

COUNTY OF CALAVERAS

AUDIT REPORT

JUNE 30, 2002

**COUNTY OF CALAVERAS
AUDIT REPORT
JUNE 30, 2002**

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Bartig, Basler & Ray

A Professional Corporation

Certified Public Accountants and Management Consultants

Frank V. Trythall
Kenneth E. Pope
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Curtis A. Orgill

INDEPENDENT AUDITOR'S REPORT

The Honorable Members of the
Board of Supervisors and the Grand Jury
County of Calaveras
San Andreas, California

We have audited the accompanying general purpose financial statements of the County of Calaveras, California as of and for the year ended June 30, 2002 as listed in the table of contents. These general purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. The general purpose financial statements of the County of Calaveras as of June 30, 2001 were audited by other auditors whose report, dated September 20, 2001, expressed an unqualified opinion on those financial statements.

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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the County of Calaveras as of June 30, 2002, and the results of its operations for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards* we have also issued our report dated September 25, 2002 on our consideration of the County of Calaveras' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the County of Calaveras, California taken as a whole. The accompanying combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

BARTIG, BASLER & RAY, CPAs, INC.

Bartig, Basler & Ray, CPAs, Inc.

September 25, 2002
Roseville, CA

COUNTY OF CALAVERAS

Combined Balance Sheet - Assets
 All Fund Types and Account Groups
 June 30, 2002
 (With Memorandum Totals as of June 30, 2001)

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
<u>Assets</u>			
Cash and investments	\$ 5,301,430	\$ 9,526,545	\$ 1,990,638
Imprest cash	3,730	550	--
Cash with fiscal agent	22,871	--	--
Restricted cash	966,834	--	--
Accounts receivable - net	669,386	1,180,799	--
Interest receivable	--	--	--
Taxes receivable	42,647	--	--
Loans receivable	--	1,203,052	--
Due from other funds	--	90,957	--
Teeter note receivable	--	--	--
Inventory	625	67,303	--
Property, plant and equipment, net	--	--	--
Amount to be provided for payment of long-term debt	--	--	--
	\$ 7,007,523	\$ 12,069,206	\$ 1,990,638
Total Assets	\$ 7,007,523	\$ 12,069,206	\$ 1,990,638

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

Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
	General Fixed Assets	General Long-Term Debt	2002	2001
\$ 55,747,458	\$ --	\$ --	\$ 72,566,071	\$ 72,298,021
60,750	--	--	65,030	24,480
--	--	--	22,871	5,116,825
450,766	--	--	1,417,600	1,565,541
952	--	--	1,851,137	1,378,600
--	--	--	--	3,586
--	--	--	42,647	158,104
--	--	--	1,203,052	--
62,500	--	--	153,457	81,793
--	--	--	--	500,000
--	--	--	67,928	57,634
--	25,818,302	--	25,818,302	24,407,297
--	--	3,192,076	3,192,076	3,110,481
<u>\$ 56,322,426</u>	<u>\$ 25,818,302</u>	<u>\$ 3,192,076</u>	<u>\$ 106,400,171</u>	<u>\$ 108,702,362</u>

COUNTY OF CALAVERAS

Combined Balance Sheet - Liabilities and Fund Equity
 All Fund Types and Account Groups
 June 30, 2002
 (With Memorandum Totals as of June 30, 2001)

<u>Liabilities and Fund Equity</u>	Governmental Fund Types		
	General	Special Revenue	Capital Projects
Liabilities:			
Accounts payable	\$ 361,006	\$ 229,196	\$ 10,746
Salaries & benefits payable	554,662	308,422	229
Accrued interest payable	--	--	--
Due to other funds	90,957	20,000	--
Deferred revenue	--	238,964	--
Claims liability	405,000	--	--
Teeter note payable	--	--	--
Agency obligations	--	--	--
Compensated absences payable	--	--	--
TRAN payable	--	--	--
Loans payable	--	--	--
Capital leases payable	--	--	--
Closure/Post closure liability	--	--	--
	1,411,625	796,582	10,975
Total Liabilities	1,411,625	796,582	10,975
Fund Equity:			
Net assets held in trust for pool participants	--	--	--
Investment in general fixed assets	--	--	--
Fund Balance:			
Reserved	462,675	4,488,535	2,580
Unreserved:			
Designated	1,591,059	349,626	--
Undesignated	3,542,164	6,434,463	1,977,083
	5,595,898	11,272,624	1,979,663
Total Fund Equity	5,595,898	11,272,624	1,979,663
Total Liabilities and Fund Equity	\$ 7,007,523	\$ 12,069,206	\$ 1,990,638

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

Fiduciary Fund Types	Account Groups		Totals	
	General Fixed Assets	General Long-Term Debt	(Memorandum Only)	
Trust and Agency			2002	2001
\$ --	\$ --	\$ --	\$ 600,948	\$ 578,598
--	--	--	863,313	1,045,160
--	--	--	--	89,683
42,500	--	--	153,457	81,793
--	--	--	238,964	--
--	--	--	405,000	150,603
--	--	--	--	500,000
30,661,258	--	--	30,661,258	31,627,802
--	--	1,705,768	1,705,768	1,673,432
--	--	--	--	4,855,000
--	--	323,110	323,110	340,184
--	--	720,377	720,377	858,988
--	--	442,821	442,821	396,046
<u>30,703,758</u>	<u>--</u>	<u>3,192,076</u>	<u>36,115,016</u>	<u>42,197,289</u>
25,618,668	--	--	25,618,668	26,346,639
--	25,818,302	--	25,818,302	24,407,297
--	--	--	4,953,790	4,650,381
--	--	--	1,940,685	2,061,725
--	--	--	11,953,710	9,039,031
<u>25,618,668</u>	<u>25,818,302</u>	<u>--</u>	<u>70,285,155</u>	<u>66,505,073</u>
<u>\$ 56,322,426</u>	<u>\$ 25,818,302</u>	<u>\$ 3,192,076</u>	<u>\$ 106,400,171</u>	<u>\$ 108,702,362</u>

COUNTY OF CALAVERAS

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
 All Governmental Fund Types
 For the Year Ended June 30, 2002
 (With Memorandum Totals for the Year Ended June 30, 2001)

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)	
				2002	2001
Revenues:					
Taxes	\$10,235,165	\$ 783,828	\$ --	\$ 11,018,993	\$ 10,397,992
Licenses and permits	1,761,089	203,053	--	1,964,142	1,833,535
Fines and forfeitures	517,726	6,325	363,917	887,968	398,093
Use of money or property	603,342	549,845	95,544	1,248,731	1,158,190
Intergovernmental	7,396,310	20,378,699	--	27,775,009	27,879,928
Charges for services	3,596,825	4,574,734	--	8,171,559	7,377,389
Other revenues	696,921	1,348,237	1,404,725	3,449,883	876,650
Total Revenues	<u>24,807,378</u>	<u>27,844,721</u>	<u>1,864,186</u>	<u>54,516,285</u>	<u>49,921,777</u>
Expenditures:					
General government	6,860,737	--	--	6,860,737	6,216,675
Public protection	12,761,827	568,158	--	13,329,985	11,142,147
Public assistance	249,933	10,565,713	--	10,815,646	9,411,633
Health and sanitation	471,404	7,866,947	--	8,338,351	7,340,023
Public ways and facilities	--	7,217,465	--	7,217,465	6,113,819
Culture, recreation and education	656,096	82,908	--	739,004	705,809
Capital outlay	667,392	2,323,476	440,448	3,431,316	2,226,968
Debt service	299,811	174,163	--	473,974	484,820
Total Expenditures	<u>21,967,200</u>	<u>28,798,830</u>	<u>440,448</u>	<u>51,206,478</u>	<u>43,641,894</u>
Excess of Revenues Over (Under) Expenditures	<u>2,840,178</u>	<u>(954,109)</u>	<u>1,423,738</u>	<u>3,309,807</u>	<u>6,279,883</u>
Other Financing Sources (Uses):					
Operating transfers in	532,626	1,619,434	497,956	2,650,016	1,792,444
Operating transfers out	(3,003,554)	(1,385,066)	(235,346)	(4,623,966)	(1,686,855)
Proceeds from debt	--	--	--	--	144,150
Total Other Financing Sources (Uses)	<u>(2,470,928)</u>	<u>234,368</u>	<u>262,610</u>	<u>(1,973,950)</u>	<u>249,739</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>369,250</u>	<u>(719,741)</u>	<u>1,686,348</u>	<u>1,335,857</u>	<u>6,529,622</u>
Fund Balance, Beginning of Fiscal Year	5,247,790	10,210,032	293,315	15,751,137	9,349,942
Prior period adjustment	<u>(20,836)</u>	<u>1,223,888</u>	<u>--</u>	<u>1,203,052</u>	<u>(132,801)</u>
Fund Balance - Beginning of Year, Restated	5,226,954	11,433,920	293,315	16,954,189	9,217,141
Residual equity transfers	--	548,457	--	548,457	--
Change in inventory reserve	<u>(306)</u>	<u>9,988</u>	<u>--</u>	<u>9,682</u>	<u>4,374</u>
Fund Balance, End of Fiscal Year	<u>\$ 5,595,898</u>	<u>\$ 11,272,624</u>	<u>\$ 1,979,663</u>	<u>\$ 18,848,185</u>	<u>\$ 15,751,137</u>

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

COUNTY OF CALAVERAS

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
All General and Special Revenue Fund Types
For the Year Ended June 30, 2002

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 9,781,464	\$ 10,235,165	\$ 453,701
Licenses and permits	1,631,793	1,761,089	129,296
Intergovernmental revenue	7,235,252	7,396,310	161,058
Use of money or property	415,375	603,342	187,967
Charges for current services	2,806,456	3,596,825	790,369
Fines, forfeits and penalties	370,210	517,726	147,516
Other revenue	256,777	696,921	440,144
Total Revenues	22,497,327	24,807,378	2,310,051
Expenditures:			
General government	8,402,543	6,860,737	1,541,806
Public protection	14,941,496	12,761,827	2,179,669
Public ways and facilities	--	--	--
Health and sanitation	562,390	471,404	90,986
Public assistance	275,673	249,933	25,740
Education	756,130	684,571	71,559
Recreation and culture	17,537	(28,475)	46,012
Capital outlay	--	667,392	(667,392)
Debt service - principal	--	299,811	(299,811)
Debt service - interest, other	--	--	--
Total Expenditures	24,955,769	21,967,200	2,988,569
Excess of Revenues Over (Under) Expenditures	(2,458,442)	2,840,178	5,298,620
Other Financing Sources (Uses):			
Operating transfers in	1,487,448	532,626	(954,822)
Operating transfers (out)	(1,585,103)	(3,003,554)	(1,418,451)
Total Other Financing Sources (Uses)	(97,655)	(2,470,928)	(2,373,273)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (2,556,097)	369,250	\$ 2,925,347
Fund Balance, Beginning of Fiscal Year		5,247,790	
Prior Period Adjustment		(20,836)	
Fund Balance - Beginning of Year, Restated		5,226,954	
Residual equity transfers		--	
Change in inventory reserve		(306)	
Fund Balance, End of Fiscal Year		\$ 5,595,898	

