Deposits held for others	\$ --	\$ --	\$ 144,653
Total Liabilities	<u>--</u>	<u>--</u>	<u>144,653</u>
<b><u>NET ASSETS</u></b>			
Unrestricted	<u>24,117</u>	<u>28,480</u>	<u>477,560</u>
Total Net Assets	<u>24,117</u>	<u>28,480</u>	<u>477,560</u>
Total Liabilities and Net Assets	<u>\$ 24,117</u>	<u>\$ 28,480</u>	<u>\$ 622,213</u>

**COUNTY OF AMADOR**

Combining Statement of Revenues, Expenditures  
and Changes in Net Assets  
All Nonmajor Enterprise Funds  
June 30, 2004

	CSA #1	CSA #2	CSA #3 Water
Operating Revenues:			
Charges for services	\$ 4,903	\$ 733	\$ 112,914
Other	--	--	136
Total Operating Revenues	4,903	733	113,050
Operating Expenses:			
Salaries and benefits	13,404	2,464	14,678
Services and supplies	33,291	4,322	60,888
Total Operating Expenses	46,695	6,786	75,566
Operating Income (Loss)	(41,792)	(6,053)	37,484
Non-Operating Revenues (Expenses):			
Taxes	--	--	--
Interest income	2,246	1,496	16,415
Total Non-Operating Revenues (Expenses)	2,246	1,496	16,415
Net Income Before Special Item	(39,546)	(4,557)	53,899
Special Item: Transfer of Assets of CSA 1 through 4 to the Amador Water Agency	(2,269,818)	(340,428)	(3,135,856)
Change in Net Assets	(2,309,364)	(344,985)	(3,081,957)
Net Assets, Beginning of Year	2,310,511	346,518	2,856,755
Prior Period Adjustment	(1,147)	(1,533)	604,692
Net Assets, End of Year	\$ --	\$ --	\$ 379,490

continued

**COUNTY OF AMADOR**

Combining Statement of Revenues, Expenditures  
and Changes in Net Assets (continued)  
All Nonmajor Enterprise Funds  
June 30, 2004

	CSA #3 Sewer	CSA #4	CSA #5
Operating Revenues:			
Charges for services	\$ 4,378	\$ 7,286	\$ --
Other	--	--	69
Total Operating Revenues	4,378	7,286	69
Operating Expenses:			
Salaries and benefits	--	7,167	--
Services and supplies	122,566	33,502	(412)
Total Operating Expenses	122,566	40,669	(412)
Operating Income (Loss)	(118,188)	(33,383)	481
Non-Operating Revenues (Expenses):			
Taxes	--	--	(170)
Interest income	3,243	7,503	669
Total Non-Operating Revenues (Expenses)	3,243	7,503	499
Net Income Before Special Item	(114,945)	(25,880)	980
Special Item: Transfer of Assets of CSA 1 through 4 to the Amador Water Agency	(903,698)	(1,731,740)	--
Change in Net Assets	(1,018,643)	(1,757,620)	980
Net Assets, Beginning of Year	927,681	1,784,481	113,691
Prior Period Adjustment	90,962	9,607	(105,666)
Net Assets, End of Year	\$ --	\$ 36,468	\$ 9,005

continued

**COUNTY OF AMADOR**

Combining Statement of Revenues, Expenditures  
and Changes in Net Assets (continued)  
All Nonmajor Enterprise Funds  
June 30, 2004

	CSA #6	CSA #8	Total
Operating Revenues:			
Charges for services	\$ --	\$ --	\$ 130,214
Other	--	6,321	6,526
Total Operating Revenues	--	6,321	136,740
Operating Expenses:			
Salaries and benefits	--	--	37,713
Services and supplies	37,635	326	292,118
Total Operating Expenses	37,635	326	329,831
Operating Income (Loss)	(37,635)	5,995	(193,091)
Non-Operating Revenues (Expenses):			
Taxes	19,208	--	19,038
Interest income	991	551	33,114
Total Non-Operating Revenues (Expenses)	20,199	551	52,152
Net Income Before Special Item	(17,436)	6,546	(140,939)
Special Item: Transfer of Assets of CSA 1 through 4 to the Amador Water Agency	--	--	(8,381,540)
Change in Net Assets	(17,436)	6,546	(8,522,479)
Net Assets, Beginning of Year	41,553	21,934	8,403,124
Prior Period Adjustment	--	--	596,915
Net Assets, End of Year	\$ 24,117	\$ 28,480	\$ 477,560

