

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended June 30, 2010

City of El Paso de Robles, California



Cover

Salinas River Parkway panoramic view looking upstream to the south from Highway 101. The City received State Grant funds in the amount of \$1.5 million to purchase the land.

# Comprehensive Annual Financial Report

For The

Fiscal Year Ended June 30, 2010

City of El Paso de Robles

California

Duane Picanco, Mayor  
Fred Strong, Mayor Pro Tempore  
Nick Gilman, Councilmember  
John Hamon, Councilmember  
Ed Steinbeck, Councilmember

James L. App, City Manager

Prepared by Department of Administrative Services  
James Throop, Director of Administrative Services  
Jennifer Sorenson, Finance Manager  
Lori Barnes, Administrative Assistant

# CITY OF EL PASO DE ROBLES



## INTRODUCTORY SECTION

CITY OF EL PASO DE ROBLES  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

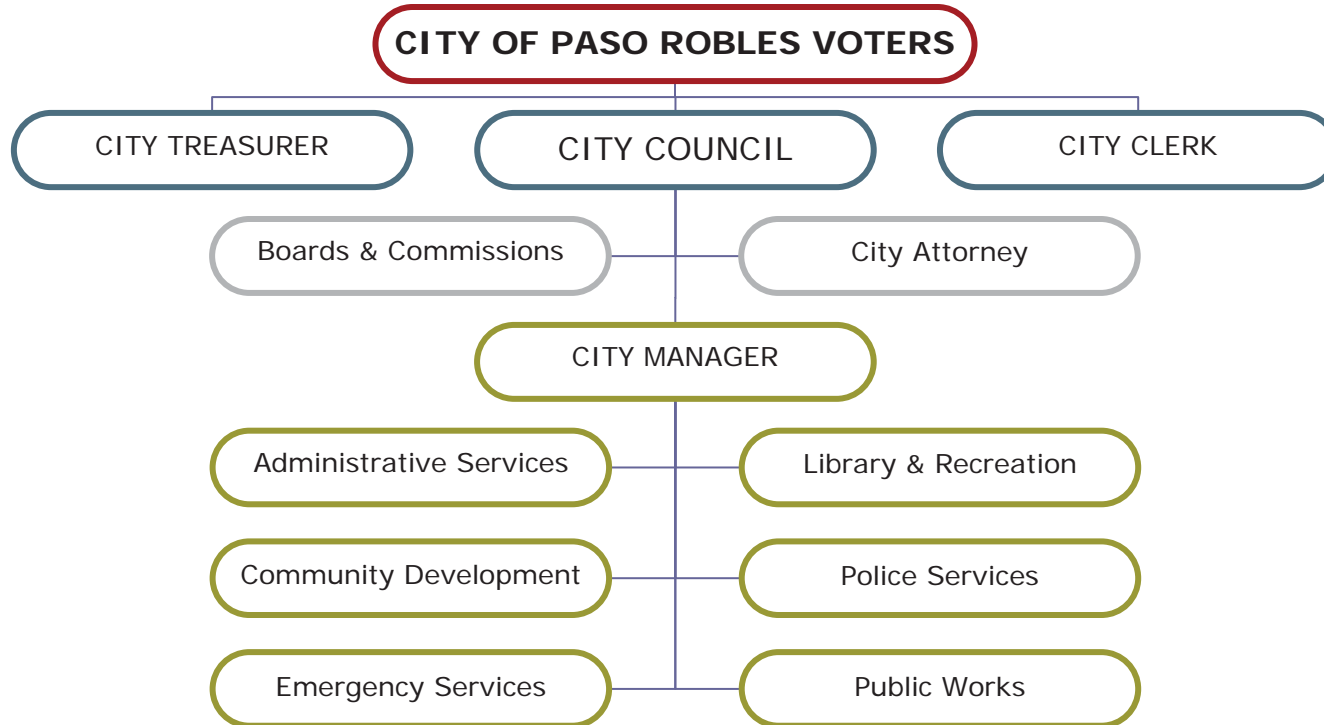
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**CITY OF EL PASO DE ROBLES  
ORGANIZATION OF CITY GOVERNMENT**



# *California Society of Municipal Finance Officers*

*Certificate of Award*

*Outstanding Financial Reporting for the Fiscal  
Year ending June 30, 2009*

*Presented to the*

*City of El Paso de Robles*

*This certificate is issued in recognition of meeting professional standards and criteria in reporting  
which reflect a high level of quality in the annual financial statements  
and in the underlying accounting systems from which the reports were prepared.*



*Ronnie Campbell*  
\_\_\_\_\_  
*Ronnie Campbell, President*

*Jesse Takahashi*  
\_\_\_\_\_  
*Jesse Takahashi  
Recognition Committee*

*Dedicated Excellence in Municipal Financial Management*



December 22, 2010

TO: Honorable Mayor and City Council  
City of El Paso de Robles

FROM: James Throop, Director of Administrative Services

SUBJECT: Comprehensive Annual Financial Report for Fiscal Year 2009-10

## **INTRODUCTION**

The City of El Paso de Robles' Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2010 is hereby presented as prepared by the City's Administrative Services Department. Responsibility for the accuracy of the presented data, the completeness, and fairness of the presentation rests with this department. The report has been prepared in conformance with the accounting principles generally accepted in the United States of America and the principles and standards as prescribed by Governmental Accounting Standards Board (GASB). Staff believes that the data, as presented, is accurate in all material respects; that its presentation fairly reflects the financial position and the results of the City's operations as measured by the financial activity of its various funds; and that all pertinent disclosures contained herein will provide the reader with a complete understanding of the City's financial affairs.

## **FINANCIAL REPORTING AND FORMATS**

This report is prepared using the reporting requirements as prescribed by GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. Government-wide financial statements are included in order to provide the reader with a clear picture of the City as a single, unified reporting entity. Government-wide statements are intended to compliment rather than replace the traditional fund-based financial statements. GASB Statement No. 34 also requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of "Management's Discussion & Analysis" (MD&A).

This letter of transmittal is intended to compliment the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the independent auditors' report.

The City's CAFR is divided into the following sections:

**The Introductory Section** includes this transmittal letter, information about the organizational structure of the City including elected and appointed officials, and other general information to provide the reader with a general understanding of the City.

**The Financial Section** is prepared in accordance with GASB Statement No. 34 requirements by including the MD&A, the Basic Financial Statements including notes, and Supplemental Information. The Basic Financial Statements include the government-wide financial statements that present an overview of the City's entire financial operations, and the fund financial statements that present the financial information of each of the City's major funds, as well as non-major governmental and fiduciary funds. Also included in this section is the Independent Auditors' Report on the financial statements and schedules as prepared by Moss, Levy & Hartzheim LLP. Their report contained herein provides an "unqualified" opinion that the financial statements contained herein are fairly presented in conformity with accounting principles generally accepted in the United States of America.

Additionally, the Federal Single Audit Act of 1996 requires the City to undergo an annual "single audit" in conformity with the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and Government Auditing Standards, issued by the Comptroller General of the United States. The "single audit" report is issued under separate cover and includes a schedule of federal financial assistance, findings and recommendations, and independent auditors' report on the internal control structure and compliance with applicable laws and regulations.

**The Statistical Section** includes various tables containing historical financial data, debt statistics, and miscellaneous social and economic data of the City that is of interest to potential investors and other readers. The data is generally presented on a multi-year basis.

## **THE REPORTING ENTITY**

The City was incorporated in 1889 and operates under the Council-Manager form of local government. Four councilpersons are elected on a non-partisan basis, at large for four-year terms with two councilmen elected every two years. The Mayor is elected at large every two years. The Council appoints the City Attorney and City Manager. The City Clerk and City Treasurer are both elected at large for four-year terms. The City provides a full range of services

including police and fire protection, library and recreation services, public works including maintenance of all City facilities, streets, parks, airport, and utility operations (sewer, water, and landfill), transit, and development and planning services.

This CAFR includes the financial activities of the primary government, the City, and all the City's component units. Component units include legally separate entities for which the primary government is financially accountable and that have substantially the same governing board as the City or provide services entirely to the City. For reporting purposes, operations of the Redevelopment Agency are blended with the City.

## **PASO ROBLES ECONOMY AND OUTLOOK**

Paso Robles is strategically located at the confluence of State Highway 101 and State Highway 46 and continues to be the fastest growing city within San Luis Obispo County and has become the second largest city with 30,004 residents. Travelers from the Central Valley on their way to central coast beaches or local lakes must pass through Paso Robles. The local lakes and other community events attract a significant number of travelers from southern and northern California areas as well. The Highway 101/Highway 46/Nacimiento Road corridor has been a major contributor to the City's sales tax revenues.

Paso Robles is home to a number of special events that attract visitors from all over the state. Such events include the Wine Festival, Paderewski Festival, Pioneer Day, Vine Street Christmas Showcase, Great Western Region Bicycle Rally, Concerts in the Park, California Mid State Fair, Festival of the Arts, and most recently a stop in the Amgen Tour of California Bike Race and two highly successful farmers markets. The operations of the state fairgrounds and its related facilities attract events nearly every weekend during the course of the year. The local wine industry continues to receive considerable recognition for its premium wines. There are over 200 wineries and approximately 300 vineyards in the Paso Robles area. During the spring and summer months, many of the wineries and tasting rooms hold weekend concerts that attract numerous visitors. In 2008, Bon Appetit magazine voted Paso Robles as the 2<sup>nd</sup> "Foodiest" small town in the country. The Paso Robles Event Center is again sponsoring \$1,000,000 Pacific Coast Cutting Horse Association Futurity. The Futurity - a 12-day cutting horse event that attracts top competitors from across the country is considered the 2<sup>nd</sup> largest show in the nation.