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

Special Revenue Funds			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 768,919	\$ 783,828	\$ 14,909	\$ 10,550,383	\$ 11,018,993	\$ 468,610
65,103	203,053	137,950	1,696,896	1,964,142	267,246
20,705,992	20,378,699	(327,293)	27,941,244	27,775,009	(166,235)
331,487	549,845	218,358	746,862	1,153,187	406,325
4,176,544	4,574,734	398,190	6,983,000	8,171,559	1,188,559
13,500	6,325	(7,175)	383,710	524,051	140,341
2,103,536	1,348,237	(755,299)	2,360,313	2,045,158	(315,155)
<u>28,165,081</u>	<u>27,844,721</u>	<u>(320,360)</u>	<u>50,662,408</u>	<u>52,652,099</u>	<u>1,989,691</u>
--	--	--	8,402,543	6,860,737	1,541,806
406,460	568,158	(161,698)	15,347,956	13,329,985	2,017,971
10,209,564	7,217,465	2,992,099	10,209,564	7,217,465	2,992,099
10,501,407	7,866,947	2,634,460	11,063,797	8,338,351	2,725,446
11,381,727	10,565,713	816,014	11,657,400	10,815,646	841,754
--	--	--	756,130	684,571	71,559
111,102	82,908	28,194	128,639	54,433	74,206
4,466,022	2,323,476	2,142,546	4,466,022	2,990,868	1,475,154
300,191	146,006	154,185	300,191	445,817	(145,626)
37,995	28,157	9,838	37,995	28,157	9,838
<u>37,414,468</u>	<u>28,798,830</u>	<u>8,615,638</u>	<u>62,370,237</u>	<u>50,766,030</u>	<u>11,604,207</u>
(9,249,387)	(954,109)	8,295,278	(11,707,829)	1,886,069	13,593,898
1,755,721	1,619,434	(136,287)	3,243,169	2,152,060	(1,091,109)
<u>(1,036,067)</u>	<u>(1,385,066)</u>	<u>(348,999)</u>	<u>(2,621,170)</u>	<u>(4,388,620)</u>	<u>(1,767,450)</u>
<u>719,654</u>	<u>234,368</u>	<u>(485,286)</u>	<u>621,999</u>	<u>(2,236,560)</u>	<u>(2,858,559)</u>
<u>\$ (8,529,733)</u>	<u>(719,741)</u>	<u>\$ 7,809,992</u>	<u>\$ (11,085,830)</u>	<u>(350,491)</u>	<u>\$ 10,735,339</u>
	10,210,032			15,457,822	
	<u>1,223,888</u>			<u>1,203,052</u>	
	11,433,920			16,660,874	
	548,457			548,457	
	9,988			9,682	
	<u>\$ 11,272,624</u>			<u>\$ 16,868,522</u>	

COUNTY OF CALAVERAS

Combined Statement of Changes in Net Assets
Investment Trust Fund
For the Fiscal Year Ended June 30, 2002

	<u>Fiduciary Fund Types</u>
	<u>Investment Trust Fund</u>
Additions:	
Contributions	\$ 76,410,359
Revenue from use of money and property	<u>886,953</u>
Total Additions	77,297,312
Deductions:	
Distributions from pooled investment	<u>78,025,283</u>
Net Increase (Decrease) in Net Assets	(727,971)
Net Assets - Beginning of Year	<u>26,346,639</u>
Net Assets - End of Year	<u><u>\$ 25,618,668</u></u>

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

NOTES TO 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 and other necessary disclosure of pertinent matters relating to financial position. The notes provide significant insight into the financial statements and are conjunctive to understanding the rationale for presentation of the financial statements and information contained in this document.

COUNTY OF CALAVERAS

Notes to Financial Statements June 30, 2002

Note 1: Summary of Significant Accounting Policies

A. The Reporting Entity

The County operates under an Administrator-Board of Supervisors form of government and provides the following services: public safety, highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

The accounting methods and procedures adopted by the County conform to generally accepted accounting principles as applied to governmental entities. 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 Auditing Standards Board (GASB) Statement No. 14.

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 data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the County. Each component unit has a June 30th year end.

Blended Component Units

Six lighting special districts and eight non-lighting special districts are included in the County's reporting entity as special districts governed by the Board of Supervisors because of their operational and financial relationship with the County and because the Calaveras County Board of Supervisors also serves as their governing board. Separate financial statements are not prepared for these entities.

Discretely Presented Component Units

There are no component units of the County which meet the criteria for discrete presentation.

B. Description of Funds and Account Groups

The accounts of the County are organized on the basis of funds and account groups, each of which is considered to be a separate set of self-balancing accounts which are comprised of each fund's assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and for individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The County's financial activities are accounted for in the following fund types and account groups:

COUNTY OF CALAVERAS

Notes to Financial Statements
June 30, 2002

Note 1: Summary of Significant Accounting Policies (continued)

B. Description of Funds and Account Groups (continued)

Governmental Funds

Governmental Funds are those through which most governmental functions of the County are controlled. The acquisition, use, and balances of the County's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through Governmental Funds. The measurement focus is based upon determination of changes in financial position, rather than upon net income determination. The following are the County's Governmental Fund types:

General Fund – The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used for the acquisition of major capital facilities (other than those financed by proprietary funds).

Fiduciary Funds

Trust and Agency Funds – Trust and Agency Funds are used to account for assets held by the County in a trustee capacity or as an agent for other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities), and do not involve measurement of results of operations.

Account Groups

Account groups are used to establish accounting control and accountability for the County's General Fixed Assets and General Long-Term Debt. The following are the County's account groups:

General Fixed Assets Account Group – The General Fixed Assets Account Group is used to account for all fixed assets except those related to specific proprietary funds.

General Long-Term Debt Account Group – The General Long-Term Debt Account Group is used to account for the long-term portion of compensated absences liability, bonds and notes payable and capital lease obligations.

COUNTY OF CALAVERAS

Notes to Financial Statements
June 30, 2002

Note 1: Summary of Significant Accounting Policies (continued)

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

All Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The modified accrual basis of accounting is used by all Governmental Funds. Revenues are recognized in the accounting period in which they become available and measurable. The primary revenue sources susceptible to accrual are property taxes, sales tax, intergovernmental revenues, rent, investment income and charges for services. The primary revenue sources not susceptible to accrual are licenses and permits, fines and forfeitures, and certain miscellaneous revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. One exception to this rule is that principal and interest on general long-term debt is recognized when due.

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. In accordance with GASB No. 33, *Accounting and Reporting for Nonexchange Transactions*, revenue from property taxes is recognized in the fiscal year for which the taxes are levied and resources are available. Revenues from sales tax are recognized when the underlying transactions take place and the resources are available. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied and the resources are available.

Fiduciary Funds account for assets held by the government in a trustee capacity or as an agent on behalf of others. Most Trust and Agency Funds are accounted for using the modified accrual basis of accounting. However, the Investment Trust Fund is accounted for with the same measurement focus as Proprietary Funds. This measurement focus is based upon determination of net income and capital maintenance.

D. Budgetary Data

General Budget Policies

By State law, the County Board of Supervisors must approve a tentative budget no later than June 30 of each year, and adopt a final budget no later than August 30. A public hearing must be conducted to receive comments prior to adoption.

COUNTY OF CALAVERAS

Notes to Financial Statements June 30, 2002

Note 1: Summary of Significant Accounting Policies (continued)

D. Budgetary Data (continued)

General Budget Policies (continued)

From the effective date of the budget, which is adopted and controlled at the departmental level, the amounts stated therein as proposed expenditures become appropriations to the various County departments. However, the legal level of control is the fund level. The Board of Supervisors may amend the budget by resolution during the fiscal year. Department heads may, upon approval, make transfers from one object or purpose to another within the same budget unit. All other budget amendments must be approved by the board. It is this final revised budget that is presented in the general-purpose financial statements.

Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) and consistent with the basis used for financial reporting. Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items to the General and Special Revenue Funds. The County adopts project (versus annual) budgets (which can span a number of years) for the Capital Project Funds.

Individual fund budgetary comparisons are not presented at the detail budget unit level due to their excessive length. A separate publication presenting the information is available.

Encumbrances

Encumbrances are commitments of County funds, as opposed to expenditures, and are recorded so as to set aside that portion of fund balance not available for future expenditure.

Encumbrances outstanding at year end are not charged to appropriations of the year in which the encumbrances were incurred. Payments of these outstanding encumbrances during the ensuing year are charged to expenditures. All appropriations lapse at the end of the year.

E. Cash and Investments

The County pools cash and investment with the County Treasurer. Each fund's portion of this pool is displayed on the combined balance sheet as cash and investments.

COUNTY OF CALAVERAS

Notes to Financial Statements
June 30, 2002

Note 1: Summary of Significant Accounting Policies (continued)

E. Cash and Investments (continued)

The County follows the provisions of Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investment Pools*, which require governmental entities to report certain investments at fair value in the balance sheet and recognize the corresponding change in the fair value of investments in the year in which the change occurred.

F. Inventory

Inventory is valued at cost. Inventory consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased. Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased. Material amounts of inventories are reported as assets with an offset to a special fund equity account for the change in inventory balances.

G. Fixed Assets

General fixed assets included in the General Fixed Assets Account Group have been acquired for governmental purposes. Assets purchased are recorded as expenditures in the Governmental Funds and capitalized at cost or estimated cost if actual cost is not known in the General Fixed Asset Account Group. Contributed fixed assets are recorded at their estimated market value at time of receipt.

Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, have not been capitalized. Such assets are immovable and of value only to the County.

Assets in the General Fixed Asset Account Group are not depreciated. Interest incurred during construction is not capitalized on general fixed assets. During the year ended June 30, 1999, the County developed a detailed listing of all fixed assets. Equipment is stated at actual historical costs. Structures, land and rights of way have been stated at actual cost when available or estimated historical cost. Estimated historical costs were arrived at by a variety of methods including the use of factors and comparative sales.

COUNTY OF CALAVERAS

Notes to Financial Statements
June 30, 2002

Note 1: Summary of Significant Accounting Policies (continued)

H. Self-Insurance

The County provides public liability under a self-insured plan. The liability for actual claims and incurred but not reported claims has been provided for in this plan. Management believes the estimates are adequate. The County also participates in two workers' compensation programs for which the County pays an annual premium.

I. Accumulated Compensated Absences

In the governmental funds, compensated absences are recorded as expenditures when paid. It is the County's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick leave, which will be paid to employees upon separation from County's service. One hundred percent of unused vacation benefits are paid to employees upon termination. Up to \$1,500 of unused sick leave benefits are paid to employees upon termination.

