

**EL DORADO LOCAL AGENCY
FORMATION COMMISSION**

Financial Statements

June 30, 2007

EL DORADO LOCAL AGENCY
FORMATION COMMISSION
Financial Statements
June 30, 2007

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	3
Statement of Activities	4
Fund Financial Statements:	
Balance Sheet	5
Statement of Revenues, Expenditures and Changes in Fund Balances	6
Notes to Financial Statements	7
Required Supplementary Information (unaudited):	
General Fund Budgetary Comparison Schedule	19
Note to Required Supplementary Information	20
Supplementary Information:	
Statement of Changes in Assets and Liabilities	23

January 31, 2008

El Dorado Local Agency
Formation Commission

Independent Auditors' Report

We have audited the accompanying financial statements of the governmental activities, the major fund and the aggregate remaining fund information of the El Dorado Local Agency Formation Commission (Commission), as of and for the year ended June 30, 2007, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund and the aggregate remaining fund information of the El Dorado Local Agency Formation Commission as of June 30, 2007, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated January 31, 2008, on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The budgetary comparison schedule, as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it. The Commission has not presented the management discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not a required part of the basic financial statements.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The individual fund financial statement listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Woodland & Associates, Inc.

EL DORADO LOCAL AGENCY
FORMATION COMMISSION
Statement of Net Assets
June 30, 2007

<u>Assets</u>	<u>Governmental Activities</u>
Current Assets:	
Cash and cash equivalents	\$ 231,308
Accounts receivable	7,735
Prepaid items	5,114
	244,157
Total Current Assets	244,157
Noncurrent Assets:	
Capital assets being depreciated:	
Leasehold improvements	6,400
Equipment	5,863
Less accumulated depreciation	(7,571)
	4,692
Total Noncurrent Assets	4,692
Total Assets	248,849
 <u>Liabilities</u>	
Current Liabilities:	
Accounts payable	15,547
	15,547
Total Current Liabilities	15,547
Noncurrent Liabilities:	
Compensated absences	12,573
	12,573
Total Liabilities	28,120
 <u>Net Assets</u>	
Invested in capital assets	4,692
Unrestricted	216,037
	220,729
Total Net Assets	\$ 220,729

See Accompanying Notes to Financial Statements.

EL DORADO LOCAL AGENCY
FORMATION COMMISSION
Statement of Activities
For the Year Ended June 30, 2007

	Governmental Activities
Expenses:	
Salaries and benefits	\$ 252,447
Services and supplies	126,912
Total Expenses	379,359
Program Revenues:	
Charges for services	380,160
Total Program Revenues	380,160
Net Program (Expenses) Revenues	801
General Revenues:	
Interest	2,571
Change in Net Assets	3,372
Net Assets, Beginning of Year	217,357
Net Assets, End of Year	\$ 220,729

See Accompanying Notes to Financial Statements.

EL DORADO LOCAL AGENCY
FORMATION COMMISSION
Balance Sheet
June 30, 2007

	<u>General Fund</u>
<u>Assets</u>	
Cash and cash equivalents	\$ 231,308
Accounts receivable	7,735
Prepaid items	<u>5,114</u>
 Total Assets	 <u>\$ 244,157</u>
 <u>Liabilities and Fund Balance</u>	
Liabilities:	
Accounts payable and accrued liabilities	<u>\$ 15,547</u>
 <u>Fund Balance</u>	
Reserved for encumbrances	63,898
Reserved for prepaid items	5,114
Unreserved, undesignated	<u>175,145</u>
 Total Liabilities and Fund Balance	 <u>\$ 244,157</u>
 Reconciliation of the Balance Sheet of the Governmental Fund to the Statement of Net Assets:	
Total fund balance - governmental fund	\$ 228,610
 Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet.	4,692
Long-term liabilities, such as compensated absences, are not due and payable in the current period and therefore are not reported in the Governmental Funds Balance Sheet.	<u>(12,573)</u>
Net Assets of Governmental Activities	<u>\$ 220,729</u>

See Accompanying Notes to Financial Statements.

EL DORADO LOCAL AGENCY
FORMATION COMMISSION
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2007

	<u>General Fund</u>
Revenues:	
Charges for services:	
Apportionments	\$ 335,673
Filing fees	44,487
Interest	<u>2,571</u>
Total Revenues	<u>382,731</u>
Expenditures:	
Salaries and benefits	245,756
Services and supplies	<u>125,872</u>
Total Expenditures	<u>371,628</u>
Net Change in Fund Balance	11,103
Fund Balance, Beginning of Year	<u>217,507</u>
Fund Balance, End of Year	<u><u>\$ 228,610</u></u>
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Fund to the Statement of Activities:	
Net change in fund balance - total governmental funds	\$ 11,103
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and is reported as depreciation expense.	(1,040)
Expenses in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the governmental fund. This is the change in compensated absences.	<u>(6,691)</u>
Change in Net Assets of Governmental Activities	<u><u>\$ 3,372</u></u>

See Accompanying Notes to Financial Statements.