Given the above events and attractions, tourism has become an important industry in Paso Robles. Transient occupancy tax collections, viewed as an indicator of tourism success, increased by approximately 2.0% over the prior fiscal year. The addition of a Business Improvement District for all hotels/motels in 2009 has generated approximately \$450,000 per year to be used for marketing and tourism efforts. Other tourism related projects that were completed include a secondary facility for Justin Winery (33,000/sf), a new spa for the Paso Robles Inn. A new high high-end RV Motor Resort with 380 spaces is in the beginning stages of construction.

Given the recent and continuing economic slowdown in both the retail and manufacturing areas, the economic outlook for Paso Robles continues to look stronger than most other Central Coast communities. Locally, the housing construction market has slowed drastically and does not appear to be changing from prior year. During fiscal year 2010, Paso Robles issued building permits for over 20 housing residential housing units with a total valuation of over \$5.0 million. The median home price of a home in the County in FY2010 was \$375,000. Sluggish home sales and minor new residential home construction has resulted in significant decrease in building fees.

Property tax collections, for all categories, is expected to decrease by approximately (1.6)% or (\$129,000), to \$8,256,000 in 2011 as compared to \$8,385,000 in FY 2010. Sales tax collection was a bright spot as tax collection, excluding the Triple-flip calculation, rose 1.9% from FY2009. Sales tax collection for 2011, excluding the Triple-flip, is forecasted to be 1.6% more in FY2011. The Triple-flip is not included due to State revenue distribution errors in previous year. Overall tax collections for the State continue to be below projections, as such, the State legislature has failed to address its' chronic budget deficit of at least \$25 billion and attempts by the Governor to address the structural budget imbalance by legislation have failed. Fortunately, with the recent passage of Proposition 22, the legislature is essentially prohibited from taking any more local revenues.

## **MAJOR ACHIEVEMENTS AND INITIATIVES**

The City's General Fund is the primary source of funding for most municipal services such as police & fire protection, library & recreation services, parks, streets, maintenance & operation of governmental buildings/facilities, planning & building services, and other governmental activities such as city council, city manager, and administrative services.

For fiscal year 2010, the General Fund posted its second negative financial results since fiscal year 1998. This unfavorable result was actually half of an estimated year-end forecast that was presented earlier in the year to the City Council. This decrease is due to the aggressive cost-cutting measures taken during the year and an increase in different revenue lines. The City is preparing its next five-year forecast and its results show that by judiciously using General Fund reserve funds, the City should be able to survive this economic recession without more extreme cost-cutting measures. Currently, the City has reduced costs by approximately \$6,000,000 per year. The majority of these initiatives come through labor savings. Currently, the General Fund staffing has been reduced by over 29%. Other cost saving measures include temporary and contractual service cuts, reduced maintenance expenditures and future building development fund set-asides. Even with these reductions, the following four years will be monitored carefully. Should the economy not turn around or turn around at a slower than predicted pace, more reductions may be necessary. However, the City of Paso Robles enjoys the fact that it is surviving the economic recession much more effectively than most California cities. This is due to the ever increasing tourism industry, owing in part to the partnerships between, the City, wineries, hotels and other travel related industries. By working together to promote the City and surrounding area, the City of Paso Robles is poised to be successful both in terms of financial stability and its growing tourism industry.

The City's participation in the Nacimiento Water Project which will assure a safe, secure source of water for the City will require an increase in water-user rates. The rates will be phased in over time and the City Council will review the rate structure every two years to ensure adequate funding of our participation in this landmark project whose ultimate cost is estimated at approximately \$175 million. Fifty percent of the project costs will be born by new development through the City's water impact fees. The current impact fees are also under review and will most likely see an increase in excess of \$14,000 per residential meter. Meters for larger projects will be more depending on the size of the required meter.

Specific plans are underway on three major developable properties. As these three areas develop, in addition to specific plan fees, these properties will pay normal City development fees and will be required to participate in the community services district, which helps fund the police and fire services.

### **OTHER FINANCIAL INFORMATION**

Internal Controls - In developing and evaluating the City's accounting system, internal accounting controls are of utmost importance. However, internal controls should be designed to provide reasonable, but not absolute, assurances regarding the safeguarding of assets against loss from unauthorized use or disposition and reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable recognizes that the cost of the control should not exceed the benefits derived and that the evaluation of costs and benefits requires estimates and judgments by management. Management believes that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

Budgetary Controls - The budget is a plan for the use of City resources consistent with specific objectives developed and approved by the Council. The budget is adopted by resolution by the Council and may be modified from time to time as the Council sees fit or administratively by staff in accordance with the Council's approved Fiscal Policy. Except for the capital improvement projects budget, all appropriations lapse at fiscal year-end. Given the multi-year nature of the capital improvement projects, unspent appropriations are automatically carried forward. Requests for carry-over of operating budget appropriations are generally restricted to operating capital and special one-time appropriations, usually studies by third party consultants. Carry-over appropriations are approved by resolution by the Council and added to the following fiscal year's budget. Budgetary control is maintained at the department level. Line item variances within any given department/division are allowed so long as the total departmental budget does not exceed total appropriations for the department/division except that supplies and services savings may not be used to hire staff without specific City Manager approval. The City Manager's office and Administrative Services maintains a watchful eye for variances between actual and budgeted expenditures.

Cash Management and Investments - The City pools idle cash from all funds for the purpose of its investment activities in order to maximize investment income. Idle funds are invested in accordance with the Council's adopted investment

policy which is reviewed annually by both the Council and its investment policy review committee. In compliance with GASB Statement No. 31, the City's investments are stated at fair value, except for highly liquid market investments with maturities of one year or less, which are stated at amortized cost and unrealized gains or losses less liquid market investments are recorded each June 30. The City generally holds all investments until maturity or until fair values equal or exceeds costs. Additionally, included herein is the revised cash and investment note as recommended by GASB Statement No. 40. Disclosures required by this Statement are intended to provide users of governmental financial statements with information to assess common risks inherent in deposit and investment transactions. These risks include credit risk, concentration of credit risk, interest rate risk, and foreign currency risk.

Risk Management - The City of Paso Robles is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 122 California public entities and is organized under a joint powers agreement pursuant to California Government Code § 6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other coverages. The Authority's pool began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a 9-member Executive committee.

#### *Self-Insurance Programs of the Authority*

General Liability. Each member government pays a primary deposit to cover estimated losses for a fiscal year (claims year). After the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Claims are pooled separately between police and non-police. Costs are allocated to members by the following methods within each of the four layers of coverage: (1) the first \$30,000 of each occurrence is charged directly to the member's primary deposit; (2) costs from \$30,000 to \$750,000 and the loss development reserves associated with losses up to \$750,000 are pooled based on the member's share of losses under \$30,000; (3) losses from \$750,000 to \$5,000,000 and the associated loss development reserves are pooled based on payroll; (4a) costs of covered claims from \$5,000,000 to \$10,000,000 are paid under reinsurance policies and are subject to a \$2,500,000 annual aggregate deductible; (4b) costs of covered claims from \$10,000,000 to \$50,000,000 are covered through excess insurance policies; (4c) Costs of covered claims for subsidence losses are paid by excess insurance with a sub-limit of \$25,000,000 per occurrence per member. This \$25,000,000 subsidence sub-limit is composed of \$10,000,000 in reinsurance and \$15,000,000 in excess insurance. The excess insurance layer has a \$15,000,000 annual aggregate. The costs associated with 4a, 4b, and 4c are estimated using actuarial models and pre-funded as part of the primary and retrospective deposits. The overall policy limit for each member including all layers of coverage is \$50,000,000 per occurrence. The City joined the liability program on July 1, 2003.

Workers' Compensation - The City of Paso Robles also participates in the workers' compensation pool administered by the Authority. Each member pays a primary deposit to cover estimated losses for a fiscal year (claims year). After the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Claims are pooled separately between public safety and non-public safety. Costs are allocated to members by the following methods within each of the four layers of coverage: (1) the first \$50,000 of each loss is charged directly to the member's primary deposit; (2) losses from \$50,000 to \$100,000 and the loss development reserve associated with losses up to \$100,000 are pooled based on the member's share of losses under \$50,000; (3) losses from \$100,000 to \$2,000,000 and the loss development reserves associated with those losses are pooled based on payroll; (4) losses from \$2,000,000 up to statutory limits are paid under an excess insurance policy. Protection is provided per statutory liability under California Workers' Compensation law. Employer's Liability losses are pooled among members to \$2,000,000, coverage from \$2,000,000 to \$4,000,000 is purchased as part of an excess insurance policy, and losses from \$4,000,000 to \$10,000,000 are pooled among members. The City joined the workers' compensation program on July 1, 2004.