J. Interfund Transactions

Following is a description of the four basic types of interfund transactions made during the year and the related accounting policies:

1. Quasi-external (charges for current services) – transactions for services rendered or facilities provided. These transactions are recorded as revenues in the receiving fund and expenditures in the disbursing fund.
2. Reimbursements (expenditure transfers) – transactions to reimburse a fund for specific expenditures incurred for the benefit of another fund. These transactions are recorded as expenditures in the disbursing fund and a reduction of expenditures in the receiving fund.
3. Residual equity transfers – transactions recording equity contributions and distributions between funds. The receiving fund records such transactions as an addition to fund balance. If it is a Government Fund, or a capital contribution, if it is a Proprietary Fund. The disbursing fund records the transfer as a reduction of fund balance, retained earnings, or contributed capital.
4. Operating transfers – all other interfund transactions which allocate resources from one fund to another fund. These transactions are recorded as operating transfers in and out.

COUNTY OF CALAVERAS

Notes to Financial Statements
June 30, 2002

Note 1: Summary of Significant Accounting Policies (continued)

K. Reserves and Designations of Fund Equity

The County records reserves to indicate that a portion of the fund equity is legally segregated for a specific future use. The remaining portion is unreserved fund balance.

Following is a description of all reserves and designations used by the County at June 30, 2002:

	<u>Reserved</u>	<u>Designated</u>
General Fund:		
Imprest cash	\$ 3,730	\$ --
Inventory	625	--
Encumbrances	458,320	--
General	--	1,591,059
Total General Fund	<u>462,675</u>	<u>1,591,059</u>
 Special Revenue:		
Imprest cash	550	--
Inventory	67,303	--
Loans receivable	1,203,052	--
Encumbrances	3,285,483	--
General	--	349,626
Total Special Revenue Funds	<u>4,556,388</u>	<u>349,626</u>
 Capital Projects:		
Encumbrances	2,580	--
Totals	<u>\$5,021,643</u>	<u>\$1,940,685</u>

L. Property Tax Revenue

The County's property taxes are levied on January 1 (unsecured roll) and October 1 (secured roll) on assessed values established on the lien date of the previous January 1 for all taxable property located within the County.

Property is reappraised from the 1975-76 base year value to current full value upon either (1) a change in ownership or (2) new construction, as of the date of such transaction or completion of construction (only the newly constructed portion of the property is reappraised).

COUNTY OF CALAVERAS

Notes to Financial Statements
June 30, 2002

Note 1: Summary of Significant Accounting Policies (continued)

L. Property Tax Revenue (continued)

Taxes are due in one installment (unsecured roll) on July 1 and are subject to late payment penalties if paid after August 31, or two installments (secured roll) due November 1 and February 1, and again subject to late payment penalties if paid after December 10 and April 10, respectively.

Property tax revenues are recognized when they become available. "Available" means due, or past due, and receivable within the current period and collected or expected to be collected soon enough thereafter to be used to pay liabilities for the current period. This period was 30 days from the end of the fiscal year.

All general property taxes are allocated by the County Auditor-Controller's office, using the Alternative Method of Tax Apportionment ("teeter"). The method of allocation used by the County is subject to review by the State of California.

M. Grant Revenues

Certain grant revenues are recognized when specific related expenditures have been incurred. In other grant programs, monies are virtually unrestricted as to purpose of expenditure and are only revocable for failure to comply with prescribed compliance requirements. These revenues are recognized at the time of receipt, or earlier if the "susceptible to accrual" criteria is met. Cash received prior to incurrence of the related expenditure is recorded as deferred revenue. Management has determined the County's receivables are fully collectible. Accordingly, no allowance for doubtful accounts has been made.

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 general purpose financial statements and the reported amount of revenue and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

O. Total Columns on Combined Statements – Overview

Total Columns on the Combined Statements – Overview are captioned "Memorandum Only" to indicate they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

COUNTY OF CALAVERAS

Notes to Financial Statements
June 30, 2002

Note 1: Summary of Significant Accounting Policies (continued)

P. Future Implementation of GASB Statement No. 34

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments (Statement)*. Certain of the significant changes in the Statement include the following:

For the first time the financial statements will include:

- A Management Discussion and Analysis (MD & A) section providing an analysis of the County’s overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the County’s activities, including reporting infrastructure assets (roads, bridges, etc.).
- A change in the fund financial statements to focus on the major funds.

The general provisions of GASBS No. 34 must be implemented by the County of Calaveras no later than the fiscal year ending June 30, 2003; the retroactive reporting of infrastructure must be implemented no later than the year ending June 30, 2006. The County plans to implement the general provisions of the Statement in the year ending June 30, 2003, and to retroactively report infrastructure in the fiscal year ending June 30, 2003.

Note 2: Expenditures in Excess of Appropriations

The following fund had excess expenditures/transfers out over appropriations:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
Special Revenue Funds:			
Fire Protection	\$ 740,793	\$ 744,382	\$ 3,589

COUNTY OF CALAVERAS

Notes to Financial Statements
June 30, 2002

Note 3: Cash and Investments

Cash and investments of the County are recorded in the various funds at June 30, 2002 as follows:

General Fund	\$ 6,294,865
Special Revenue Funds	9,527,095
Capital Projects Funds	1,990,638
Trust and Agency	<u>56,258,974</u>
Total Cash and Investments per Auditor's Records at June 30, 2002	74,071,572
Plus Outstanding Warrants	<u>4,246,215</u>
Total Cash and Investments in Treasury at June 30, 2002	<u>\$ 78,317,787</u>

Cash and investments were comprised of the following at June 30, 2002:

Imprest cash	\$ 65,030
Deposits	5,571,039
Investments	<u>72,681,718</u>
Total Cash and Investments	<u>\$ 78,317,787</u>

The County follows the practice of pooling cash and investments of all funds with the County Treasury except for restricted funds required to be held by outside fiscal agents and imprest cash.

Interest income from pooled investments is allocated (1) to those funds which are required by law or administrative action to receive interest and (2) internal service funds. Interest is allocated on a quarterly basis based on the average cash balance in each fund. Cash balance is determined by the amortized cost basis of accounting. Interest income from cash and investments with fiscal agent is credited directly to the related fund.

Deposits

The California Government Code requires California banks and savings and loan associations to secure local governmental agency's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110 percent of an agency's deposits. California's law also allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of 150 percent of an agency's total deposits. The agency may waive collateral requirements for deposits which are fully insured up to \$100,000 by federal deposit insurance.

COUNTY OF CALAVERAS

Notes to Financial Statements
June 30, 2002

Note 3: Cash and Investments (continued)

Deposits (continued)

At year end, the carrying amount of the County's cash deposits (including amounts in checking and non-negotiable certificates of deposit) was \$5,571,039, which was entirely insured or collateralized. The bank balance was \$7,816,401. The difference between carrying amount and the bank balance is a result of transactions in transit.

The restricted cash of \$450,766 in the Trust and Agency funds is restricted for the payment of closure and postclosure care costs and the restricted cash of \$966,834 in the General Fund is restricted for the self-insurance programs.

Investments

In accordance with Government Code Section 53601, the County may invest in the following types of investments:

- Bonds issued by the State of California and/or any local agency within the State of California
- Securities of the U.S. Government, or its agencies
- Certificates of Deposit (or Time Deposits) placed with commercial banks and/or savings and loan companies
- Negotiable Certificates of Deposits
- Bankers Acceptance
- Commercial Acceptance
- Local Agency Investment Fund (State Pool) Demand Deposits
- Repurchase Agreements (Repos)
- Passbook Savings Account Demand Deposits
- Reverse Repurchase Agreements
- Medium Term Corporate Notes
- Mutual Funds holding the above allowed investments

Derivative Financial Products

Derivative financial products are contracts whose value depends on, or derives from, the value of an underlying asset, reference rate, or index. Rates are directly or inversely tied to various indexes. Therefore, the interest rate realized on these investments may lag or be inverse to market conditions and may cause a subsequent decline in market value. At June 30, 2002, the County's fair value investment in the Local Agency Investment Fund (LAIF) was \$29,782,570. The total fair value amount invested by all public agencies in LAIF was approximately \$48 billion. Of this amount, 97 percent was invested in non-derivative financial products, and 3 percent in derivative financial products. The regulatory oversight to the LAIF is the Local Agency Investment Board. The Board consists of five members as designated by State statute. The value of the pool shares in LAIF, which may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the pooled Treasury's portion in the pool.

COUNTY OF CALAVERAS

Notes to Financial Statements
June 30, 2002

Note 3: Cash and Investments (continued)

Reverse Repurchase Agreements

State statutes permit the County to enter into reverse repurchase agreements, that is, a sale of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest. However, at no time during the fiscal year did the County borrow funds through the use of reverse repurchase agreements.

Credit Risk, Carrying Amount and Fair Value of Investments

Investments that are represented by specific identifiable securities are classified as to credit risk by category. Category 1 includes investments that are insured or registered or for which collateral is held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker or dealer or its trust department, but not in the County's name. Category 3 includes uninsured and unregistered investments for which securities are held by the broker or dealer or by its trust department or agent but not in the County's name.

The County held no Category 2 or 3 investments at June 30, 2002.

At June 30, 2002, the County's investment balances were as follows:

	<u>Maturity Date</u>	<u>Coupon Rate</u>	<u>Category 1</u>	<u>Carrying Par Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Government agencies	9/03 – 6/06	3.25 – 5.125%	\$ 30,966,001	\$ 31,000,000	\$ 30,966,001	\$ 31,217,197
Commercial paper	02/03	2.22%	982,240	1,000,000	982,240	989,000
Corporate bonds	11/02 – 11/05	5.75 – 7.25%	<u>7,967,352</u>	<u>7,638,000</u>	<u>7,967,352</u>	<u>8,261,560</u>
Total Categorized Investments			<u>\$ 39,915,593</u>	<u>\$ 39,638,000</u>	39,915,593	40,467,757
Not Categorized:						
Cash in California Local Agency Investment Fund (LAIF)					29,700,000	29,782,570
Cash in California Asset Management Program (CAMP)					1,633,958	1,633,958
Money Market Fund					<u>1,432,167</u>	<u>1,432,167</u>
Total Investments					<u>\$ 72,681,718</u>	<u>\$ 73,316,452</u>

COUNTY OF CALAVERAS

Notes to Financial Statements
June 30, 2002

Note 3: Cash and Investments (continued)

Credit Risk, Carrying Amount and Fair Value of Investments (continued)

In accordance with GASB 31, the County's investments are required to be reported at fair value rather than cost. The County has determined that cost to fair values are not materially different (fair value is 100.87 percent of cost) so that no adjustment has been reported on these financial statements. Fair value is based on quoted market prices which are determined quarterly. The pool has not provided or obtained any legally binding guarantees during the period to support the value of the investments. The Calaveras Treasury Oversight Committee is the regulatory oversight for the pool. A copy of their annual report is available at the Calaveras County Treasurer-Tax Collector's office. The fair value of each participant in the pool is the same as the value of the pool share. 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 Calaveras County Treasury.