**COUNTY OF AMADOR**

Combining Statement of Cash Flows  
All Nonmajor Enterprise Funds  
For the Year Ended June 30, 2004

	<u>CSA #1</u>	<u>CSA #2</u>	<u>CSA #3 Water</u>
<b>Cash Flows from Operating Activities:</b>			
Receipts from customers and users	\$ 40,643	\$ 15,300	\$ 154,896
Payments to suppliers	(33,291)	(11,108)	(60,888)
Payments to employees	(13,404)	(2,464)	(14,678)
Net Cash Provided (Used) by Operating Activities	<u>(6,052)</u>	<u>1,728</u>	<u>79,330</u>
<b>Cash Flows from Investing Activities:</b>			
Interest received	<u>2,246</u>	<u>1,496</u>	<u>14,422</u>
Net Cash Provided (Used) by Investing Activities	<u>2,246</u>	<u>1,496</u>	<u>14,422</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Taxes	--	--	--
Transfer to Water Agency	(218,684)	(155,960)	(481,084)
Transfer of bond reserves to agency fund	<u>--</u>	<u>--</u>	<u>(243,680)</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(218,684)</u>	<u>(155,960)</u>	<u>(724,764)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(222,490)	(152,736)	(631,012)
Cash and Cash Equivalents,, Beginning of Year	<u>222,490</u>	<u>152,736</u>	<u>1,008,509</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 377,497</u></u>

continued



**COUNTY OF AMADOR**

Combining Statement of Cash Flows (continued)  
 All Nonmajor Enterprise Funds  
 For the Year Ended June 30, 2004

	CSA #3 Sewer	CSA #4	CSA #5
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Cash Flows from Operating Activities:</b>			
Receipts from customers and users	\$ 28,052	\$ 31,559	\$ 144,722
Payments to suppliers	(122,566)	(33,502)	(105,254)
Payments to employees	--	(7,167)	--
Net Cash Provided (Used)			
by Operating Activities	<u>(94,514)</u>	<u>(9,110)</u>	<u>39,468</u>
<b>Cash Flows from Investing Activities:</b>			
Interest received	<u>3,243</u>	<u>7,367</u>	<u>159</u>
Net Cash Provided (Used)			
by Investing Activities	<u>3,243</u>	<u>7,367</u>	<u>159</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Taxes	--	--	(170)
Transfer to Water Agency	(205,173)	(671,278)	--
Transfer of bond reserves to agency fund	--	--	--
Net Cash Provided (Used) by			
Non-Capital Financing			
Activities	<u>(205,173)</u>	<u>(671,278)</u>	<u>(170)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(296,444)	(673,021)	39,457
Cash and Cash Equivalents,, Beginning of Year	<u>296,444</u>	<u>709,353</u>	<u>113,691</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ --</u></u>	<u><u>\$ 36,332</u></u>	<u><u>\$ 153,148</u></u>

continued

**COUNTY OF AMADOR**

Combining Statement of Cash Flows (continued)  
 All Nonmajor Enterprise Funds  
 For the Year Ended June 30, 2004

	<u>CSA #6</u>	<u>CSA #8</u>	<u>Total</u>
<b>Cash Flows from Operating Activities:</b>			
Receipts from customers and users	\$ --	\$ 6,321	\$ 421,493
Payments to suppliers	(37,635)	(326)	(404,570)
Payments to employees	--	--	(37,713)
Net Cash Provided (Used) by Operating Activities	<u>(37,635)</u>	<u>5,995</u>	<u>(20,790)</u>
<b>Cash Flows from Investing Activities:</b>			
Interest received	811	447	30,191
Net Cash Provided (Used) by Investing Activities	<u>811</u>	<u>447</u>	<u>30,191</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Taxes	19,208	--	19,038
Transfer to Water Agency	--	--	(1,732,179)
Transfer of bond reserves to agency fund	--	--	(243,680)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>19,208</u>	<u>--</u>	<u>(1,956,821)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(17,616)	6,442	(1,947,420)
Cash and Cash Equivalents,, Beginning of Year	<u>41,553</u>	<u>21,934</u>	<u>2,566,710</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 23,937</u>	<u>\$ 28,376</u>	<u>\$ 619,290</u>

continued

**COUNTY OF AMADOR**

Combining Statement of Cash Flows  
All Nonmajor Enterprise Funds  
For the Year Ended June 30, 2004