#### *Purchased Insurance*

Environmental Insurance - The City of Paso Robles participates in the pollution legal liability and remediation legal liability insurance which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Paso Robles. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50,000,000 for the 3-year period from July 1, 2008 through July 1, 2011. Each member of the Authority has a \$10,000,000 limit during the 3-year term of the policy.

Property Insurance - The City of Paso Robles participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. The City of Paso Robles property is currently insured according to a schedule of covered property submitted by the City of Paso Robles to the Authority. Total all-risk property insurance coverage is \$382,111,240. There is a \$5,000 deductible per occurrence. Premiums for the coverage are paid annually and are not subject to retroactive payments.

Fidelity Bonds - The City of Paso Robles purchases blanket fidelity bond coverage in the amount of \$1 million with \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retroactive adjustments.

Airport Insurance - The City of Paso Robles purchases Airport Insurance through Alliant Services, which uses Old Republic Insurance Company and Underwriters at Lloyds for excess coverage. Coverage is on an occurrence basis and covers items such as; bodily injury, personal liability, premises liability, non-owned aircraft liability and Hangarkeeper's to name but a few. Limits range from \$25,000 for medical payments to \$ \$15,000,000 for bodily injury claims. Premiums are paid annually and are not subject to retroactive payments.

## Adequacy of Protection

During the past three fiscal (claims) years none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

Separate financial statements are available from the California Joint Powers Insurance Authority, 8081 Moody Street, La Palma, CA 90623.

## Self-Insurance

The City retains the risk for losses incurred prior to joining the California Joint Powers Insurance Authority. Several member agencies of the now dissolved Central Coast Cities Self-Insurance Fund continue to participate in a non-risk sharing arrangement for claims management and the purchase of excess insurance. The participating agencies share a set of common guidelines and annually set aside premiums to pay their individual losses within their self-insured retentions. Losses are debited and investment income is credited to specific member accounts. The City has not incurred any losses in excess of insurance coverage.

The last actuarial study to determine the undiscounted outstanding claims liability was completed for the year ended June 30, 2009. The liability was estimated based on the actuarial study and considered claims asserted and paid, and the time limitations for filing claims.

## **INDEPENDENT AUDIT**

The accounting firm of Moss, Levy & Hartzheim LLP, certified public accountants, performed the annual independent audit. They also, under separate cover, prepared a report meeting the requirements of the Federal Single Audit Act and related OMB Circular A-133. While the Redevelopment Agency's financial transactions are included in this annual financial report, the auditors also issue an audit report under separate cover. The auditors' opinion letter on the basic financial statements is included in the financial section of this report.

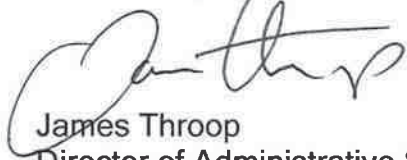
## **CERTIFICATE OF AWARD**

The California Society of Municipal Finance Officers awarded its Certificate for Outstanding Financial Reporting to the City for the 2009 CAFR. This was the eleventh consecutive year that the City has achieved this prestigious statewide award. To receive the award, the City must publish an easily readable and efficiently organized CAFR that must satisfy both accounting principles generally accepted in the United States of America and all applicable legal requirements.

## ACKNOWLEDGMENTS

I would like to express my appreciation to the entire **Administrative Services staff** for their work ethic and dedication to "customer service" both internally and externally. Special acknowledgment goes to **Jennifer Sorenson**, Finance Manager and **Lori Barnes**, Administrative Assistant, who were primarily responsible for the preparation of this CAFR. In addition, I would like to thank **Jim App**, the City Manager, as well as the **City Council** for their continued support and interest in planning and conducting the City's financial operations.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "James Throop". The signature is fluid and cursive, with a large initial "J" and "T".

James Throop  
Director of Administrative Services

# CITY OF EL PASO DE ROBLES



## FINANCIAL SECTION



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

**PARTNERS**

RONALD A LEVY, CPA  
CRIAG A HARTZHEIM, CPA  
HADLEY Y HUI, CPA

802 EAST MAIN  
SANTA MARIA, CA 93454  
TEL: 805.925.2579  
FAX: 805.925.2147  
www.mlhcpas.com

**INDEPENDENT AUDITORS' REPORT**

The Honorable Mayor and City Council  
City of El Paso de Robles, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of El Paso de Robles, California (City) as of and for the fiscal year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City'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 business-type activities, each major fund, and the aggregate remaining fund information of the City of El Paso de Robles, California, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable thereof, and the budgetary comparison for the General Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in note 1 of the notes to basic financial statements effective July 1, 2009, the City of El Paso de Robles adopted Governmental Accounting Standards Board (GASB) Statement No. No. 51, *Accounting and Financial Reporting for Intangible Assets*, GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, and GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 14 through 24, and the Postemployment Healthcare Schedule of Funding Progress on page 77, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2010, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The major fund schedules, combining and individual nonmajor fund financial statements and schedules, introductory section, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The major fund schedules and the combining and individual nonmajor fund financial statements and schedules, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion thereon.

MOSS, LEVY & HARTZHEIM LLP

A handwritten signature in cursive script that reads "Moss, Levy & Hartzheim LLP".

December 10, 2010

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **Fiscal Year Ended June 30, 2010**

This discussion and analysis of the City of El Paso de Robles' financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2010. Please read it in conjunction with the accompanying transmittal letter, the basic financial statements, and the accompanying notes to those financial statements.

#### **FINANCIAL HIGHLIGHTS**

- The assets of the City exceeded its liabilities at the close of the 2010 fiscal year by over \$259 million. Of this amount, \$69.7 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$1,456,486.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$37.9 million, compared to \$31.7 million in the prior fiscal year.
- Approximately 37% of the combined fund balances, \$14.1 million, is considered unreserved and is available for spending at the City's discretion.
- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$4.6 million, or 18% of total general fund expenditures.
- The City's total governmental activities debt increased by \$8,127,275 during the current fiscal year due mainly to issuance of Redevelopment Agency Bonds.
- The City's total business-type funds debt increased by \$541,018 due to an equipment lease purchase contract.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial statements presented herein include all of the activities of the City of El Paso de Robles using the integrated approach as prescribed by GASB Statement No. 34.

##### **Government-wide Financial Statements**

The Government-wide Financial Statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately. These statements include all assets of the City (including infrastructure) as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables, and receivables.

The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities. These statements include all assets and liabilities of the City using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current fiscal year's revenues and expenses are taken into account regardless of when cash is received or paid.

## ***CITY OF EL PASO DE ROBLES***

Management's Discussion and Analysis, continued  
Fiscal Year Ended June 30, 2010

These two statements report the City's net assets and changes in them. Net assets are the difference between assets and liabilities, which is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the City's property tax base and the condition of the City's roads.

In the statement of net assets and the statement of activities, we distinguish the City's functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a portion of their costs through user fees and charges (business-type activities). The activities of these two distinctions are as follows:

**Governmental activities**—Most of the City's basic services are reported in this category, including general government, public safety, public works, library and recreation, and community development. Property and sales taxes, transient occupancy tax, user fees, interest income, franchise fees, and state and federal grants finance these activities.

**Business-type activities**—The City charges a fee to customers to cover all or most of the cost of certain services it provides. The City's water system, sewer system, airport operations, and transit services are reported in this category.

### **Fund Financial Statements**

The Fund financial statements include statements for each of the three categories of activities - governmental, business-type, and fiduciary. The governmental activities are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The business-type activities are prepared using the economic resources measurement focus and the accrual basis of accounting. The fiduciary activities are agency funds, which only report a balance sheet and do not have a measurement focus. Reconciliation of the fund financial statements to the government-wide financial statements is provided to explain the differences created by the integrated approach.

The fund financial statements provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

**Governmental funds** - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental funds information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the governmental

## ***CITY OF EL PASO DE ROBLES***

Management's Discussion and Analysis, continued

Fiscal Year Ended June 30, 2010

funds financial statements to those in the government-wide financial statements are explained in a reconciliation schedule following each governmental funds financial statement.

**Proprietary funds** - When the City charges customers for the services it provides—whether to outside customers or to other units of the City—these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net assets and the statement of revenues, expenses, and changes in fund net assets. In fact, the City's enterprise funds are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

**Fiduciary funds** - The City is the trustee, or fiduciary, for certain funds held on behalf of the Senior Advisory Committee, War Memorial Hospital Scholarship, Customer Deposits, and Tourism and Lodging Business Improvement District. The City's fiduciary activities are reported in a separate statement of fiduciary net assets. We exclude these activities from the City's other financial statements since the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, the net assets for the City increased \$1,456,486 from \$257.6 million at June 30, 2009 to \$259.1 million at June 30, 2010. The largest portion of the City's net assets reflects the investment in capital assets such as land, buildings, machinery, and equipment, less any related debt used to acquire those assets still outstanding. These assets are used to provide services to the citizens of the City of El Paso de Robles; therefore, they are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets represents resources subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the City's ongoing obligations to citizens and creditors.

Consistent with the prior fiscal year, as of the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, for both the government as a whole, as well as for its separate governmental and business-type activities.