The following represents a condensed statement of net assets and changes in net assets for the Treasurer's investment pool at June 30, 2002:

Statement of Net Assets

Net assets held for pool participants	<u>\$ 74,071,572</u>
Equity of external pool participants	\$ 25,618,668
Equity of internal pool participants	<u>48,452,904</u>
Total Equity	<u>\$ 74,071,572</u>

Statement of Changes in Net Assets

Net assets at July 1, 2001	\$ 79,004,867
Investment income	3,025,723
Investment expenses	(78,189)
Net contributions and withdrawals	<u>(7,880,829)</u>
Net Assets at June 30, 2002	<u>\$ 74,071,572</u>

COUNTY OF CALAVERAS

Notes to Financial Statements
June 30, 2002

Note 4: Fixed Assets

Changes in the General Fixed Assets account group, during the year ended June 30, 2002, were as follows:

	<u>Balance</u> <u>July 1, 2001</u>	<u>Net Additions</u> <u>Retirements</u> <u>and Adjustments</u>	<u>Balance</u> <u>June 30, 2002</u>
Equipment	\$ 12,536,433	\$ (107,339)	\$ 12,429,094
Land and improvements	8,457,089	1,114,635	9,571,724
Construction in progress	<u>3,413,775</u>	<u>403,709</u>	<u>3,817,484</u>
Totals	<u>\$ 24,407,297</u>	<u>\$ 1,411,005</u>	<u>\$ 25,818,302</u>

Note 5: General Long-Term Debt Account Group

At June 30, 2002, the general long-term debt consisted of the following:

	<u>Compensated</u> <u>Absences</u>	<u>Loans</u>	<u>Capital</u> <u>Leases</u>	<u>Closure/</u> <u>Postclosure</u>	<u>Total</u>
Debt payable, July 1, 2001	\$ 1,515,263	\$ 340,184	\$ 858,988	\$ 396,046	\$ 3,110,481
Additions:					
Adjust accrued compensated absences	190,505	--	--	--	190,505
Adjust closure/postclosure liability	--	--	--	46,775	46,775
Loans	--	--	--	--	--
Capital leases	--	--	208,077	--	208,077
Deductions:					
Payments	<u>--</u>	<u>(17,074)</u>	<u>(346,688)</u>	<u>--</u>	<u>(363,762)</u>
Debt payable, June 30, 2002	<u>\$ 1,705,768</u>	<u>\$ 323,110</u>	<u>\$ 720,377</u>	<u>\$ 442,821</u>	<u>\$ 3,192,076</u>

Compensated Absences:

The liability for compensated absences is the accrued liability for earned but unused vacation and sick leave which will be paid to employees upon separation from County services. There is no fixed payment schedule for compensated absences. At June 30, 2002, the long-term portion of this liability was \$1,705,768.

COUNTY OF CALAVERAS

Notes to Financial Statements
June 30, 2002

Note 5: General Long-Term Debt Account Group (continued)

Loans:

State Department of Transportation CAL-4-98-L-3 original balance of \$260,000 to construct hangars at the Calaveras County Airport. Annual payments through 2016 with interest at 5.0498 percent. At June 30, 2002, the balance was \$228,800.

State Department of Transportation CAL-4-98-L-4 original balance of \$112,000 for electrical system improvement for the Calaveras County Airport. Annual payments through 2011 with interest at 5.0498 percent. At June 30, 2002, the balance was \$94,310.

The annual requirements to amortize all loans outstanding as of June 30, 2002 are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$ 18,698	\$ 16,316	\$ 35,014
2004	20,375	15,372	35,747
2005	22,053	14,344	36,397
2006	23,731	13,230	36,961
2007	25,407	12,032	37,439
2008-2012	136,988	39,254	176,242
2013-2016	<u>75,858</u>	<u>9,009</u>	<u>84,867</u>
Total	<u>\$ 323,110</u>	<u>\$ 119,557</u>	<u>\$ 442,667</u>

Capital Leases:

Ascom Hasler Leasing – Purchase of mail machine on a capital lease. Original balance of \$19,654. Twelve monthly payments of \$393.07 and 51 payments at \$457.42. The balance at June 30, 2002 was fully retired.

Municipal Services Group, Inc. – Purchase of five water tenders on a capital lease. Original balance of \$330,313. Ten payments of \$36,013.26, including interest at 5.87 percent. The balance at June 30, 2002 was \$152,239.

COUNTY OF CALAVERAS

Notes to Financial Statements
June 30, 2002

Note 5: General Long-Term Debt Account Group (continued)

Capital Leases (continued):

Municipal Services Group, Inc. – Purchase of five police vehicles on a capital lease. Original balance of \$200,401. Twelve quarterly payments of \$18,013.13 including interest at 4.91 percent. The balance at June 30, 2002 was fully retired.

Marquette National Bank – Purchase of Hazmat/Marine Safety Building on capital lease. Original balance of \$130,000. Forty-eight quarterly payments of \$3,747.79 including interest at 5.65 percent. The balance at June 30, 2002 was \$98,311.

Municipal Services Group, Inc. – Purchase of two police vehicles on a capital lease. Original balance of \$47,515. Twelve quarterly payments of \$4,345.33 including interest at 5.84 percent. The balance at June 30, 2002 was \$8,504.

Caterpillar Financial Services Corp. – Purchase of three rollers on a capital lease. Original balance of \$73,878. Sixty monthly payments of \$1,429.38 including interest at 6.25 percent. The balance at June 30, 2002 was \$33,427.

Municipal Services Group, Inc. – Purchase of five police vehicles on a capital lease. Original balance of \$203,193. Twelve quarterly payments of \$18,446.45 including interest. The balance at June 30, 2002 was \$18,202.

Caterpillar Financial Services Corp. – Purchase of a grade on a capital lease. Original balance of \$171,503. Sixty monthly payments of \$3,318.30 including interest at 6.25 percent. The balance at June 30, 2002 was \$83,378.

Imperial Bank Leasing – Purchase of one truck on a capital lease. Original balance of \$101,273. Six semi-annual payments of \$18,648.29 including interest at 5.85 percent. The balance at June 30, 2002 was \$52,825.

Municipal Services Group, Inc. – Purchase of five police vehicles on a capital lease. Original balance of \$210,833. Twelve quarterly payments of \$19,615.37 including interest at 6.13 percent. The balance at June 30, 2002 was \$111,638.

Municipal Services Group, Inc. – Purchase of five police vehicles on a capital lease. Original balance of \$208,077. Twelve quarterly payments of \$19,352.19 including interest at 5.97 percent. The balance at June 30, 2002 was \$161,853.

The total costs of assets under capital leases with balances outstanding at June 30, 2002 was \$1,476,585.

COUNTY OF CALAVERAS

Notes to Financial Statements
June 30, 2002

Note 5: General Long-Term Debt Account Group (continued)

Capital Leases (continued):

The minimum lease payments under capital leases together with outstanding principal balance as of June 30, 2002 are as follows:

Year Ending June 30		
2003	\$	285,565
2004		262,880
2005		101,097
2006		51,004
2007		51,004
2008-2011		52,469
Total minimum lease payments	\$	804,019
Less amount representing interest		(83,642)
Principal portion of lease payments	\$	720,377

Closure/Postclosure:

The County of Calaveras has two landfill sites. The **Rock Creek Landfill** is an active landfill. The former **Red Hill Landfill** is no longer an active landfill site and has been officially closed. State and federal laws and regulations require the County to perform certain closure and postclosure maintenance and monitoring functions at the sites for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfills stop accepting waste, the County reports a portion of these closure and postclosure care costs as an expenditure in each year based on landfill capacity used as of each balance sheet date. The \$442,821 reported as closure liability at June 30, 2002 represents the cumulative amount reported to date based on the estimated capacity used to date of the landfill sites which was estimated at 10.21%. The County will recognize the remaining estimated cost of closure of \$3,485,259 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure in 2002. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. Postclosure costs will be funded by a pledge of revenue.

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance the closure cost. At June 30, 2002, cash and investments of \$450,766 was held for funding the closure cost. This cash and investments is reported as restricted assets in the trust and agency funds. The County expects that future

COUNTY OF CALAVERAS

Notes to Financial Statements
June 30, 2002

Note 5: General Long-Term Debt Account Group (continued)

Closure/Postclosure (continued):

inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example) these costs may need to be covered by charges to future landfill users or from future tax revenue.

Note 6: Defined Benefits Pension Plan

A. 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 statute. Copies of PERS' annual financial report may be obtained from their executive Office – 400 P Street – Sacramento, CA 95814.

B. Funding Policy

Active plan members in PERS are required to contribute 7 percent (9 percent for safety employees) of their annual covered salary. The County is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the PERS Board of Administration. The required employer contribution rate for fiscal year 2001/2002 was 0 percent for miscellaneous employees and 0 percent for safety employees. The contribution requirements of the plan are established by State statute and the employer contribution rate is established and may be amended by PERS.

C. Annual Pension Cost

For fiscal year 2001/2002, the County's annual pension cost of \$0 for PERS was equal to the County's required and actual contributions. The required contribution was determined as part of the June 30, 2000 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 8.25 percent investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service. Both (a) and (b) included an inflation component of 3.50 percent. The actuarial value of PERS assets was

COUNTY OF CALAVERAS

Notes to Financial Statements
June 30, 2002

Note 6: Defined Benefits Pension Plan (continued)

C. Annual Pension Cost (continued)

determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period (smoothed market value). PERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis.

D. Three Year Trend Information for PERS

<u>Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2000	\$ 381,043	100%	\$ --
June 30, 2001	655	100%	--
June 30, 2002	--	100%	--

E. Funded Status of Plan

Miscellaneous Plan:

<u>Valuation Date</u>	<u>Entry Age Normal Accrual Liability</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded Liability (Excess Assets)</u>	<u>Funded Status</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
June 30, 1998	\$ 36,426,650	\$ 45,045,201	\$ (8,618,551)	123.7%	\$ 10,788,900	(79.883%)
June 30, 1999	39,581,830	50,889,629	(11,307,799)	128.6%	10,749,575	(105.193%)
June 30, 2000	43,267,232	56,547,913	(13,280,681)	130.7%	12,604,177	(105.367%)

Safety Plan:

<u>Valuation Date</u>	<u>Entry Age Normal Accrual Liability</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded Liability (Excess Assets)</u>	<u>Funded Status</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
June 30, 1998	\$ 9,634,429	\$ 10,999,250	\$ (1,364,821)	114.2%	\$ 1,643,115	(83.063%)
June 30, 1999	10,128,502	12,374,821	(2,246,319)	122.2%	1,672,360	(134.320%)
June 30, 2000	14,385,376	15,775,896	(1,390,520)	109.7%	2,597,059	(53.542%)

COUNTY OF CALAVERAS

Notes to Financial Statements
June 30, 2002

Note 7: Interfund Transactions

Operating Transfers

The following is a summary of operating transfers by fund type at June 30, 2002:

	<u>Transfers Out</u>	<u>Transfers In</u>
General	\$ 3,003,554	\$ 532,626
Special Revenue	1,385,066	1,619,434
Trust and Agency	912,032	2,885,982
Capital Projects	<u>235,346</u>	<u>497,956</u>
Total	<u>\$ 5,535,998</u>	<u>\$ 5,535,998</u>

Operating transfers increased significantly because of preparations for the implementation of GASB No. 34 *Basic Financial Statements and Management's Discussion and Analysis*.