EL DORADO LOCAL AGENCY
FORMATION COMMISSION
Notes to Financial Statements
June 30, 2007

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the El Dorado Local Agency Formation Commission (Commission) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies.

A. Description of the Reporting Entity

Following the end of World War II, California entered a new era of demographic growth and diversity, and economic development. With this growth came the need for housing, jobs and public services. To provide for these services, California experienced a wave of newly formed cities and special districts, but with little forethought as to how the new agencies should plan for services. The lack of coordination and adequate planning for future governance led to a multitude of overlapping, inefficient jurisdictional and service boundaries.

In 1963, the State Legislature created Local Agency Formation Commissions (Commissions) to help direct and coordinate California's growth in a logical, efficient, and orderly manner. Each county within California is required to have a Commission. The Commissions are charged with the responsibility of making difficult decisions on proposals for new cities and special districts, spheres of influence, consolidations, and annexations.

The Commission has jurisdiction over the County of El Dorado (County), the Cities of Placerville and South Lake Tahoe, 49 independent special districts and 6 dependent special districts located within the boundaries of the County.

The Commission's governing board consists of seven appointed board members and four alternates. Two members and one alternate are selected by the Board of Supervisors of the County of El Dorado from their own membership, two members and one alternate are selected by the city selection committee from the cities in the County, two members and one alternate are selected from special districts by the special districts selection committee and one member and one alternate is selected by the County, City and District members listed above.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the Commission.

EL DORADO LOCAL AGENCY
FORMATION COMMISSION
Notes to Financial Statements (Continued)
June 30, 2007

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges for services that are restricted to meeting the operational or capital requirements of particular function or segment. Use of money and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental fund. The Commission operates under a single-program governmental fund.

The Commission reports the following major governmental fund:

The General Fund is used to account for resources traditionally associated with the government, which are not required legally or by sound financial management to be accounted for in another fund.

The Commission also reports two agency funds. Agency funds are used to account for situations in which the government receives and disburses resources in an agency capacity. Because all of the assets of agency funds are associated with third parties, agency funds have no equity; their assets equal their liabilities. The Commission reports on the following agency funds:

State Board of Equalization Filing Fees
El Dorado Hills Incorporation Filing Fees

As of June 30, 2007, the Agency funds had no balances.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the time of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are not recognized until paid.

EL DORADO LOCAL AGENCY
FORMATION COMMISSION
Notes to Financial Statements (Continued)
June 30, 2007

Charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Amounts reported as program revenues include charges to members. Internally dedicated resources are reported as general revenues rather than as program revenues.

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, and then unrestricted resources as they are needed.

D. Cash and Cash Equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

E. Capital Assets

Capital assets are reported as governmental activities in the government-wide financial statements. Capital assets are defined by the Commission as assets with an initial, individual cost of more than \$1,500 for equipment and leasehold improvements and estimated useful lives in excess of five and fifteen years, respectively. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets are depreciated on a straight line basis over their useful lives. Depreciation begins on the first day of the fiscal year following the period the asset is placed in service and ends in the fiscal year that it is retired from service or is fully depreciated.

The estimated useful lives are as follows:

Equipment	5 years
Leasehold improvements	15 years

EL DORADO LOCAL AGENCY
FORMATION COMMISSION
Notes to Financial Statements (Continued)
June 30, 2007

F. Compensated Absences

Commission employees accumulate unpaid vested benefits for compensatory time-off, vacation and sick leave which is reported as a liability of the Commission in the government-wide financial statements. Vacation time accrues at varying amounts based on length of service and sick leave accrues at a rate of 96 hours a year. The accumulated benefits will be liquidated in future years as employees elect to use them. Upon termination or retirement, an employee will receive compensation for all unused vacation, and unused sick leave not to exceed 500 hours. Sick leave hours accumulated in excess of 500 hours are credited toward retirement.

There is no maximum accumulation for earned sick leave, although the maximum number of hours paid shall not exceed 500. In order to receive payment for unused sick leave, employees must have five or more years of service. The following chart is used for payment of unused sick leave accrual by non-management personnel.