	CSA #1	CSA #2	CSA #3 Water
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (41,792)	\$ (6,053)	\$ 37,484
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Changes in assets and liabilities:			
Accounts receivable	35,740	14,567	41,846
Accounts payable	--	(6,786)	--
Deposits held for Others	--	--	--
	--	--	--
Net Cash Provided (Used) by Operating Activities	\$ (6,052)	\$ 1,728	\$ 79,330
Schedule of Noncash Investing, Capital and Financing Activities			
Transfer of capital assets to the Water Agency	\$ (2,051,134)	\$ (186,001)	\$ (2,773,773)

continued

**COUNTY OF AMADOR**

Combining Statement of Cash Flows (continued)  
 All Nonmajor Enterprise Funds  
 For the Year Ended June 30, 2004

	CSA #3 Sewer	CSA #4	CSA #5
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (118,188)	\$ (33,383)	\$ 481
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Changes in assets and liabilities:			
Accounts receivable	23,674	24,273	--
Accounts payable	--	--	(105,666)
Deposits held for others	<u>          --</u>	<u>          --</u>	<u>          144,653</u>
 Net Cash Provided (Used) by Operating Activities	 <u>\$ (94,514)</u>	 <u>\$ (9,110)</u>	 <u>\$ 39,468</u>
 Schedule of Noncash Investing, Capital and Financing Activities			
Transfer of capital assets to the Water Agency	<u>\$ (698,525)</u>	<u>\$ (1,060,462)</u>	

continued

**COUNTY OF AMADOR**

Combining Statement of Cash Flows (continued)  
 All Nonmajor Enterprise Funds  
 For the Year Ended June 30, 2004

	CSA #6	CSA #8	Total
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (37,635)	\$ 5,995	\$ (193,091)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Changes in assets and liabilities:			
Accounts receivable	--	--	140,100
Accounts payable	--	--	(112,452)
Deposits held for Others	--	--	144,653
	<u>          </u>	<u>          </u>	<u>          </u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (37,635)</u>	<u>\$ 5,995</u>	<u>\$ (20,790)</u>
Schedule of Noncash Investing, Capital and Financing Activities			
Transfer of capital assets to the Water Agency			<u>\$ (6,769,895)</u>

## **Internal Service Funds**

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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.

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**COUNTY OF AMADOR**

Combining Statement of Net Assets  
All Internal Service Funds  
June 30, 2004

	General Services Support	General Services Motor Pool	Communications
<b><u>ASSETS</u></b>			
Current Assets:			
Cash and investments in Pool	\$ 158,899	\$ 768,669	\$ 65,753
Imprest cash	2,150	--	--
Interest receivable	881	2,468	--
Total Current Assets	<u>161,930</u>	<u>771,137</u>	<u>65,753</u>
Noncurrent Assets:			
Capital Assets:			
Nondepreciable	15,000	--	--
Depreciable, net	58,420	638,594	31,336
Total Noncurrent Assets	<u>73,420</u>	<u>638,594</u>	<u>31,336</u>
Total Assets	<u>\$ 235,350</u>	<u>\$ 1,409,731</u>	<u>\$ 97,089</u>
<b><u>LIABILITIES</u></b>			
Current Liabilities:			
Accounts payable	\$ 17,339	\$ 20,282	\$ 11,811
Current portion of long-term liabilities:			
Compensated absences	15,168	8,830	--
Total Current Liabilities	<u>32,507</u>	<u>29,112</u>	<u>11,811</u>
Long-term Liabilities:			
Compensated absences	15,168	8,830	--
Claims liability	--	--	--
Total Long-term Liabilities	<u>15,168</u>	<u>8,830</u>	<u>--</u>
Total Liabilities	<u>47,675</u>	<u>37,941</u>	<u>11,811</u>
<b><u>NET ASSETS</u></b>			
Invested in capital assets, net of related debt	73,420	638,594	31,336
Unrestricted	114,255	733,196	53,942
Total Net Assets	<u>187,675</u>	<u>1,371,790</u>	<u>85,278</u>
Total Liabilities and Net Assets	<u>\$ 235,350</u>	<u>\$ 1,409,731</u>	<u>\$ 97,089</u>

continued

**COUNTY OF AMADOR**

Combining Statement of Net Assets (continued)  
All Internal Service Funds  
June 30, 2004