Interfund Receivables and Payable

All interfund receivable and payable balances are reflected in the financial statements as due to/from other funds for current balances and as advances to/from other funds for noncurrent balances.

The following is a summary of due to/from other funds by fund types at June 30, 2002:

	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>
General	\$ 90,957	\$ --
Special Revenue	20,000	90,957
Trust and Agency	<u>42,500</u>	<u>62,500</u>
Total	<u>\$ 153,457</u>	<u>\$ 153,457</u>

Note 8: 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 management and insurance program for counties. Should actual losses among participants be greater than anticipated, the County will be assessed its pro rata

COUNTY OF CALAVERAS

Notes to Financial Statements
June 30, 2002

Note 8: Risk Management (continued)

share of the deficiency. Conversely, if the actual losses are less than anticipated, the County will be refunded its pro rata share of the excess. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

The County participates in two workers' compensation programs through the CSAC-EIA. The "Excess Workers' Compensation Program" is for claims above \$125,000 per occurrence. The County also participates in the "Primary Workers' Compensation Program". This program provides first dollar coverage up to \$125,000 per occurrence. The County has cash and investments of \$294,478 for these claims. The County pays an annual basic premium for coverage and is assessed an annual risk premium based on an actuarial review that estimates each of the program's participant's ultimate liabilities.

The County is self-insured for liability claims up to \$100,00 per occurrence. The County has cash and investments of \$662,356 for these claims. At June 30, 2002, the estimated claims liability outstanding was \$405,000.

Cash held as reserves for risk management, in the amount of \$966,834, is reflected in the General Fund as restricted cash. The total claims liability of \$405,000 reported in the General Fund at June 30, 2002 is based on the requirements of Governmental Accounting Standards Board Statement No. 10 as amended by Governmental Accounting Standards Board Statement No. 30 which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

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 liability amount for the fiscal years June 30, 2001 and 2002 were as follows:

	2002	2001
Unpaid claims, beginning of year	\$ 150,603	\$ 702,653
Plus estimated claims incurred and adjustments	475,848	(509,585)
Less claim payment	221,451	42,465
Unpaid claims, end of year	\$ 405,000	\$ 150,603

Note 9: Commitments and Contingencies

At June 30, 2002, the County had ongoing construction commitments for public works and community grants projects. The estimated cost to be incurred for these projects in the fiscal year ended June 30, 2002 was \$0.

COUNTY OF CALAVERAS

Notes to Financial Statements
June 30, 2002

Note 10: Joint Agencies

The California Supervisors Association of California Excess Insurance Authority is a joint powers authority organized for the purpose to develop and fund excess insurance programs for member counties. The Authority operates public entity risk pools for workers' compensation, comprehensive liability, property, medical malpractice, and pool purchases excess insurance and services for members. The Authority is under the control and direction of a board of directors consisting of representatives of the fifty member counties.

Complete audited financial statements for CSAC-EIA can be obtained from the Authority's Office at 3017 Gold Canal Drive, Suite 300, Rancho Cordova, California 95670.

In April 2002, the County became a member of a new Joint Powers Agreement creating the Central Sierra Child Support Agency. Parties to the agreement include the Counties of Amador, Alpine and Calaveras. The purpose of the JPA is to pool the resources of the member counties and provide effective child support services to the residents of the member counties.

Note 11: Prior Period Adjustment

A prior period adjustment was made in the Capital Grants fund (a special revenue fund) to record loans receivable for housing rehabilitation equity loans made to 3rd parties. The effect of the adjustment was to increase fund balance by \$1,203,052.

A prior period adjustment of \$20,036 was made in the General Fund and a prior period adjustment of \$(20,036) was made in the State Airport Fund to eliminate due to/due from balances whose origins were unknown.

Note 12: Deficit Fund Balance

The County Service Area No. 2 Fund had a deficit fund balance of \$447 at June 30, 2002. The deficit occurred because expenditures have exceeded recorded revenues. It is anticipated that future revenues in excess of expenditures will eliminate the deficit.

Note 13: Post-Retirement Benefits

The County provides health benefits for retired employees. During the year the County provided benefits for 32 retirees at a cost of \$6,144.

Note 14: Reclassifications

For purposes of consistency of presentation, certain reclassifications of prior year amounts were made to balances presented in the financial statements. The result of the prior year reclassifications did not change the financial position or results of operations for the year ended June 30, 2001.

SUPPLEMENTARY INFORMATION

GENERAL FUND

The general fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

COUNTY OF CALAVERAS

Balance Sheet

General Fund

June 30, 2002

(With Comparative Totals as of June 30, 2001)

	2002	2001
<u>Assets</u>		
Cash and investments	\$ 5,301,430	\$ 4,491,860
Imprest cash	3,730	23,730
Cash with fiscal agent	22,871	4,972,675
Restricted cash	966,834	1,130,894
Accounts receivable - net	669,386	467,059
Interest receivable	--	1,117
Taxes receivable	42,647	158,104
Due from other funds	--	20,836
Inventory	625	319
	\$ 7,007,523	\$ 11,266,594
<u>Liabilities and Fund Equity</u>		
Liabilities:		
Accounts payable	\$ 361,006	\$ 149,766
Salaries & benefits payable	554,662	652,348
Accrued interest payable	--	89,683
Due to other funds	90,957	30,957
Claims liability	405,000	150,603
Compensated absences payable	--	90,447
TRAN payable	--	4,855,000
	1,411,625	6,018,804
Fund Equity:		
Reserved	462,675	237,293
Unreserved:		
Designated	1,591,059	1,615,899
Undesignated	3,542,164	3,394,598
	5,595,898	5,247,790
Total Fund Equity	5,595,898	5,247,790
Total Liabilities and Fund Equity	\$ 7,007,523	\$ 11,266,594

COUNTY OF CALAVERAS

Statement of Revenues, Expenditures and Changes in Fund Balances General Fund

For the Year Ended June 30, 2002

(With Comparative Totals For the Year Ended June 30, 2001)

	2002	2001
Revenues:		
Taxes	\$ 10,235,165	\$ 9,791,894
Licenses and permits	1,761,089	1,451,768
Fines and forfeitures	517,726	389,544
Use of money or property	603,342	611,006
Intergovernmental	7,396,310	6,864,744
Charges for services	3,596,825	3,066,544
Other revenues	696,921	370,737
Total Revenues	24,807,378	22,546,237
Expenditures:		
General government	6,860,737	6,216,675
Public protection	12,761,827	10,773,848
Public assistance	249,933	122,429
Health and sanitation	471,404	433,910
Culture, recreation and education	656,096	705,809
Capital outlay	667,392	446,890
Debt service	299,811	271,651
Total Expenditures	21,967,200	18,971,212
Excess of Revenues Over (Under) Expenditures	2,840,178	3,575,025
Other Financing Sources (Uses):		
Operating transfers in	532,626	33,279
Operating transfers out	(3,003,554)	(1,357,530)
Total Other Financing Sources (Uses)	(2,470,928)	(1,324,251)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	369,250	2,250,774
Fund Balance - Beginning of Fiscal Year	5,247,790	3,073,501
Prior period adjustment	(20,836)	(75,941)
Fund Balance - Beginning of Year, Restated	5,226,954	2,997,560
Change in inventory reserve	(306)	(544)
Fund Balance, End of Fiscal Year	\$ 5,595,898	\$ 5,247,790

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts) that are legally restricted to expenditures for specified purposes.

COUNTY OF CALAVERAS

Combining Balance Sheet
 All Special Revenue Funds
 June 30, 2002
 (With Comparative Totals as of June 30, 2001)

	<u>Road</u>	<u>PEG Access TV</u>	<u>Welfare</u>	<u>Health</u>
<u>Assets</u>				
Cash and investments	\$ 2,037,039	\$ 40,090	\$ 521,430	\$ 1,217,280
Imprest cash	25	--	--	--
Accounts receivable	452,156	--	431,976	184,529
Interest receivable	--	--	--	--
Loans receivable	--	--	--	--
Due from other funds	--	--	--	30,957
Inventory	46,878	--	--	--
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 2,536,098</u>	<u>\$ 40,090</u>	<u>\$ 953,406</u>	<u>\$ 1,432,766</u>
<u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts payable	\$ 32,221	\$ 13,547	\$ 21,065	\$ 13,142
Salaries and benefits payable	93,023	191	110,574	34,621
Due to other funds	--	--	--	--
Deferred revenue	--	--	238,964	--
Compensated absences payable	--	--	--	--
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>125,244</u>	<u>13,738</u>	<u>370,603</u>	<u>47,763</u>
Fund Equity:				
Fund Balance:				
Reserved	1,366,918	--	70,276	23,247
Unreserved:				
Designated	--	--	--	--
Undesignated	1,043,936	26,352	512,527	1,361,756
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Equity	<u>2,410,854</u>	<u>26,352</u>	<u>582,803</u>	<u>1,385,003</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Equity	<u>\$ 2,536,098</u>	<u>\$ 40,090</u>	<u>\$ 953,406</u>	<u>\$ 1,432,766</u>

continued

COUNTY OF CALAVERAS

Combining Balance Sheet (continued)

All Special Revenue Funds

June 30, 2002

(With Comparative Totals as of June 30, 2001)

	<u>Mental Health</u>	<u>Alcohol & Drug</u>	<u>Law Library</u>	<u>Grants</u>
<u>Assets</u>				
Cash and investments	\$ 920,525	\$ 502,773	\$ 3,288	\$ 444,524
Imprest cash	--	--	--	--
Accounts receivable	96,540	--	--	3,170
Interest receivable	--	--	--	--
Loans receivable	--	--	--	1,203,052
Due from other funds	--	--	--	--
Inventories	--	--	--	--
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 1,017,065</u>	<u>\$ 502,773</u>	<u>\$ 3,288</u>	<u>\$ 1,650,746</u>
<u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts payable	\$ 10,322	\$ --	\$ --	\$ --
Salaries and benefits payable	42,788	--	--	--
Due to other funds	--	--	--	--
Deferred revenues	--	--	--	--
Compensated absences payable	--	--	--	--
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>53,110</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Equity:				
Fund Balance:				
Reserved	28,840	--	--	1,203,052
Unreserved				
Designated	--	--	--	--
Undesignated	935,115	502,773	3,288	447,694
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Equity	<u>963,955</u>	<u>502,773</u>	<u>3,288</u>	<u>1,650,746</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Equity	<u>\$ 1,017,065</u>	<u>\$ 502,773</u>	<u>\$ 3,288</u>	<u>\$ 1,650,746</u>

continued

COUNTY OF CALAVERAS

Combining Balance Sheet (continued)