**CITY OF EL PASO DE ROBLES**

Management's Discussion and Analysis, continued

Fiscal Year Ended June 30, 2010

**CITY OF EL PASO DE ROBLES' NET ASSETS**

	Governmental activities		Business-type activities		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Current and other assets	\$ 46,240,348	\$ 37,664,547	\$ 36,547,424	\$ 36,965,280	\$ 82,787,772	\$ 74,629,827
Capital assets	172,714,242	171,579,965	76,811,614	74,554,620	249,525,856	246,134,585
Total assets	<u>218,954,590</u>	<u>209,244,512</u>	<u>113,359,038</u>	<u>111,519,900</u>	<u>332,313,628</u>	<u>320,764,412</u>
Long-term liabilities outstanding	55,153,607	47,202,989	7,658,816	7,268,077	62,812,423	54,471,066
Other liabilities	8,454,741	6,991,200	1,983,879	1,696,047	10,438,620	8,687,247
Total liabilities	<u>63,608,348</u>	<u>54,194,189</u>	<u>9,642,695</u>	<u>8,964,124</u>	<u>73,251,043</u>	<u>63,158,313</u>
Net assets:						
Invested in capital assets, net of related debt	119,279,344	126,146,832	68,996,920	58,908,864	188,276,264	185,055,696
Restricted	1,124,540	1,423,908			1,124,540	1,423,908
Unrestricted	34,942,358	27,479,583	34,719,423	43,646,912	69,661,781	71,126,495
Total Net Assets	<u>\$ 155,346,242</u>	<u>\$ 155,050,323</u>	<u>\$ 103,716,343</u>	<u>\$ 102,555,776</u>	<u>\$ 259,062,585</u>	<u>\$ 257,606,099</u>

The City's net assets remained static when compared to the prior fiscal year. Current and other assets increased \$8.2 million while capital assets increased by almost \$3.4 million. Long-term liabilities increased \$7.8 million due to the issuance of bonds.

**GOVERNMENTAL ACTIVITIES**

The City's net assets from governmental activities increased \$295,919. The cost of all governmental activities this fiscal year was \$42.5 million. As shown in the statement of activities, the amount that the taxpayers ultimately financed for these activities was \$31.6 million because some of the cost was paid by those who directly benefited from the programs (\$5.9 million). Operating contributions and grants totaled \$2 million and capital grants and contributions of \$3 million provided capital asset infrastructure by building development. The City paid for the remaining "public benefit" portion of governmental activities with \$28.55 million in taxes (some of which could only be used for certain programs) and with other revenues, such as interest and revenues from other agencies.

***CITY OF EL PASO DE ROBLES***

Management's Discussion and Analysis, continued

Fiscal Year Ended June 30, 2010

The City's programs for governmental activities include general government, public safety, public works, library and recreation services, and community development. The programs for the business type activities include the water and sewer utilities, the airport operations, and transit services.

Total resources available during the year to finance governmental activities consisted of net assets at July 1, 2009 of \$155 million, program revenues of \$10.9 million and general revenues of \$31.9 million. Total expenses for governmental activities during the fiscal year were \$42.5 million.

**BUSINESS TYPE ACTIVITIES**

The City's net assets from business-type activities increased \$1.16 million.

The cost of all Proprietary (business-type) activities this year was \$13.0 million. As shown in the statement of activities, the amounts paid by users of the systems were \$8.3 million, operating contributions and grants were \$2 million, and capital grants and contributions were \$2.7 million. Earnings from uses of money and property were \$1.1 million.

**CITY OF EL PASO DE ROBLES**

Management's Discussion and Analysis, continued

Fiscal Year Ended June 30, 2010

CITY OF EL PASO DE ROBLES CHANGES IN NET ASSETS

	Governmental activities		Business-type activities		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Revenues:						
Program revenues:						
Charges for services	\$ 5,914,820	\$ 4,106,846	\$ 8,332,638	\$ 8,774,818	\$ 14,247,458	\$ 12,881,664
Operating grants and contributions	2,009,355		2,051,606		4,060,961	-
Capital grants and contributions	3,008,669	2,581,818	2,675,879	2,977,958	5,684,548	5,559,776
General revenues:						
Taxes:						
Property taxes	17,723,203	18,423,566	47,918	49,304	17,771,121	18,472,870
Sales tax	5,945,622	6,702,166			5,945,622	6,702,166
Other taxes	4,885,432	5,027,312			4,885,432	5,027,312
Licenses and permits	424,333	432,448			424,333	432,448
From other agencies	328,877	2,610,537		1,384,327	328,877	3,994,864
Investment earnings	1,092,676	1,870,103	1,139,931	1,636,168	2,232,607	3,506,271
Miscellaneous	1,398,201	1,255,776		90,646	1,398,201	1,346,422
Total revenues	42,731,188	43,010,572	14,247,972	14,913,221	56,979,160	57,923,793
Expenses:						
General government	2,961,021	2,664,573			2,961,021	2,664,573
Public safety	13,758,631	14,644,352			13,758,631	14,644,352
Public works	11,747,078	10,372,489			11,747,078	10,372,489
Library and recreation services	2,711,980	4,380,035			2,711,980	4,380,035
Community development	8,811,192	3,812,797			8,811,192	3,812,797
Interest on long term debt	2,548,696	2,389,710			2,548,696	2,389,710
Water operations			5,860,310	5,482,678	5,860,310	5,482,678
Sewer operations			4,964,606	4,374,113	4,964,606	4,374,113
Airport operations			750,705	779,181	750,705	779,181
Transit operations			1,408,455	1,402,596	1,408,455	1,402,596
Total expenses	42,538,598	38,263,956	12,984,076	12,038,568	55,522,674	50,302,524
Increase in net assets before transfers	192,590	4,746,616	1,263,896	2,874,653	1,456,486	7,621,269
Transfers	103,329	127,496	(103,329)	(127,496)		
Increase (decrease) in net assets	295,919	4,874,112	1,160,567	2,747,157	1,456,486	7,621,269
Net assets July 1	155,050,323	150,176,211	102,555,776	99,808,619	257,606,099	249,984,830
Net assets June 30	\$ 155,346,242	\$ 155,050,323	\$ 103,716,343	\$ 102,555,776	\$ 259,062,585	\$ 257,606,099

***CITY OF EL PASO DE ROBLES***

Management's Discussion and Analysis, continued  
Fiscal Year Ended June 30, 2010

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

The fund balance at fiscal year-end for the City's general fund of \$6.9 million is an overall decrease of \$1,459,530 over last year.

The Traffic Mitigation Development fund shows an increase in fund balance of \$2,253,113 from the prior fiscal year.

The Public Facilities Development fund shows an increase in fund balance of \$423,914.

The Highway 101/46 West Community Facilities District has a negative fund balance as a result of property acquisitions for the interchange and road re-alignments in prior fiscal years.

The Measure D GO Bonds debt service fund shows an increase of \$414,518 in fund balance, as a result of tax receipts exceeding debt service obligations.

The Redevelopment Agency debt service fund shows an increase of \$6,223,525 in fund balance from the prior fiscal year resulting from the sale of bonds.

**DEBT ADMINISTRATION**

Debt considered a liability of governmental activities increased in FY 2009-10 by \$8,127,275 due to the sale of bonds and capital lease contract, compensated absences decreased \$34,957, and closure/postclosure liability increased \$160,467. Per capita debt outstanding increased to \$1,904 for FY 2009-10 up from \$1,645 for FY 2008-09.

Debt considered a liability of business-type activities increased in FY 2009-10 by \$541,018 due to capital lease contract. Per capita debt outstanding increased to \$266 for FY 2009-10 up from \$249 for FY 2008-09.

**CITY OF EL PASO DE ROBLES**

Management's Discussion and Analysis, continued  
Fiscal Year Ended June 30, 2010

A schedule of outstanding debt is presented below.

	<b>Balance July 1, 2009</b>	<b>Incurred or Issued</b>	<b>Satisfied or Matured</b>	<b>Balance June 30, 2010</b>
<b>Governmental Activities:</b>				
Leases payable	\$ 4,974,633	\$ 224,508	\$ 366,655	\$ 4,832,486
Compensated absences	2,232,258		34,957	2,197,301
Closure/postclosure liability	1,593,109	160,467		1,753,576
General obligation bonds payable	34,528,500		1,446,088	33,082,412
Redevelopment bonds payable	5,930,000	12,115,000	2,525,000	15,520,000
Total governmental activities	<u>\$ 49,258,500</u>	<u>\$ 12,499,975</u>	<u>\$ 4,372,700</u>	<u>\$ 57,385,775</u>
<b>Business-type Activities:</b>				
Compensated absences	\$ 168,077	\$ 21,324	\$ -	\$ 189,401
Leases payable		\$ 755,875	\$ 41,181	714,694
Revenue bonds payable	7,295,000		195,000	7,100,000
Total business-type activities	<u>\$ 7,463,077</u>	<u>\$ 777,199</u>	<u>\$ 236,181</u>	<u>\$ 8,004,095</u>

**CASH MANAGEMENT**

To obtain flexibility in cash management, the City employs a pooled cash system (reference Note 2 in the notes to the basic financial statements). Under the pooled cash concept, the City invests the cash of all funds with maturities planned to coincide with cash needs. Idle cash is invested in certain eligible securities as constrained by law and further limited by the City's Investment Policy. The goals of the City's Investment Policy are safety, liquidity, and yield.