	<u>Self</u>	<u>Total</u>
	<u>Insurance</u>	
<b><u>ASSETS</u></b>		
Current Assets:		
Cash and investments in Pool	\$ 2,997,730	\$ 3,991,051
Imprest cash	50	2,200
Interest receivable	10,549	13,898
Total Current Assets	<u>3,008,329</u>	<u>4,007,149</u>
Noncurrent Assets:		
Capital Assets:		
Nondepreciable	--	15,000
Depreciable, net	1,974	730,324
Total Noncurrent Assets	<u>1,974</u>	<u>745,324</u>
Total Assets	<u>\$ 3,010,303</u>	<u>\$ 4,752,473</u>
<b><u>LIABILITIES</u></b>		
Current Liabilities:		
Accounts payable	\$ --	\$ 49,432
Current portion of long-term liabilities:		
Compensated absences	5,107	29,104
Total Current Liabilities	<u>5,107</u>	<u>78,536</u>
Long-term Liabilities:		
Compensated absences	5,107	29,104
Claims liability	271,029	271,029
Total Long-term Liabilities	<u>276,136</u>	<u>300,133</u>
Total Liabilities	<u>281,242</u>	<u>378,669</u>
<b><u>NET ASSETS</u></b>		
Invested in capital assets, net of related debt	1,974	745,324
Unrestricted	2,727,087	3,628,480
Total Net Assets	<u>2,729,061</u>	<u>4,373,804</u>
Total Liabilities and Net Assets	<u>\$ 3,010,303</u>	<u>\$ 4,752,473</u>



**COUNTY OF AMADOR**

Combining Statement of Revenues, Expenses  
and Changes in Net Assets  
All Internal Service Funds  
For the Year Ended June 30, 2004

	General Services Support	General Services Motor Pool	Communications
Operating Revenues:			
Charges for services	\$ 1,490,052	\$ 1,247,066	\$ 232,433
Other	--	--	--
Total Operating Revenues	<u>1,490,052</u>	<u>1,247,066</u>	<u>232,433</u>
Operating Expenses:			
Salaries and benefits	599,852	275,546	37,705
Services and supplies	783,136	757,815	184,360
Depreciation	11,625	302,574	9,898
Total Operating Expenses	<u>1,394,613</u>	<u>1,335,935</u>	<u>231,963</u>
Operating Income (Loss)	<u>95,439</u>	<u>(88,869)</u>	<u>470</u>
Non-Operating Revenues (Expenses):			
Interest income	<u>2,761</u>	<u>8,212</u>	<u>(14,630)</u>
Total Non-Operating Revenues (Expenses)	<u>2,761</u>	<u>8,212</u>	<u>(14,630)</u>
Net Income (Loss) before Transfers	98,200	(80,657)	(14,160)
Transfers In	<u>--</u>	<u>450,000</u>	<u>--</u>
Change in Net Assets	98,200	369,343	(14,160)
Net Assets, Beginning of Year	<u>89,475</u>	<u>1,002,447</u>	<u>99,438</u>
Net Assets, End of Year	<u>\$ 187,675</u>	<u>\$ 1,371,790</u>	<u>\$ 85,278</u>

continued

**COUNTY OF AMADOR**

Combining Statement of Revenues, Expenses  
and Changes in Net Assets (continued)  
All Internal Service Funds  
For the Year Ended June 30, 2004

	Self Insurance	Total
Operating Revenues:		
Charges for services	\$ 1,127,061	\$ 4,096,612
Other	123,600	123,600
Total Operating Revenues	1,250,661	4,220,212
Operating Expenses:		
Salaries and benefits	99,724	1,012,827
Services and supplies	1,684,227	3,409,538
Depreciation	868	324,965
Total Operating Expenses	1,784,819	4,747,330
Operating Income (Loss)	(534,158)	(527,118)
Non-Operating Revenues (Expenses):		
Interest income	55,675	52,018
Total Non-Operating Revenues (Expenses)	55,675	52,018
Net Income (Loss) before Transfers	(478,483)	(475,100)
Transfers In	566,020	1,016,020
Change in Net Assets	87,537	540,920
Net Assets, Beginning of Year	2,641,524	3,832,884
Net Assets, End of Year	\$ 2,729,061	\$ 4,373,804