All Special Revenue Funds

June 30, 2002

(With Comparative Totals as of June 30, 2001)

	<u>Fish & Game</u>	<u>State Airport</u>	<u>Fire Protection</u>	<u>Solid Waste</u>
<u>Assets</u>				
Cash and investments	\$ 32,448	\$ 31,525	\$ 93,997	\$ 2,603,899
Imprest cash	--	--	--	500
Accounts receivable	--	10,609	--	1,819
Interest receivable	--	--	--	--
Loans receivable	--	--	--	--
Due from other funds	--	--	--	--
Inventories	--	20,425	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 32,448</u>	<u>\$ 62,559</u>	<u>\$ 93,997</u>	<u>\$ 2,606,218</u>
<u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts payable	\$ 1,250	\$ 3,751	\$ 42,443	\$ 86,351
Salaries and benefits payable	--	--	1,534	23,269
Due to other funds	--	--	--	--
Deferred revenues	--	--	--	--
Compensated absences payable	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>1,250</u>	<u>3,751</u>	<u>43,977</u>	<u>109,620</u>
Fund Equity:				
Fund Balance:				
Reserved	199	20,425	--	1,761,017
Unreserved				
Designated	--	--	--	--
Undesignated	30,999	38,383	50,020	735,581
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Equity	<u>31,198</u>	<u>58,808</u>	<u>50,020</u>	<u>2,496,598</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Equity	<u>\$ 32,448</u>	<u>\$ 62,559</u>	<u>\$ 93,997</u>	<u>\$ 2,606,218</u>

continued

COUNTY OF CALAVERAS

Combining Balance Sheet (continued)

All Special Revenue Funds

June 30, 2002

(With Comparative Totals as of June 30, 2001)

	Special Districts Governed by the Board of Supervisors		Totals	
	<u>Lighting</u>	<u>Non-Lighting</u>	<u>2002</u>	<u>2001</u>
	<u>Assets</u>			
Cash and investments	\$ 453,553	\$ 624,174	\$ 9,526,545	\$ 10,120,903
Imprest cash	--	25	550	550
Accounts receivable	--	--	1,180,799	911,541
Interest receivable	--	--	--	2,469
Loans receivable	--	--	1,203,052	--
Due from other funds	60,000	--	90,957	30,957
Inventories	--	--	67,303	57,315
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 513,553</u>	<u>\$ 624,199</u>	<u>\$ 12,069,206</u>	<u>\$ 11,123,735</u>
<u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts payable	\$ 3,979	\$ 1,125	\$ 229,196	\$ 402,333
Salaries and benefits payable	--	2,422	308,422	392,812
Due to other funds	--	20,000	20,000	50,836
Deferred revenues	--	--	238,964	--
Compensated absences payable	--	--	--	67,722
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>3,979</u>	<u>23,547</u>	<u>796,582</u>	<u>913,703</u>
Fund Equity:				
Fund Balance:				
Reserved	--	14,561	4,488,535	4,413,088
Unreserved				
Designated	327,927	21,699	349,626	445,826
Undesignated	181,647	564,392	6,434,463	5,351,118
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Equity	<u>509,574</u>	<u>600,652</u>	<u>11,272,624</u>	<u>10,210,032</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Equity	<u>\$ 513,553</u>	<u>\$ 624,199</u>	<u>\$ 12,069,206</u>	<u>\$ 11,123,735</u>

COUNTY OF CALAVERAS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 All Special Revenue Funds
 For the Fiscal Year Ended June 30, 2002
 (With Comparative Totals for the Year Ended June 30, 2001)

	Road	PEG Access TV	Welfare	Health
Revenues:				
Taxes	\$ 440,252	\$ 16,456	\$ --	\$ --
Licenses and permits	48,402	--	--	--
Fines, forfeitures, and penalties	--	--	3,464	684
Use of money or property	87,603	1,079	68,129	33,536
Intergovernmental	5,244,030	--	9,082,743	3,401,277
Charges for services	221,389	267	--	100,078
Other revenue	23,918	4,237	583,809	46,627
Total Revenues	6,065,594	22,039	9,738,145	3,582,202
Expenditures:				
Public protection	--	--	--	--
Public assistance	--	--	10,565,713	--
Health and welfare	--	--	--	2,832,192
Public ways and facilities	6,456,938	--	--	--
Cultural and recreation	--	82,908	--	--
Capital outlay	403,922	23,779	53,612	58,187
Debt service	56,972	--	46,925	--
Total Expenditures	6,917,832	106,687	10,666,250	2,890,379
Excess of Revenues Over (Under) Expenditures	(852,238)	(84,648)	(928,105)	691,823
Other Financing Sources (Uses):				
Operating transfers in	201,970	111,000	419,867	--
Operating transfers out	(17,256)	--	(28,728)	(3,392)
Total Other Financing Sources (Uses)	184,714	111,000	391,139	(3,392)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(667,524)	26,352	(536,966)	688,431
Fund Balance, Beginning of Fiscal Year	3,065,347	--	1,098,485	1,223,950
Prior Period Adjustment	--	--	--	--
Fund Balance - Beginning of Year, Restated	3,065,347	--	1,098,485	1,223,950
Residual equity transfers	--	--	21,284	(527,378)
Change in inventory reserve	13,031	--	--	--
Fund Balance, End of Fiscal Year	\$ 2,410,854	\$ 26,352	\$ 582,803	\$ 1,385,003

continued

COUNTY OF CALAVERAS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
 All Special Revenue Funds
 For the Fiscal Year Ended June 30, 2002
 (With Comparative Totals for the Year Ended June 30, 2001)

	Mental Health	Alcohol & Drug	Law Library	Grants
Revenues:				
Taxes	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--
Fines, forfeitures, and penalties	--	--	--	--
Use of money or property	15,897	51	56	--
Intergovernmental	2,489,394	--	--	--
Charges for services	31,883	--	--	--
Other revenue	19,831	--	--	625,798
Total Revenues	2,557,005	51	56	625,798
Expenditures:				
Public protection	--	--	--	--
Public assistance	--	--	--	--
Health and welfare	2,106,333	--	--	--
Public ways and facilities	--	--	--	--
Cultural and recreation	--	--	--	--
Capital outlay	--	--	--	397,867
Debt service	--	--	--	--
Total Expenditures	2,106,333	--	--	397,867
Excess of Revenues Over (Under) Expenditures	450,672	51	56	227,931
Other Financing Sources (Uses):				
Operating transfers in	7,189	--	3,000	409,606
Operating transfers out	--	--	--	(235,346)
Total Other Financing Sources (Uses)	7,189	--	3,000	174,260
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	457,861	51	3,056	402,191
Fund Balance, Beginning of Fiscal Year	--	--	--	--
Prior Period Adjustment	--	--	--	1,203,052
Fund Equity - Beginning of Year, Restated	--	--	--	1,203,052
Residual equity transfers	506,094	502,722	232	45,503
Change in inventory reserve	--	--	--	--
Fund Balance, End of Fiscal Year	\$ 963,955	\$ 502,773	\$ 3,288	\$ 1,650,746

continued

COUNTY OF CALAVERAS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
 All Special Revenue Funds
 For the Fiscal Year Ended June 30, 2002
 (With Comparative Totals for the Year Ended June 30, 2001)

	<u>Fish and Game</u>	<u>State Airport</u>	<u>Fire Protection</u>	<u>Solid Waste</u>
Revenues:				
Taxes	\$ --	\$ 19,429	\$ 178,024	\$ --
Licenses and permits	--	--	139,500	--
Fines, forfeitures, and penalties	2,177	--	--	--
Use of money or property	1,244	60,140	7,043	234,206
Intergovernmental	--	10,486	9,130	45,838
Charges for services	--	75,184	6,213	3,767,689
Other revenue	--	39,178	3,446	(9,457)
	<u>3,421</u>	<u>204,417</u>	<u>343,356</u>	<u>4,038,276</u>
Expenditures:				
Public protection	5,688	--	562,470	--
Public assistance	--	--	--	--
Health and welfare	--	--	--	2,832,437
Public ways and facilities	--	108,240	--	--
Cultural and recreation	--	--	--	--
Capital outlay	5,024	--	--	1,381,085
Debt service	--	34,253	36,013	--
	<u>10,712</u>	<u>142,493</u>	<u>598,483</u>	<u>4,213,522</u>
Excess of Revenues Over (Under) Expenditures	<u>(7,291)</u>	<u>61,924</u>	<u>(255,127)</u>	<u>(175,246)</u>
Other Financing Sources (Uses):				
Operating transfers in	--	34,253	422,585	--
Operating transfers out	--	(70,042)	(145,899)	(884,403)
	<u>--</u>	<u>(35,789)</u>	<u>276,686</u>	<u>(884,403)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(7,291)</u>	<u>26,135</u>	<u>21,559</u>	<u>(1,059,649)</u>
Fund Balance, Beginning of Fiscal Year	38,489	14,880	28,461	3,556,247
Prior Period Adjustment	--	20,836	--	--
Fund Balance - Beginning of Year, Restated	<u>38,489</u>	<u>35,716</u>	<u>28,461</u>	<u>3,556,247</u>
Residual equity transfers	--	--	--	--
Change in inventory reserve	--	(3,043)	--	--
Fund Balance, End of Fiscal Year	<u>\$ 31,198</u>	<u>\$ 58,808</u>	<u>\$ 50,020</u>	<u>\$ 2,496,598</u>

continued

COUNTY OF CALAVERAS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
 All Special Revenue Funds
 For the Fiscal Year Ended June 30, 2002
 (With Comparative Totals for the Year Ended June 30, 2001)

	Special Districts Governed by the Board of Supervisors		Totals	
	Lighting	Non-Lighting	2002	2001
Revenues:				
Taxes	\$ 51,946	\$ 77,721	\$ 783,828	\$ 606,098
Licenses and permits	--	15,151	203,053	154,475
Fines, forfeitures, and penalties	--	--	6,325	8,549
Use of money or property	18,959	21,902	549,845	541,596
Intergovernmental	1,027	94,774	20,378,699	20,992,684
Charges for services	1,967	370,064	4,574,734	4,310,845
Other revenue	(48)	10,898	1,348,237	468,209
Total Revenues	73,851	590,510	27,844,721	27,082,456
Expenditures:				
Public protection	--	--	568,158	368,299
Public assistance	--	--	10,565,713	9,289,204
Health and welfare	--	95,985	7,866,947	6,906,113
Public ways and facilities	81,274	571,013	7,217,465	6,113,819
Cultural and recreation	--	--	82,908	--
Capital outlay	--	--	2,323,476	1,355,581
Debt service	--	--	174,163	213,169
Total Expenditures	81,274	666,998	28,798,830	24,246,185
Excess of Revenues Over (Under) Expenditures	(7,423)	(76,488)	(954,109)	2,836,271
Other Financing Sources (Uses):				
Operating transfers in	--	9,964	1,619,434	1,549,165
Operating transfers out	--	--	(1,385,066)	(329,325)
Total Other Financing Sources (Uses)	--	9,964	234,368	1,219,840
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(7,423)	(66,524)	(719,741)	4,056,111
Fund Balance, Beginning of Fiscal Year	516,997	667,176	10,210,032	6,205,863
Prior Period Adjustment	--	--	1,223,888	(56,860)
Fund Balance - Beginning of Year, Restated	516,997	667,176	11,433,920	6,149,003
Residual equity transfers	--	--	548,457	--
Change in inventory reserve	--	--	9,988	4,918
Fund Balance, End of Fiscal Year	\$ 509,574	\$ 600,652	\$ 11,272,624	\$ 10,210,032