**CITY OF EL PASO DE ROBLES**

Management's Discussion and Analysis, continued  
Fiscal Year Ended June 30, 2010

**CAPITAL ASSETS**

The capital assets of the City are those assets, which are used in the performance of the City's functions including infrastructure assets. At June 30, 2010, net capital assets of the governmental activities totaled \$170 million and the net capital assets of the business-type activities totaled \$76.6 million. Depreciation on capital assets is recognized in the government-wide financial statements. The City has elected to depreciate its infrastructure assets. In order to depreciate the infrastructure assets, an estimated useful life for each type of asset was determined using engineering standards, as well as discussions with City staff regarding the City's maintenance program for each asset type. This allowed the estimated useful life of each asset type to be tailored to include the unique attributes of the City of El Paso Robles.

The following table presents summary information on the City's capital assets.

	Original Cost	Accumulated Depreciation	Book Value
Capital Assets - Governmental Activities:			
Land, Buildings, Equipment, CIP, and Infrastructure	<u>\$ 229,418,375</u>	<u>\$ 59,333,796</u>	<u>\$ 170,084,579</u>
Capital Assets - Business-type Activities:			
Land, Buildings, Equipment, CIP, and Infrastructure	<u>\$ 123,057,482</u>	<u>\$ 46,462,624</u>	<u>\$ 76,594,858</u>

**CITY OF EL PASO DE ROBLES**

Management's Discussion and Analysis, continued  
Fiscal Year Ended June 30, 2010

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Comparing the FY 10 original budget (or adopted) general fund budget amount of \$28 million to the final budget amount of \$29 million shows a net increase of \$697,600. Included in this figure is \$547,600 in prior year carry forward. City Council approved all budget supplemental changes to the original budget.

Original Budget	+	Supplemental Changes	=	Final Budget
\$ 28,356,500	+	\$ 697,600	=	\$ 29,054,100

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The key assumptions in the general fund revenue forecast for fiscal year 2010-11 were re-visited during the year and the following recommended actions were implemented to deal with the dramatic slowdown of the national and local economy:

- Vacant budgeted positions remain unfilled
- Vacancies from employee attrition remain unfilled unless deemed critical to the operations of the City
- Elimination of temporary or contract employees
- Eliminate annual security contract at Barney Schwartz Park
- Reduce janitorial services by \$200,000 annually in FY2009
- Implementation of City layoff prevention plan including a city-wide hiring freeze
- Elimination of various contractual service within the Public Works department
- Elimination of inter-fund transfers for City Hall development and facility maintenance/repair

The City's year end results of the last ten fiscal years (2001 through 2010) have increased the general fund's fund balance by nearly \$4.2 million. The City's FY 11 budget includes the following recommended actions to deal with the continued slowdown of the national and local economy:

- Implementation of City layoff prevention plan including a city-wide hiring freeze and retirement incentive
- Vacant budgeted positions remain unfilled
- Vacancies from employee attrition remain unfilled unless deemed critical to the operations of the City

## ***CITY OF EL PASO DE ROBLES***

Management's Discussion and Analysis, continued  
Fiscal Year Ended June 30, 2010

- Continue elimination of temporary or contract employees
- Continue elimination of annual security contract at Barney Schwartz Park
- Continue reduction of janitorial services
- Continue Town Centre master plan
- Complete review of all contractual services to evaluate their needs
- Possible revenue enhancements due to increased class fees/library fines/copy charges

### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report, separate reports of the City's component units or need any additional financial information, contact the Office of Administrative Services at 821 Pine Street, Suite A, Paso Robles, California, 93446, phone 805-237-3999 or e-mail [finance@prcity.com](mailto:finance@prcity.com).

# CITY OF EL PASO DE ROBLES



## BASIC FINANCIAL STATEMENTS

## ***STATEMENT OF NET ASSETS AND STATEMENT OF ACTIVITIES***

The Statement of Net Assets and the Statement of Activities statements required by Governmental Accounting Standards Board Statement No. 34 (GASB 34). Their purpose is to summarize the entire City's financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the City's assets and all its liabilities, as well as all its revenues and expenses. This is known as the full accrual basis - the effect of all the City's transactions is taken into account, regardless of whether or when cash changes hands.

The Statement of Net Assets reports the difference between the City's total assets and the City's total liabilities, including all the City's capital assets and all its long-term debt. The Statement of Net Assets presents similar information to the old balance sheet format, but presents it in a way that focuses the reader on the composition of the City's net assets, by subtracting total liabilities from total assets.

The Statement of Net Assets summarizes the financial position of the City's Governmental Activities in a single column, and the financial position of all the City's Business-type Activities in a single column; these columns are followed by a Total column that presents the financial position of the entire City.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects, and Debt Service Funds. The City's Business-type Activities include all its Enterprise Fund activities.

The Statement of Activities reports increases and decreases in the City's net assets. It is also prepared on the full accrual basis, which means it includes all the City's revenues and all its expenses, regardless of when the cash changes hands. This differs from the "modified accrual" basis used in the fund financial statements, which reflect only current assets, current liabilities, available revenues, and measurable expenditures.

The format of the Statement of Activities differs considerably from those prepared in the past. It presents the City's expenses first, listed by program, and follows these with the expenses of its business-type activities. Program revenues - that is, revenues which are generated directly by these programs - are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The City's general revenues are then listed in the Governmental Activities or Business-type Activities column, as appropriate, and the Change in Net Assets is computed and reconciled with the Statement of Net Assets.

Both these Statements include the financial activities of the City and the Redevelopment Agency of the City of El Paso de Robles, which is legally separate but is a component unit of the City because it is controlled by the City, which is financially accountable for the Agency's activities.

CITY OF EL PASO DE ROBLES  
STATEMENT OF NET ASSETS  
JUNE 30, 2010

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 43,262,819	\$ 31,335,198	\$ 74,598,017
Accounts receivable	3,860,339	1,658,317	5,518,656
Interest receivable	435,551		435,551
Inventory		107,428	107,428
Loan contracts receivable	1,982,713		1,982,713
Internal balances	(3,438,191)	3,438,191	
Prepaid expenses	137,117	8,290	145,407
Land	17,788,923	8,389,465	26,178,388
Buildings and improvements	51,004,498	99,611,467	150,615,965
Equipment	7,933,836	4,318,099	12,251,935
Construction in progress	2,288,623	10,738,451	13,027,074
Infrastructure	150,402,495		150,402,495
Accumulated depreciation	(59,333,796)	(46,462,624)	(105,796,420)
Bond issuance deferred charges	2,629,663	216,756	2,846,419
<b>Total Assets</b>	<b>218,954,590</b>	<b>113,359,038</b>	<b>332,313,628</b>
<b>LIABILITIES</b>			
Accounts payable	2,307,570	1,289,493	3,597,063
Accrued payroll expenses	845,020	190,220	1,035,240
Interest payable	969,142	26,491	995,633
Lease contracts payable		140,279	140,279
Customer deposits	204,300	132,396	336,696
Deferred revenue	1,664,814		1,664,814
Prepaid revenues	231,727		231,727
Long term debt			
Due within one year	2,232,168	205,000	2,437,168
Due in more than one year	55,153,607	7,658,816	62,812,423
<b>Total Liabilities</b>	<b>63,608,348</b>	<b>9,642,695</b>	<b>73,251,043</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	119,279,344	68,996,920	188,276,264
Restricted for low and moderate housing	1,124,540		1,124,540
Unrestricted	34,942,358	34,719,423	69,661,781
<b>Total net assets</b>	<b>\$ 155,346,242</b>	<b>\$ 103,716,343</b>	<b>\$ 259,062,585</b>