**COUNTY OF AMADOR**

Combining Statement of Cash Flows  
All Internal Service Funds  
For the Year Ended June 30, 2004

	General Services Support	General Services Motor Pool	Communications
<b>Cash Flows from Operating Activities:</b>			
Receipts from interfund services provided	\$ 1,497,071	\$ 1,265,410	\$ 233,613
Payments to employees	(592,323)	(277,865)	(37,705)
Payments for interfund services used	(793,599)	(770,866)	(184,451)
Net Cash Provided (Used) by Operating Activities	<u>111,149</u>	<u>216,679</u>	<u>11,457</u>
<b>Cash Flows from Investing Activities:</b>			
Interest received	<u>2,207</u>	<u>7,236</u>	<u>--</u>
Net Cash Provided (Used) by Investing Activities	<u>2,207</u>	<u>7,236</u>	<u>--</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Purchase of capital assets	<u>--</u>	<u>(182,573)</u>	<u>--</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>--</u>	<u>(182,573)</u>	<u>--</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Transfers in (out)	<u>--</u>	<u>450,000</u>	<u>--</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>--</u>	<u>450,000</u>	<u>--</u>
Net Increase (Decrease) in Cash and Cash Equivalents	113,356	491,342	11,457
Cash and Cash Equivalents, Beginning of Year	<u>47,693</u>	<u>277,327</u>	<u>54,296</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 161,049</u></u>	<u><u>\$ 768,669</u></u>	<u><u>\$ 65,753</u></u>

continued

**COUNTY OF AMADOR**

Combining Statement of Cash Flows (continued)  
All Internal Service Funds  
For the Year Ended June 30, 2004

	Self Insurance	Total
<b>Cash Flows from Operating Activities:</b>		
Receipts from interfund services provided	\$ 1,250,661	\$ 4,246,755
Payments to employees	(98,640)	(1,006,533)
Payments for interfund services used	(1,639,399)	(3,388,315)
Net Cash Provided (Used) by Operating Activities	<u>(487,378)</u>	<u>(148,093)</u>
<b>Cash Flows from Investing Activities:</b>		
Interest received	45,126	54,569
Net Cash Provided (Used) by Investing Activities	<u>45,126</u>	<u>54,569</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Purchase of capital assets	--	(182,573)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>--</u>	<u>(182,573)</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>		
Transfers in (out)	566,020	1,016,020
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>566,020</u>	<u>1,016,020</u>
Net Increase (Decrease) in Cash and Cash Equivalents	123,768	739,923
Cash and Cash Equivalents, Beginning of Year	<u>2,874,012</u>	<u>3,253,328</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 2,997,780</u></u>	<u><u>\$ 3,993,251</u></u>

continued

**COUNTY OF AMADOR**

Combining Statement of Cash Flows (continued)  
 All Internal Service Funds  
 For the Year Ended June 30, 2004

	<u>General Services Support</u>	<u>General Services Motor Pool</u>	<u>Communications</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 95,439	\$ (88,869)	\$ 470
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation	11,625	302,574	9,898
Changes in assets and liabilities:			
Accounts receivable	7,019	18,344	1,180
Accounts payable	(10,463)	(13,051)	(91)
Other liabilities	--	--	--
Compensated absences payable	<u>7,529</u>	<u>(2,319)</u>	<u>--</u>
 Net Cash Provided (Used) by Operating Activities	 <u>111,149</u>	 <u>216,679</u>	 <u>11,457</u>

continued

**COUNTY OF AMADOR**

Combining Statement of Cash Flows (continued)  
 All Internal Service Funds  
 For the Year Ended June 30, 2004

	<u>Self Insurance</u>	<u>Total</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ (534,158)	\$ (527,118)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	868	324,965
Changes in assets and liabilities:		
Accounts receivable	--	26,543
Accounts payable	(1,480)	(25,085)
Other liabilities	46,308	46,308
Compensated absences payable	<u>1,084</u>	<u>6,294</u>
 Net Cash Provided (Used) by Operating Activities	 <u><u>(487,378)</u></u>	 <u><u>(148,093)</u></u>