COUNTY OF CALAVERAS

Combining Balance Sheet
 Special Districts Governed by the Board of Supervisors - Lighting
 June 30, 2002
 (With Comparative Totals as of June 30, 2001)

	<u>Arnold Lighting</u>	<u>Mokelumne Hill Lighting</u>	<u>Murphy's Lighting</u>	<u>San Andreas Lighting</u>
<u>Assets</u>				
Cash and investments	\$ 37,166	\$ 38,788	\$ 141,823	\$ 153,917
Due from other fund	--	--	60,000	--
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 37,166</u>	<u>\$ 38,788</u>	<u>\$ 201,823</u>	<u>\$ 153,917</u>
 <u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts payable	<u>\$ 288</u>	<u>\$ 382</u>	<u>\$ 1,458</u>	<u>\$ 1,121</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>288</u>	<u>382</u>	<u>1,458</u>	<u>1,121</u>
 Fund Equity:				
Unreserved:				
Designated	36,130	34,571	116,715	60,110
Undesignated	748	3,835	83,650	92,686
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Equity	<u>36,878</u>	<u>38,406</u>	<u>200,365</u>	<u>152,796</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Equity	<u>\$ 37,166</u>	<u>\$ 38,788</u>	<u>\$ 201,823</u>	<u>\$ 153,917</u>

continued

COUNTY OF CALAVERAS

Combining Balance Sheet (continued)
 Special Districts Governed by the Board of Supervisors - Lighting
 June 30, 2002
 (With Comparative Totals as of June 30, 2001)

	Valley Spring Lighting	West Point Lighting	Totals	
			<u>2002</u>	<u>2001</u>
<u>Assets</u>				
Cash and investments	\$ 53,793	\$ 28,066	\$ 453,553	\$ 520,593
Due from other funds	--	--	<u>60,000</u>	<u>--</u>
 Total Assets	<u>\$ 53,793</u>	<u>\$ 28,066</u>	<u>\$ 513,553</u>	<u>\$ 520,593</u>
<u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts payable	\$ 500	\$ 230	\$ 3,979	\$ 3,596
 Total Liabilities	<u>500</u>	<u>230</u>	<u>3,979</u>	<u>3,596</u>
Fund Equity:				
Unreserved:				
Designated	52,988	27,413	327,927	424,338
Undesignated	305	423	<u>181,647</u>	<u>92,659</u>
 Total Fund Equity	<u>53,293</u>	<u>27,836</u>	<u>509,574</u>	<u>516,997</u>
 Total Liabilities and Fund Equity	<u>\$ 53,793</u>	<u>\$ 28,066</u>	<u>\$ 513,553</u>	<u>\$ 520,593</u>

COUNTY OF CALAVERAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Special Districts Governed by the Board of Supervisors - Lighting
 For the Year Ended June 30, 2002
 (With Comparative Totals for the Year Ended June 30, 2001)

	<u>Arnold Lighting</u>	<u>Mokelumne Hill Lighting</u>	<u>Murphy's Lighting</u>	<u>San Andreas Lighting</u>
<u>Revenues</u>				
Taxes	\$ 3,213	\$ 5,233	\$ 23,290	\$ 13,840
Fines and forfeitures	--	--	--	--
Use of money and property	1,329	1,374	7,732	5,485
Intergovernmental	63	103	460	274
Charges for services	--	--	--	--
Other services	(3)	(5)	(21)	(13)
Total Revenues	4,602	6,705	31,461	19,586
<u>Expenditures</u>				
Current:				
Public ways and facilities	4,110	5,763	39,476	16,235
Total Expenditures	4,110	5,763	39,476	16,235
Excess (Deficiency) of Revenues Over Expenditures	492	942	(8,015)	3,351
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	492	942	(8,015)	3,351
Fund Balance - Beginning of Year	36,386	37,464	208,380	149,445
Fund Balance - End of Year	\$ 36,878	\$ 38,406	\$ 200,365	\$ 152,796

continued

COUNTY OF CALAVERAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued)
 Special Districts Governed by the Board of Supervisors - Lighting
 For the Year Ended June 30, 2002
 (With Comparative Totals for the Year Ended June 30, 2001)

	Valley Spring Lighting	West Point Lighting	<u>Totals</u>	
			2002	2001
<u>Revenues</u>				
Taxes	\$ 5,050	\$ 1,320	\$ 51,946	\$ 38,658
Fines and forfeitures	--	--	--	5
Use of money and property	2,047	992	18,959	32,644
Intergovernmental	101	26	1,027	2,278
Charges for services	--	1,967	1,967	80
Other services	(5)	(1)	(48)	1,901
Total Revenues	<u>7,193</u>	<u>4,304</u>	<u>73,851</u>	<u>75,566</u>
<u>Expenditures</u>				
Current:				
Public ways and facilities	<u>12,222</u>	<u>3,468</u>	<u>81,274</u>	<u>49,849</u>
Total Expenditures	<u>12,222</u>	<u>3,468</u>	<u>81,274</u>	<u>49,849</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(5,029)</u>	<u>836</u>	<u>(7,423)</u>	<u>25,717</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(5,029)	836	(7,423)	25,717
Fund Balance - Beginning of Year	<u>58,322</u>	<u>27,000</u>	<u>516,997</u>	<u>491,280</u>
Fund Balance - End of Year	<u>\$ 53,293</u>	<u>\$ 27,836</u>	<u>\$ 509,574</u>	<u>\$ 516,997</u>

COUNTY OF CALAVERAS

Combining Balance Sheet
 Special Districts Governed by the Board of Supervisors - Non Lighting
 June 30, 2002
 (With Comparative Totals as of June 30, 2001)

	<u>County Service Area No. 1</u>	<u>County Service Area No. 2</u>	<u>County Service Area No. 4</u>	<u>County Service Area No. 8</u>	<u>County Service Area No. 9</u>
<u>Assets</u>					
Cash and investments	\$ 361,737	\$ (447)	\$ 97,081	\$ 25,962	\$ 22,390
Imprest cash	--	--	--	--	--
Accounts receivable	--	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 361,737</u>	<u>\$ (447)</u>	<u>\$ 97,081</u>	<u>\$ 25,962</u>	<u>\$ 22,390</u>
<u>Liabilities and Fund Equity</u>					
Liabilities:					
Accounts payable	\$ 810	\$ --	\$ --	\$ --	\$ 65
Accrued salaries and benefits	--	--	--	--	--
Due to other funds	--	--	20,000	--	--
Compensated absences	--	--	--	--	--
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>810</u>	<u>--</u>	<u>20,000</u>	<u>--</u>	<u>65</u>
Fund Equity:					
Reserved	13,234	--	--	--	--
Unreserved:					
Designated	--	--	--	--	21,699
Undesignated	347,693	(447)	77,081	25,962	626
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Equity	<u>360,927</u>	<u>(447)</u>	<u>77,081</u>	<u>25,962</u>	<u>22,325</u>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Equity	<u>\$ 361,737</u>	<u>\$ (447)</u>	<u>\$ 97,081</u>	<u>\$ 25,962</u>	<u>\$ 22,390</u>

continued

COUNTY OF CALAVERAS

Combining Balance Sheet (continued)
 Special Districts Governed by the Board of Supervisors - Non Lighting
 June 30, 2002
 (With Comparative Totals as of June 30, 2001)

	County Service Area No. 12	Community Service District No. 8	Air Pollution Control	Totals	
				<u>2002</u>	<u>2001</u>
<u>Assets</u>					
Cash and investments	\$ 67,072	\$ 5,518	\$ 44,861	\$ 624,174	\$ 697,461
Imprest cash	--	--	25	25	25
Accounts receivable	--	--	--	--	2,960
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 67,072</u>	<u>\$ 5,518</u>	<u>\$ 44,886</u>	<u>\$ 624,199</u>	<u>\$ 700,446</u>
<u>Liabilities and Fund Equity</u>					
Liabilities:					
Accounts payable	\$ --	\$ --	\$ 250	\$ 1,125	\$ 175
Accrued salaries and benefits	--	--	2,422	2,422	2,814
Due to other funds	--	--	--	20,000	30,000
Compensated absences	--	--	--	--	281
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	--	--	2,672	23,547	33,270
Fund Equity:					
Reserved	--	--	1,327	14,561	25
Unreserved:					
Designated	--	--	--	21,699	21,488
Undesignated	67,072	5,518	40,887	564,392	645,663
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Equity	67,072	5,518	42,214	600,652	667,176
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Equity	<u>\$ 67,072</u>	<u>\$ 5,518</u>	<u>\$ 44,886</u>	<u>\$ 624,199</u>	<u>\$ 700,446</u>

COUNTY OF CALAVERAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Special Districts Governed by the Board of Supervisors - Non Lighting
 For the Year Ended June 30, 2002
 (With Comparative Totals for the Year Ended June 30, 2001)

	<u>County Service Area No. 1</u>	<u>County Service Area No. 2</u>	<u>County Service Area No. 4</u>	<u>County Service Area No. 8</u>	<u>County Service Area No. 9</u>
<u>Revenues</u>					
Taxes	\$ 65,841	\$ --	\$ --	\$ 10,815	\$ 1,065
Licenses and permits	--	--	--	--	--
Use of money and property	10,431	176	2,764	758	773
Intergovernmental	1,303	--	--	218	21
Charges for services	102,486	15,175	62,525	--	926
Other services	2,936	--	250	(12)	(1)
	<u>182,997</u>	<u>15,351</u>	<u>65,539</u>	<u>11,779</u>	<u>2,784</u>
<u>Expenditures</u>					
Current:					
Public ways and facilities	205,726	20,028	13,879	4,134	1,044
Health and sanitation	--	--	--	--	--
Capital outlay	--	--	--	--	--
	<u>205,726</u>	<u>20,028</u>	<u>13,879</u>	<u>4,134</u>	<u>1,044</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(22,729)</u>	<u>(4,677)</u>	<u>51,660</u>	<u>7,645</u>	<u>1,740</u>
<u>Other Financing Sources (Uses)</u>					
Operating transfers in	--	--	--	--	--
	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(22,729)</u>	<u>(4,677)</u>	<u>51,660</u>	<u>7,645</u>	<u>1,740</u>
Fund Balance - Beginning of Year	383,656	4,230	25,421	18,317	20,585
Prior Period Adjustment	--	--	--	--	--
Fund Balance - Beginning of Year, Restated	<u>383,656</u>	<u>4,230</u>	<u>25,421</u>	<u>18,317</u>	<u>20,585</u>
Fund Balance - End of Year	<u>\$ 360,927</u>	<u>\$ (447)</u>	<u>\$ 77,081</u>	<u>\$ 25,962</u>	<u>\$ 22,325</u>

continued

COUNTY OF CALAVERAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued)
 Special Districts Governed by the Board of Supervisors - Non Lighting
 For the Year Ended June 30, 2002
 (With Comparative Totals for the Year Ended June 30, 2001)