The notes to the financial statements are an integral part of this statement

CITY OF EL PASO DE ROBLES  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Primary Government		
					Net Governmental Activities	Net Business-type Activities	Total
<b>Governmental Activities:</b>							
General government	\$ 2,961,021	\$ 34,819	\$ -	\$ -	\$ (2,926,202)	\$ -	\$ (2,926,202)
Public safety	13,758,631	531,567	229,641	3,286	(12,994,137)		(12,994,137)
Public works	11,747,078	250,738	1,515,992	1,463,294	(8,517,054)		(8,517,054)
Library and recreation services	2,711,980	696,325	60,774	1,542,089	(412,792)		(412,792)
Community development	8,811,192	4,401,371	202,948		(4,206,873)		(4,206,873)
Interest on long-term debt	2,548,696				(2,548,696)		(2,548,696)
<b>Total Governmental Activities</b>	<b>42,538,598</b>	<b>5,914,820</b>	<b>2,009,355</b>	<b>3,008,669</b>	<b>(31,605,754)</b>		<b>(31,605,754)</b>
<b>Business-type Activities:</b>							
Water operations	5,860,310	3,608,107	100,810	2,519,328		367,935	367,935
Sewer operations	4,964,606	4,535,599	369,705	156,551		97,249	97,249
Airport operations	750,705	34,550	446,598			(269,557)	(269,557)
Transit operations	1,408,455	154,382	1,134,493			(119,580)	(119,580)
<b>Total Business-type Activities</b>	<b>12,984,076</b>	<b>8,332,638</b>	<b>2,051,606</b>	<b>2,675,879</b>		<b>76,047</b>	<b>76,047</b>
<b>Total primary government</b>	<b>\$ 55,522,674</b>	<b>\$ 14,247,458</b>	<b>\$ 4,060,961</b>	<b>\$ 5,684,548</b>	<b>(31,605,754)</b>	<b>76,047</b>	<b>(31,529,707)</b>
<b>General Revenues and Transfers:</b>							
<b>Taxes:</b>							
Property taxes					17,723,203	47,918	17,771,121
Sales taxes					5,945,622		5,945,622
Other taxes					4,885,432		4,885,432
From other agencies					328,877		328,877
Licenses and permits					424,333		424,333
Other					1,398,201		1,398,201
Uses of money and property					1,092,676	1,139,931	2,232,607
Transfers in/(out)					103,329	(103,329)	
<b>Total general revenues and transfers</b>					<b>31,901,673</b>	<b>1,084,520</b>	<b>32,986,193</b>
<b>Change in net assets</b>					<b>295,919</b>	<b>1,160,567</b>	<b>1,456,486</b>
<b>Net assets beginning of fiscal year</b>					<b>155,050,323</b>	<b>102,555,776</b>	<b>257,606,099</b>
<b>Net assets end of fiscal year</b>					<b>\$ 155,346,242</b>	<b>\$ 103,716,343</b>	<b>\$ 259,062,585</b>

The notes to the financial statements are an integral part of this statement

# CITY OF EL PASO DE ROBLES



# FUNDS FINANCIAL STATEMENTS

## ***GOVERNMENTAL FUNDS FINANCIAL STATEMENTS***

GASB 34 revises the format of the Fund Financial Statements so that only individual major funds are presented, while non-major funds are combined in a single column. Major funds are defined generally as having significant activities or balances in the current year. No distinction is made between fund types and the practice of combining like funds and presenting their totals in separate columns (Combined Financial Statements) has been discontinued, along with the use of the General Fixed Assets and General Long-Term Debt Groups of Accounts.

The Governmental funds described below were determined to be Major Funds in the City this fiscal year. Individual non-major funds may be found in the Supplemental section.

### **General Fund**

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

### **Traffic Mitigation Development Fund**

This fund accounts for fees assessed and collected upon the issuance of a City building permit. Funds are used for bridge, road and signal improvements needed to serve new growth.

### **Public Facilities Development Fund**

This fund accounts for fees assessed and collected upon the issuance of a City certificate of occupancy. Funds are used to construct public facilities.

### **Highway 101/46 West Community Facilities District Fund**

The fund accounts for the improvements to the Highway 101/46 West interchange and road re-alignments.

### **Measure D GO Bonds Debt Service Fund**

This fund accounts for long-term debt service transactions relating to a variety of infrastructure projects funded by voter approved Measure D General Obligation Bonds.

### **Redevelopment Agency Debt Service Fund**

This fund accounts for long-term debt service transactions relating to the acquisition and improvements of interim city hall and the repayment of short-term cash advances owed to the City of El Paso de Robles' general fund.

CITY OF EL PASO DE ROBLES  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2010

	General Fund	Traffic Mitigation Development Fund	Public Facilities Development Fund	Hwy 101/46 West Community Facilities District Fund	Measure D GO Bonds Debt Service Fund	Redevelopment Agency Debt Service Fund	Other Governmental Funds	Totals
<b>ASSETS</b>								
Cash and cash equivalents	\$ 3,234,135	\$ 2,553,822	\$ 7,510,289	\$ -	\$ 7,152,832	\$ 8,123,417	\$ 11,830,069	\$ 40,404,564
Cash and investments with fiscal agent						2,220,754	637,501	2,858,255
Accounts receivable	3,305,894				157,337	56,535	340,573	3,860,339
Interest receivable	435,551							435,551
Loan contracts receivable	2,300,586	9,887,764	8,154,214				3,171,923	23,514,487
Prepaid items	39,751					70,000		109,751
Advance receivable		447,972	313,527				238,501	1,000,000
<b>Total Assets</b>	<b>\$ 9,315,917</b>	<b>\$ 12,889,558</b>	<b>\$ 15,978,030</b>	<b>\$ -</b>	<b>\$ 7,310,169</b>	<b>\$ 10,470,706</b>	<b>\$ 16,218,567</b>	<b>\$ 72,182,947</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Accounts payable	\$ 657,412	\$ 247,683	\$ 1,418	\$ -	\$ -	\$ 991,320	\$ 409,737	\$ 2,307,570
Accrued payroll expenses	826,631						18,389	845,020
Compensated absences	50,000							50,000
Deposits due to others	204,300							204,300
Loan contracts payable		3,438,191		9,887,764		9,343,414	2,300,586	24,969,955
Deferred revenues	446,242	1,666,544	313,527				2,221,224	4,647,537
Advance payable							1,000,000	1,000,000
Prepaid revenues	231,727							231,727
<b>Total Liabilities</b>	<b>2,416,312</b>	<b>5,352,418</b>	<b>314,945</b>	<b>9,887,764</b>		<b>10,334,734</b>	<b>5,949,936</b>	<b>34,256,109</b>
<b>Fund Balances:</b>								
<b>Reserved:</b>								
Loan contracts receivable	2,300,586	9,887,764	8,154,214				3,410,424	23,752,988
Prepaid items	39,751					70,000		109,751
Unreserved/Designated			7,508,871					7,508,871
Unreserved/Undesignated	4,559,268	(2,350,624)		(9,887,764)	7,310,169	65,972	6,858,207	6,555,228
<b>Total Fund Balances</b>	<b>6,899,605</b>	<b>7,537,140</b>	<b>15,663,085</b>	<b>(9,887,764)</b>	<b>7,310,169</b>	<b>135,972</b>	<b>10,268,631</b>	<b>37,926,838</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 9,315,917</b>	<b>\$ 12,889,558</b>	<b>\$ 15,978,030</b>	<b>\$ -</b>	<b>\$ 7,310,169</b>	<b>\$ 10,470,706</b>	<b>\$ 16,218,567</b>	<b>\$ 72,182,947</b>

The notes to the financial statements are an integral part of this statement

CITY OF EL PASO DE ROBLES  
GOVERNMENTAL FUNDS  
Reconciliation of the Governmental Funds - Balance Sheet  
to the Statement of Net Assets  
June 30, 2010

Fund balances of governmental funds		\$ 37,926,838
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity		170,084,579
Other post employment benefits prepaid expense		27,366
Deferred revenue		2,982,713
Accrued closure and postclosure costs added to long term debt		(1,753,576)
Bond issuance deferred charges		2,629,663
Interest payable		(969,142)
Lease contracts payable		(1,372,486)
Bonds and certificates of participation payable		(52,062,412)
Compensated absences		<u>(2,147,301)</u>
Net assets of governmental activities		<u><u>\$ 155,346,242</u></u>

The notes to the financial statements are an integral part of this statement

CITY OF EL PASO DE ROBLES  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	General Fund	Traffic Mitigation Development Fund	Public Facilities Development Fund	Highway 101/46 West Community Facilities District Fund	Measure D GO Bonds Debt Service Fund	Redevelopment Agency Debt Service Fund	Other Governmental Funds	Totals
Revenues:								
Taxes	\$ 19,216,915	\$ -	\$ -	\$ -	\$ 3,176,476	\$ 3,856,527	\$ 2,304,339	\$ 28,554,257
Licenses and permits	674,693							674,693
Fines and forfeitures	268,484							268,484
Uses of money and property	392,096	47,155	153,071		135,838	178,063	318,523	1,224,746
From other agencies	1,114,703				33,517		3,553,885	4,702,105
Charges for current services	1,058,916	2,471,698	431,109				369,840	4,331,563
Other	115,695					138,336	1,149,129	1,403,160
<b>Total Revenues</b>	<b>22,841,502</b>	<b>2,518,853</b>	<b>584,180</b>		<b>3,345,831</b>	<b>4,172,926</b>	<b>7,695,716</b>	<b>41,159,008</b>
Expenditures:								
General government	2,311,920		131,091			1,566,742	85,618	4,095,371
Public safety	13,044,352						173,788	13,218,140
Public works	3,993,908	122					1,658,961	5,652,991
Library and recreation services	3,846,527						14,252	3,860,779
Community development	1,109,058			151,876			1,940,469	3,201,403
Interest	56,134			161,706	1,333,711	680,928	167,305	2,399,784
Principal	160,142				1,595,000	205,000	197,231	2,157,373
Paying agent fees					2,602	1,500	2,190	6,292
Bond issue costs						403,734		403,734
Capital outlay	480,736	1,134,793					4,023,188	5,638,717
Fiscal agreements payments						4,418,893		4,418,893
<b>Total Expenditures</b>	<b>25,002,777</b>	<b>1,134,915</b>	<b>131,091</b>	<b>313,582</b>	<b>2,931,313</b>	<b>7,276,797</b>	<b>8,263,002</b>	<b>45,053,477</b>
Excess revenues over (under) expenditures	(2,161,275)	1,383,938	453,089	(313,582)	414,518	(3,103,871)	(567,286)	(3,894,469)
Other financing sources (uses):								
Operating transfers in	1,098,505	869,175					1,779,907	3,747,587
Operating transfers out	(396,760)		(29,175)			(467,604)	(2,750,719)	(3,644,258)
Bond proceeds						12,115,000		12,115,000
Proceeds from capital leases							224,508	224,508
Payments to refunded debt						(2,320,000)		(2,320,000)
<b>Total Other Financing Sources (Uses)</b>	<b>701,745</b>	<b>869,175</b>	<b>(29,175)</b>			<b>9,327,396</b>	<b>(746,304)</b>	<b>10,122,837</b>
<b>Net Change in Fund Balances</b>	<b>(1,459,530)</b>	<b>2,253,113</b>	<b>423,914</b>	<b>(313,582)</b>	<b>414,518</b>	<b>6,223,525</b>	<b>(1,313,590)</b>	<b>6,228,368</b>
Fund Balances - July 1	8,359,135	5,284,027	15,239,171	(9,574,182)	6,895,651	(6,087,553)	11,582,221	31,698,470
Fund Balances - June 30	\$ 6,899,605	\$ 7,537,140	\$ 15,663,085	\$ (9,887,764)	\$ 7,310,169	\$ 135,972	\$ 10,268,631	\$ 37,926,838