<u>Years of Continuous Commission Service</u>	<u>% of Sick Leave Paid for Years of Continuous Service</u>
Years 5 through 10	20% of unused accrual
Years 11 through 15	40% of unused accrual
Years 16 through 20	70% of unused accrual
Years 21 forward	100% of unused accrual

G. Budgets and Budgetary Accounting

In accordance with provisions of Section 56381 of the Government Code of the State of California, commonly known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH), the Commission shall adopt a proposed budget by May 1 and a final budget by June 15 of each fiscal year.

An annual budget for the year ended June 30, 2007 was adopted and approved by the Commission for the general fund. The budget was prepared on the modified accrual basis of accounting except that encumbrances outstanding at year-end are considered expenditures. All changes to the budget during the year are reflected in these financial statements and require the approval of the Commission.

EL DORADO LOCAL AGENCY
FORMATION COMMISSION
Notes to Financial Statements (Continued)
June 30, 2007

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

II. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2007 consist of the following:

Petty cash	\$ 250
Demand deposits	<u>231,058</u>
Total Cash and Cash Equivalents	<u>\$ 231,308</u>

Investments Authorized by the Commission's Investment Policy

The Commission's investment policy authorizes investments in the under-mentioned agencies/institutions:

- Passbook savings and money market checking accounts
- Certificates of deposit
- Local Agency Investment Fund (LAIF)
- El Dorado County Treasury

The Commission has no investments; all deposits are with commercial checking accounts.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Commission's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure

EL DORADO LOCAL AGENCY
FORMATION COMMISSION
Notes to Financial Statements (Continued)
June 30, 2007

deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Authority deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2007, the recorded amount of the Commission's deposits was \$231,058 and the bank balance was \$233,401. Of the bank balance, \$100,000 was covered by federal depository insurance, and \$133,401 was subject to collateralization by California's multiple financial institution collateral pool that insures public deposits.

III. CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2007 is as follows:

Governmental Activities	<u>Balance at July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2007</u>
Capital Assets, Being Depreciated:				
Leasehold improvements	\$ 6,400			\$ 6,400
Equipment	<u>5,863</u>			<u>5,863</u>
Total Capital Assets, Being Depreciated	<u>12,263</u>			<u>12,263</u>
Less Accumulated Depreciation for:				
Leasehold improvements	(1,281)	\$ (427)		(1,708)
Equipment	<u>(5,250)</u>	<u>(613)</u>		<u>(5,863)</u>
Total Accumulated Depreciation	<u>(6,531)</u>	<u>(1,040)</u>		<u>(7,571)</u>
Total Net Capital Assets	<u>\$ 5,732</u>	<u>\$ (1,040)</u>	<u>\$ -</u>	<u>\$ 4,692</u>

EL DORADO LOCAL AGENCY
FORMATION COMMISSION
Notes to Financial Statements (Continued)
June 30, 2007

IV. INSURANCE

The Commission 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. Worker's compensation liability insurance is provided through California Special District Risk Management Authority. The Commission participates in the County of El Dorado's risk pool for general, public official's errors and omissions, property, worker's compensation liability, health, life and disability. For fiscal year 2007, the Commission obtained insurance policies for general liability (includes bodily injury and E & O), with a \$1,000,000 per loss limit, followed by a reinsurance layer of \$13,000,000 per occurrence and \$2,000,000 excess insurance coverage above the reinsurance layer. The Commission also has a property damage policy with limits varying on property type, with an all risk deductible of \$25,000, a \$500,000 deductible for unscheduled roads and bridges, and \$1,000 machinery deductible. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Additional information about available coverage can be obtained from the County's Risk Management Department.

V. COMPENSATED ABSENCES

Changes in compensated absences for the year ended June 30, 2007 follow:

	<u>Balance at July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2007</u>
Compensated Absences	\$ 5,882	\$ 6,691	\$ -	\$ 12,573

VI. RETIREMENT PLAN

Plan Description

The Commission contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer defined benefit pension plan through the County's 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 employees within the State of California. All permanent full and part-time Commission employees working at least 1,000 hours per year are eligible to participate in PERS. Under PERS, benefits vest after five years of service. Upon retirement, participants are entitled to an annual retirement benefit, payable for life, in an amount equal to a benefit factor times

EL DORADO LOCAL AGENCY
FORMATION COMMISSION
Notes to Financial Statements (Continued)
June 30, 2007

their monthly average salary over the twelve highest earning consecutive months of employment. Copies of the PERS annual financial report may be obtained from their Executive Office, 400 Q Street, Sacramento, CA 95814.

Funding Policy

Employees are required to contribute 7% of their annual covered compensation. The Commission makes the contributions required of its employees on their behalf and for their account. The Commission is required to contribute at an actuarially determined rate; the current rate is 12.653% for employees. The contribution requirements of plan members and the Commission are established and may be amended by PERS.