	County	Community	Air	Totals	
	Service Area No. 12	Service District No. 8	Pollution Control	2002	2001
<u>Revenues</u>					
Taxes	\$ --	\$ --	\$ --	\$ 77,721	\$ 70,289
Licenses and permits	--	--	15,151	15,151	20,837
Use of money and property	2,043	3,988	969	21,902	30,666
Intergovernmental	--	--	93,232	94,774	61,112
Charges for services	17,523	171,429	--	370,064	367,185
Other services	--	(1,714)	9,439	10,898	1,129
Total Revenues	19,566	173,703	118,791	590,510	551,218
<u>Expenditures</u>					
Current:					
Public ways and facilities	2,742	323,460	--	571,013	213,421
Health and sanitation	--	--	95,985	95,985	--
Capital outlay	--	--	--	--	22,795
Total Expenditures	2,742	323,460	95,985	666,998	236,216
Excess (Deficiency) of Revenues Over Expenditures	16,824	(149,757)	22,806	(76,488)	315,002
<u>Other Financing Sources (Uses)</u>					
Operating transfers in	--	2,254	7,710	9,964	32,354
Total Other Financing Sources (Uses)	--	2,254	7,710	9,964	32,354
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	16,824	(147,503)	30,516	(66,524)	347,356
Fund Balance - Beginning of Year	50,248	153,021	11,698	667,176	320,056
Prior Period Adjustment	--	--	--	--	(236)
Fund Balance - Beginning of Year, Restated	50,248	153,021	11,698	667,176	319,820
Fund Balance - End of Year	\$ 67,072	\$ 5,518	\$ 42,214	\$ 600,652	\$ 667,176

CAPITAL PROJECT FUNDS

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

COUNTY OF CALAVERAS

Balance Sheet
 Accumulative Capital Outlay - Capital Project Fund
 June 30, 2002
 (With Comparative Totals as of June 30, 2001)

	<u>2002</u>	<u>2001</u>
<u>Assets</u>		
Cash and investments	\$ 1,990,638	\$ 175,664
Cash with fiscal agent	--	<u>144,150</u>
Total Assets	<u>\$ 1,990,638</u>	<u>\$ 319,814</u>
<u>Liabilities and Fund Equity</u>		
Liabilities:		
Accounts payable	\$ 10,746	\$ 26,499
Salaries and benefits payable	<u>229</u>	<u>--</u>
Total Liabilities	<u>10,975</u>	<u>26,499</u>
Fund Equity:		
Fund Balance:		
Reserved	2,580	--
Unreserved:		
Undesignated	<u>1,977,083</u>	<u>293,315</u>
Total Fund Equity	<u>1,979,663</u>	<u>293,315</u>
Total Liabilities and Fund Equity	<u>\$ 1,990,638</u>	<u>\$ 319,814</u>

COUNTY OF CALAVERAS

Statement of Revenues, Expenditures
and Changes in Fund Balances
Accumulative Capital Outlay - Capital Projects Fund
For the Year Ended June 30, 2002
(With Comparative Totals for the Year Ended June 30, 2001)

	2002	2001
<u>Revenues</u>		
Licenses and permits	\$ --	\$ 227,292
Use of money and property	95,544	5,588
Fines and forfeitures	363,917	--
Intergovernmental	--	22,500
Other revenues	1,404,725	37,704
Total Revenue	1,864,186	293,084
<u>Expenditures</u>		
Capital outlay	440,448	424,497
Total Expenditures	440,448	424,497
Excess (Deficiency) of Revenues Over Expenditures	1,423,738	(131,413)
<u>Other Financing Sources (Uses)</u>		
Operating transfers in	497,956	210,000
Operating transfers out	(235,346)	--
Proceeds from debt	--	144,150
Total Other Financing Sources (Uses)	262,610	354,150
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,686,348	222,737
Fund Balance - Beginning of Year	293,315	70,578
Fund Balance - End of Year	\$ 1,979,663	\$ 293,315

TRUST AND AGENCY FUNDS

Trust funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Expendable trust funds are accounted for in essentially the same manner as g

COUNTY OF CALAVERAS

Combining Balance Sheet
Trust and Agency Funds
June 30, 2002

(With Comparative Totals as of June 30, 2001)

	Agency Funds	Investment Trust Funds	Totals	
			2002	2001
<u>Assets</u>				
Cash and investments	\$30,147,055	\$25,600,403	\$55,747,458	\$57,509,594
Imprest cash	200	60,550	60,750	200
Restricted cash - closure/postclosure	450,766	--	450,766	434,647
Accounts receivable	737	215	952	--
Due from other funds	62,500	--	62,500	30,000
Teeter note receivable	--	--	--	500,000
	<u>\$30,661,258</u>	<u>\$25,661,168</u>	<u>\$56,322,426</u>	<u>\$58,474,441</u>
<u>Liabilities and Fund Balance</u>				
Liabilities:				
Teeter note payable	\$ --	\$ --	\$ --	\$ 500,000
Due to other funds	--	42,500	42,500	--
Agency fund obligations	30,661,258	--	30,661,258	31,627,802
	<u>30,661,258</u>	<u>42,500</u>	<u>30,703,758</u>	<u>32,127,802</u>
Fund Balance:				
Net assets held in trust for pool participants	--	25,618,668	25,618,668	26,346,639
	<u>--</u>	<u>25,618,668</u>	<u>25,618,668</u>	<u>26,346,639</u>
	<u>\$30,661,258</u>	<u>\$25,661,168</u>	<u>\$56,322,426</u>	<u>\$58,474,441</u>

COUNTY OF CALAVERAS

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 For the Year Ended June 30, 2002

	<u>Balance</u> <u>June 30, 2001</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2002</u>
<u>Assets</u>				
Cash and investments	\$ 31,162,955	\$ --	\$ 1,015,900	\$ 30,147,055
Imprest cash	200	--	--	200
Restricted cash - closure/postclosure	434,647	16,119	--	450,766
Accounts receivable	--	737	--	737
Due from other funds	30,000	32,500	--	62,500
Teeter note receivable	500,000	--	500,000	--
	<u>500,000</u>	<u>--</u>	<u>500,000</u>	<u>--</u>
Total Assets	<u>\$ 32,127,802</u>	<u>\$ 49,356</u>	<u>\$ 1,515,900</u>	<u>\$ 30,661,258</u>
<u>Liabilities</u>				
Teeter note payable	\$ 500,000	\$ --	\$ 500,000	\$ --
Agency obligations	31,627,802	--	966,544	30,661,258
	<u>31,627,802</u>	<u>--</u>	<u>966,544</u>	<u>30,661,258</u>
Total Liabilities	<u>\$ 32,127,802</u>	<u>\$ --</u>	<u>\$ 1,466,544</u>	<u>\$ 30,661,258</u>

COUNTY OF CALAVERAS

Combining Balance Sheet
Investment Trust Fund
June 30, 2002
(With Comparative Totals as of June 30, 2001)

	Special Districts			Bond Funds	Totals	
	Governed by Local Boards	School Districts	Other Agency Funds		2002	2001
<u>Assets</u>						
Cash and investments	\$ 5,959,231	\$ 12,823,271	\$ 3,191,055	\$ 3,626,846	\$ 25,600,403	\$ 26,346,639
Impress cash	60,550	--	--	--	60,550	--
Accounts receivable	215	--	--	--	215	--
Total Assets	\$ 6,019,996	\$ 12,823,271	\$ 3,191,055	\$ 3,626,846	\$ 25,661,168	\$ 26,346,639
<u>Liabilities and Fund Balance and Other Credits</u>						
Liabilities:						
Due to other funds	\$ 42,500	\$ --	\$ --	\$ --	\$ 42,500	\$ --
Total Liabilities	42,500	--	--	--	42,500	--
<u>Fund Equity and Other Credits</u>						
Net assets held in trust for pool participants	5,977,496	12,823,271	3,191,055	3,626,846	25,618,668	26,346,639
Total Fund Equity	5,977,496	12,823,271	3,191,055	3,626,846	25,618,668	26,346,639
Total Liabilities and Fund Equity	\$ 6,019,996	\$ 12,823,271	\$ 3,191,055	\$ 3,626,846	\$ 25,661,168	\$ 26,346,639

COUNTY OF CALAVERAS

Combining Statement of Changes in Net Assets
Investment Trust Fund
For the Year Ended June 30, 2002

	Special Districts Governed by Local Boards	School Districts	Other Agency Funds	Bond Funds	Totals
Additions:					
Contributions	\$ 1,885,338	\$ 58,164,113	\$ 8,291,019	\$ 8,069,889	\$ 76,410,359
Revenue from use of money and property	<u>15,158</u>	<u>550,876</u>	<u>140,851</u>	<u>180,068</u>	<u>886,953</u>
Total Additions	1,900,496	58,714,989	8,431,870	8,249,957	77,297,312
Deductions:					
Net distribution to pool participants	<u>1,089,157</u>	<u>63,266,636</u>	<u>8,214,145</u>	<u>5,455,345</u>	<u>78,025,283</u>
Increase (Decrease) in Net Assets	811,339	(4,551,647)	217,725	2,794,612	(727,971)
Beginning Net Assets Held in Trust for Pool Participants	<u>5,166,157</u>	<u>17,374,918</u>	<u>2,973,330</u>	<u>832,234</u>	<u>26,346,639</u>
Ending Net Assets Held in Trust for Pool Participants	<u><u>\$ 5,977,496</u></u>	<u><u>\$ 12,823,271</u></u>	<u><u>\$ 3,191,055</u></u>	<u><u>\$ 3,626,846</u></u>	<u><u>\$ 25,618,668</u></u>

OTHER REPORTS

Bartig, Basler & Ray

A Professional Corporation

Certified Public Accountants and Management Consultants

Frank V. Trythall
Kenneth E. Pope
Brad W. Constantine
Theril H. Lund
Bruce W. Stephenson

Curtis A. Orgill

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

The Honorable Members of the
Board of Supervisors and Grand Jury
County of Calaveras
San Andreas, California

We have audited the financial statements of the County of Calaveras as of and for the year ended June 30, 2002, and have issued our report thereon dated September 25, 2002. 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.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered County of Calaveras's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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Board of Supervisor and Grand Jury
County of Calaveras

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

BARTIG, BASLER & RAY, CPAs, INC.

Bartig, Basler + Ray, CPAs, Inc.

September 25, 2002
Roseville, California