The notes to the financial statements are an integral part of this statement

CITY OF EL PASO DE ROBLES  
 GOVERNMENTAL FUNDS  
 Reconciliation of the Net Change in Fund Balances  
 with the Statement of Activities  
 For the Fiscal Year Ended June 30, 2010

Net change in fund balances - total governmental funds \$ 6,228,368

Amounts reported for governmental activities in the statement of activities differs from the amounts reported in the statement of activities because:

Governmental funds report capital outlays as expenditures. However in the statement of activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation on the current fiscal period and the loss on disposal of capital assets during the current fiscal period.

Capital outlay	6,258,624	
Depreciation	(5,341,049)	
Loss on disposal of capital assets	<u>(40,762)</u>	
		876,813

Governmental funds report the affect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount represents the amortization of deferred cost of issuance. (146,270)

In governmentals funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period was: (170,988)

In the statement of activities, compensated absences are measured by the amounts earned during the fiscal year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts paid). This fiscal year, vacation used exceeded the amounts earned by \$34,957. 34,957

In governmental funds, proceeds from debt are recognized as Other Financing Sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in the governmental funds as proceeds from debt were for:

Bonds, net of discounts and issuance costs	(11,711,266)	
Capital leases	<u>(224,508)</u>	
		(11,935,774)

In the statement of activities, the asset for Other Post Employment Benefits is recognized. This does not require the use of current financial resources and is not reported in the governmental funds. (220,703)

Repayment of long-term debt (bond principal, certificates of participation, and capital lease) is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 4,337,743

CITY OF EL PASO DE ROBLES  
 GOVERNMENTAL FUNDS  
 Reconciliation of the Net Change in Fund Balances  
 with the Statement of Activities  
 For the Fiscal Year Ended June 30, 2010

CDBG / RDA increase in loans receivables	452,240
Landfill closure/postclosure reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds	(160,467)
Certain revenues in the governmental funds are deferred because the revenues are not collected within the prescribed time period after fiscal year end. However, the revenues are included on the accrual bases used in the government-wide statements.	<u>1,000,000</u>
Change in net assets of governmental activities	<u>\$ 295,919</u>

The notes to the financial statements are an integral part of this statement

CITY OF EL PASO DE ROBLES  
GOVERNMENTAL FUNDS  
Reconciliation of the Net Change in Fund Balances  
with the Statement of Activities  
For the Fiscal Year Ended June 30, 2010

CDBG / RDA increase in loans receivables	452,240
Landfill closure/postclosure reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds	(160,467)
Certain revenues in the governmental funds are deferred because the revenues are not collected within the prescribed time period after fiscal year end. However, the revenues are included on the accrual bases used in the government-wide statements.	<u>1,000,000</u>
Change in net assets of governmental activities	<u>\$ 295,919</u>

The notes to the financial statements are an integral part of this statement

**CITY OF EL PASO DE ROBLES  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts			Variance with Final Budget Positive/(Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 20,688,100	\$ 20,688,100	\$ 19,216,915	\$ (1,471,185)
Licenses and permits	594,000	594,000	674,693	80,693
Fines and forfeitures	350,900	350,900	268,484	(82,416)
Uses of money and property	415,000	565,000	392,096	(172,904)
From other agencies	2,728,600	2,728,600	1,114,703	(1,613,897)
Charges for current services	1,177,600	1,177,600	1,058,916	(118,684)
Other	90,000	90,000	115,695	25,695
Total Revenues	<u>26,044,200</u>	<u>26,194,200</u>	<u>22,841,502</u>	<u>(3,352,698)</u>
Expenditures:				
Current:				
General government	1,848,300	1,911,100	2,311,920	(400,820)
Public safety	13,408,600	13,411,400	13,044,352	367,048
Public works	4,485,700	4,934,000	3,993,908	940,092
Library & recreation services	4,603,300	4,603,300	3,846,527	756,773
Community development	1,334,800	1,353,300	1,109,058	244,242
Debt service	225,800	225,800	216,276	9,524
Capital outlay	2,450,000	2,615,200	480,736	2,134,464
Total Expenditures	<u>28,356,500</u>	<u>29,054,100</u>	<u>25,002,777</u>	<u>4,051,323</u>
Excess revenues over (under) expenditures	<u>(2,312,300)</u>	<u>(2,859,900)</u>	<u>(2,161,275)</u>	<u>698,625</u>
Other financing sources (uses):				
Operating transfers in	1,045,700	1,048,900	1,098,505	49,605
Operating transfers out	(390,800)	(390,800)	(396,760)	(5,960)
Total other financing sources (uses)	<u>654,900</u>	<u>658,100</u>	<u>701,745</u>	<u>43,645</u>
Excess revenues and other sources over (under) expenditures and other uses	<u>(1,657,400)</u>	<u>(2,201,800)</u>	<u>(1,459,530)</u>	<u>742,270</u>
Fund Balance - July 1	<u>8,359,135</u>	<u>8,359,135</u>	<u>8,359,135</u>	
Fund Balance - June 30	<u>\$ 6,701,735</u>	<u>\$ 6,157,335</u>	<u>\$ 6,899,605</u>	<u>\$ 742,270</u>

The notes to the financial statements are an integral part of this statement

## **PROPRIETARY FUNDS FINANCIAL STATEMENTS**

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

The concept of major funds established by GASB Statement No. 34 extends to Proprietary Funds. The City has identified the funds below as major proprietary funds in the current fiscal year.

GASB Statement No. 34 does not provide for the disclosure of budget versus actual comparisons regarding proprietary funds.

### **Water Operations Fund**

This fund is used to account for the operation and maintenance of the City's water production, transmission, and distribution system, and includes accounting for water connections, Nacimiento water project, and Nacimiento water treatment.

### **Sewer Operations Fund**

This fund is used to account for the operation and maintenance of the City's sewer collection and treatment system.

### **Airport Operations Fund**

This fund is used to account for the operation and maintenance of the City's airport.

### **Transit Operations Fund**

This fund is used to account for the operation and maintenance of the City's dial-a-ride and fixed route transit systems funded from Transportation Development Act funds.

CITY OF EL PASO DE ROBLES  
 PROPRIETARY FUNDS  
 STATEMENT OF FUNDS NET ASSETS  
 JUNE 30, 2010

	Business-type Activities - Enterprise Funds				Totals
	Water Operations	Sewer Operations	Airport Operations	Transit Operations	
<b>ASSETS</b>					
Current Assets:					
Cash and cash equivalents	\$ 23,749,955	\$ 5,103,573	\$ 1,724,835	\$ 957	\$ 30,579,320
Cash and investments with fiscal agent	119,607	614,703	21,568		755,878
Accounts receivable	743,708	486,740	1,024	426,845	1,658,317
Prepaid expenses	8,290				8,290
Inventory	107,428				107,428
Total Current Assets	<u>24,728,988</u>	<u>6,205,016</u>	<u>1,747,427</u>	<u>427,802</u>	<u>33,109,233</u>
Capital Assets:					
Plant, property and equipment	45,078,351	56,102,854	20,664,383	1,211,894	123,057,482
Less accumulated depreciation	17,340,337	20,885,405	7,567,447	669,435	46,462,624
Net Book Value	<u>27,738,014</u>	<u>35,217,449</u>	<u>13,096,936</u>	<u>542,459</u>	<u>76,594,858</u>
Long-term Assets:					
Unamortized bond discount and issue costs		216,756			216,756
Loans receivable - non current portion		3,438,191			3,438,191
Total Long-term Assets		<u>3,654,947</u>			<u>3,654,947</u>
Total Assets	<u>\$ 52,467,002</u>	<u>\$ 45,077,412</u>	<u>\$ 14,844,363</u>	<u>\$ 970,261</u>	<u>\$ 113,359,038</u>