Annual Pension Cost

For the year ended June 30, 2007, the Commission incurred an annual pension cost of \$26,068. The required contribution was determined as part of the June 30, 2005 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses); (b) projected salary increases that vary in duration of service ranging from 3.25% to 14.45%, and (c) 3.25% cost of living adjustment. Both (a) and (b) include an inflation component of 3.0%. For additional information regarding PERS, refer to the financial statements of the County of El Dorado.

The funding status of the plan, including the actuarial value of the plan's assets and the actuarial accrued liability, cannot be determined for the Commission since it is part of the County's plan.

Three-year Trend Information

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2005	\$ 17,832	100%	\$-0-
June 30, 2006	26,752	100%	-0-
June 30, 2007	26,068	100%	-0-

EL DORADO LOCAL AGENCY
FORMATION COMMISSION
Notes to Financial Statements (Continued)
June 30, 2007

VII. COMMITMENTS

In October 2003, the Commission entered into a noncancellable lease agreement for office space located at 550 E. Main Street, Suite E, Placerville, CA. The lease is for a term of 60 months and expires in October 2008. In December 2007, the lease was extended through October 2010. The Commission also leased a copier under a 60 month noncancellable lease agreement which expires in February 2008. Total lease payments charged to operations for the year ended June 30, 2007, were \$17,651.

<u>Fiscal Year</u>	<u>Amount</u>
2008	\$ 19,414
2009	19,921
2010	20,465
2011	<u>7,913</u>
Total	<u>\$ 67,713</u>

VIII. Related Party Transactions

Support Services

Pursuant to an agreement between the County and the Commission, the County provides support services to the Commission that includes insurance and information technology services. During the year ended June 30, 2007, the Commission paid to the County the following amounts for these services:

Office and administration	\$4,100
Information technology services	5,488

Revenues

Pursuant to Government Code Section 56381.1, the County provides one-third of the apportionment revenue to the Commission, one-third is funded by the City of Placerville and the City of South Lake Tahoe, and the remaining one-third is funded by the 49 independent special districts.

REQUIRED SUPPLEMENTARY INFORMATION

EL DORADO LOCAL AGENCY
FORMATION COMMISSION
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues:				
Charges for services:				
Apportionments	\$ 335,670	\$ 335,670	\$ 335,673	\$ 3
Filing fees	35,425	35,425	44,487	9,062
Interest	2,400	2,400	2,571	171
Total Revenues	<u>373,495</u>	<u>373,495</u>	<u>382,731</u>	<u>9,236</u>
Expenditures:				
Salaries and benefits	276,712	276,950	245,756	31,194
Services and supplies	263,352	257,397	189,770	67,627
Total Expenditures	<u>540,064</u>	<u>534,347</u>	<u>435,526</u>	<u>98,821</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(166,569)	(160,852)	(52,795)	108,057
Fund Balances, Beginning of Year	<u>217,507</u>	<u>217,507</u>	<u>217,507</u>	
Fund Balances (Deficits), End of Year (budgetary basis)	<u>\$ 50,938</u>	<u>\$ 56,655</u>	\$ 164,712	<u>\$ 108,057</u>
Encumbrances outstanding at year end			<u>63,898</u>	
Fund Balance, End of Year (GAAP basis)			<u>\$ 228,610</u>	

See Accompanying Note to Required Supplementary Information.

EL DORADO LOCAL AGENCY
FORMATION COMMISSION
Note to Required Supplementary Information
June 30, 2007

I. Budget and Budgetary Accounting

In accordance with provisions of Section 56381 of the Government Code of the State of California, commonly known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH), the Commission shall adopt a proposed budget by May 1 and a final budget by June 15 of each fiscal year.

An annual budget for the year ended June 30, 2007 was adopted and approved by the Commission for the general fund. The budget was prepared on the modified accrual basis of accounting except that encumbrances outstanding at year-end are considered expenditures. All changes to the budget during the year are reflected in these financial statements and require the approval of the Commission.

SUPPLEMENTARY INFORMATION

EL DORADO LOCAL AGENCY
FORMATION COMMISSION
Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended June 30, 2007

	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2007</u>
<u>State Board of Equalization</u>				
Assets:				
Cash and investments	\$ 2,568		\$ (2,568)	
Interest receivable	3,082		(3,082)	
Total Assets	<u>\$ 5,650</u>	<u>\$ -</u>	<u>\$ (5,650)</u>	<u>\$ -</u>
Liabilities:				
Due to bondholders	<u>\$ 5,650</u>	<u>\$ -</u>	<u>\$ (5,650)</u>	<u>\$ -</u>
 <u>El Dorado Hills Incorporation</u>				
Assets:				
Cash and investments				
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>