The notes to the financial statement are an integral part of this statement

**CITY OF EL PASO DE ROBLES  
 PROPRIETARY FUNDS  
 STATEMENT OF FUNDS NET ASSETS  
 JUNE 30, 2010**

	Business-type Activities - Enterprise Funds				Totals
	Water Operations	Sewer Operations	Airport Operations	Transit Operations	
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts payable	\$ 285,492	\$ 548,548	\$ 374,807	\$ 80,646	\$ 1,289,493
Accrued payroll expenses	98,218	76,312	9,384	6,306	190,220
Accrued interest expense		26,491			26,491
Lease contract payable	22,197	114,079	4,003		140,279
Customer deposits	128,163	4,233			132,396
Bond principal payable - current portion		205,000			205,000
Total Current Liabilities	<u>534,070</u>	<u>974,663</u>	<u>388,194</u>	<u>86,952</u>	<u>1,983,879</u>
Long-term Liabilities:					
Compensated absences	92,326	81,146	14,209	1,720	189,401
Lease contracts payable, net - less current portion	90,893	467,132	16,390		574,415
Bond principal payable, net - less current portion		6,895,000			6,895,000
Total Long-term Liabilities	<u>183,219</u>	<u>7,443,278</u>	<u>30,599</u>	<u>1,720</u>	<u>7,658,816</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	27,624,924	27,752,994	13,076,543	542,459	68,996,920
Unrestricted	24,124,789	8,906,477	1,349,027	339,130	34,719,423
Total Net Assets	<u>\$ 51,749,713</u>	<u>\$ 36,659,471</u>	<u>\$ 14,425,570</u>	<u>\$ 881,589</u>	<u>\$ 103,716,343</u>

The notes to the financial statements are an integral part of this statement

**CITY OF EL PASO DE ROBLES  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUNDS NET ASSETS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Business-type Activities - Enterprise Funds				
	Water Operations	Sewer Operations	Airport Operations	Transit Operations	Totals
Operating Revenues:					
Charges for current services	\$ 3,603,052	\$ 4,535,599	\$ 34,550	\$ 154,382	\$ 8,327,583
Rents and leases			453,784		453,784
Other	5,055				5,055
<b>Total operating revenues</b>	<b>3,608,107</b>	<b>4,535,599</b>	<b>488,334</b>	<b>154,382</b>	<b>8,786,422</b>
Operating expenses:					
Maintenance, operations, and administration	4,792,853	3,247,229	408,877	1,072,514	9,521,473
Depreciation and amortization	1,067,457	1,377,291	341,828	137,741	2,924,317
<b>Total operating expenses</b>	<b>5,860,310</b>	<b>4,624,520</b>	<b>750,705</b>	<b>1,210,255</b>	<b>12,445,790</b>
Operating income (loss)	(2,252,203)	(88,921)	(262,371)	(1,055,873)	(3,659,368)
Non-operating revenues (expenses):					
Taxes			47,918		47,918
Revenues from other agencies	100,810	369,705	446,598	1,134,493	2,051,606
Interest revenue	534,913	113,757	36,043	249	684,962
Gain/(loss) on disposal of capital assets	1,185	(10,566)			(9,381)
Contributions to other agencies				(198,200)	(198,200)
Interest expense		(329,520)			(329,520)
<b>Total non-operating revenues (expenses)</b>	<b>636,908</b>	<b>143,376</b>	<b>530,559</b>	<b>936,542</b>	<b>2,247,385</b>
Income before transfers and capital contributions	(1,615,295)	54,455	268,188	(119,331)	(1,411,983)
Transfers out	(64,233)	(343,136)			(407,369)
Transfers in	304,040				304,040
Capital contribution - Nacimiento project	2,189,012				2,189,012
Capital contribution - Nacimiento water treatment	31,874				31,874
Connection fees	298,442	156,551			454,993
<b>Change in net assets</b>	<b>1,143,840</b>	<b>(132,130)</b>	<b>268,188</b>	<b>(119,331)</b>	<b>1,160,567</b>
Total net assets - July 1	50,605,873	36,791,601	14,157,382	1,000,920	102,555,776
Total net assets - June 30	<b>\$ 51,749,713</b>	<b>\$ 36,659,471</b>	<b>\$ 14,425,570</b>	<b>\$ 881,589</b>	<b>\$ 103,716,343</b>

The notes to the financial statements are an integral part of this statement

**CITY OF EL PASO DE ROBLES  
COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Business-type Activities - Enterprise Funds				
	Water Operations	Sewer Operations	Airport Operations	Transit Operations	Totals
<b>Cash Flows from Operating Activities:</b>					
Receipts from customers and users	\$ 3,565,984	\$ 4,912,578	\$ 518,034	\$ 154,881	\$ 9,151,477
Payments to suppliers	(2,965,188)	(2,044,365)	129,540	(954,994)	(5,835,007)
Payments to employees	(1,929,555)	(1,467,283)	(190,891)	(114,516)	(3,702,245)
Net cash provided (used) by operating activities	<u>(1,328,759)</u>	<u>1,400,930</u>	<u>456,683</u>	<u>(914,629)</u>	<u>(385,775)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Revenues from other agencies	100,810	369,705	446,598	946,323	1,863,436
Acquisitions of capital assets	(835,815)	(3,233,646)	(808,700)	(88,139)	(4,966,300)
Loan/lease principal paid		(195,000)			(195,000)
Interest paid on long term debt		(329,520)			(329,520)
Lease contract proceeds	119,606	614,701	21,568		755,875
Lease contract paid	(6,516)	(33,490)	(1,175)		
Contributed capital received	2,519,328	156,551			2,675,879
Gain/(loss) on disposal of capital assets	1,185				1,185
Net cash provided (used) by capital and related financing activities	<u>1,898,598</u>	<u>(2,650,699)</u>	<u>(341,709)</u>	<u>858,184</u>	<u>(194,445)</u>
<b>Cash Flows from Non-capital and Related Financing Activities:</b>					
Operating transfers in/(out)	239,807	(343,136)			(103,329)
Taxes			47,918		47,918
Contributions to others				(198,200)	(198,200)
Net cash provided (used) by non-capital financing sources	<u>239,807</u>	<u>(343,136)</u>	<u>47,918</u>	<u>(198,200)</u>	<u>(253,611)</u>
<b>Cash Flows from Investing Activities:</b>					
Interest on investments	534,913	113,757	36,043	249	684,962
Loan contract receivable		1,248,224			1,248,224
Net cash provided by investing financing activities	<u>534,913</u>	<u>1,361,981</u>	<u>36,043</u>	<u>249</u>	<u>1,933,186</u>
Net increase (decrease) in cash and cash equivalents	1,344,559	(230,924)	198,935	(254,396)	1,099,355
Cash and cash equivalents at beginning of year	22,525,003	5,949,200	1,547,468	255,353	30,277,024
Cash and cash equivalents at end of year	<u>\$ 23,869,562</u>	<u>\$ 5,718,276</u>	<u>\$ 1,746,403</u>	<u>\$ 957</u>	<u>\$ 31,376,379</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) in Operating Activities:</b>					
Operating income (loss)	\$ (2,252,203)	\$ (88,921)	\$ (262,371)	\$ (1,055,873)	\$ (3,659,368)
Adjustments to reconcile net operating income (loss)					
Add depreciation and amortization	1,067,457	1,377,291	341,828	137,741	2,924,317
Change in operating assets and liabilities:					
(Increase) decrease in accounts receivable	(52,716)	376,979	29,700		353,963
(Increase) decrease in inventory	(38,960)				(38,960)
Increase (decrease) in accounts payable	(66,842)	(275,871)	350,255	1,354	8,896
Increase in accrued payroll expenses	(9,830)	2,631	(1,269)	1,430	(7,038)
Increase (decrease) in compensated absences	13,742	8,821	(1,460)	220	21,323
Increase (decrease) in customer deposits	10,593			499	11,092
Net cash provided (used) by operating activities	<u>\$ (1,328,759)</u>	<u>\$ 1,400,930</u>	<u>\$ 456,683</u>	<u>\$ (914,629)</u>	<u>\$ (385,775)</u>

The notes to the financial statements are an integral part of this statement

*FIDUCIARY FUNDS*

Funds held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs.

**CITY OF EL PASO DE ROBLES  
 FIDUCIARY FUNDS  
 STATEMENT OF ASSETS AND LIABILITIES  
 JUNE 30, 2010**

		Agency Funds
<b>Assets</b>		
Cash and investments	\$	1,100,789
Accounts receivable		57,490
Total Assets		1,158,279
<b>Liabilities</b>		
Accounts payable	\$	29,154
Accrued salaries and benefits payable		5,834
Customer deposits		660,515
Due to others		462,776
Total Liabilities	\$	1,158,279

The notes to the financial statements are an integral part of this statement

***CITY OF EL PASO DE ROBLES***

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June 30, 2010

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## ***CITY OF EL PASO DE ROBLES***

Notes to the Basic Financial Statements  
June 30, 2010

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Description of the Reporting Entity**

The accompanying comprehensive annual financial report includes the financial activities of the City of El Paso De Robles, and its component units, the Paso Robles Redevelopment Agency (Agency) and the El Paso de Robles Public Financing Authority (Authority). The financial activities of the foregoing entities have been aggregated and merged (termed "blending") with those of the City in the accompanying financial statements, as each meets the criteria for inclusion as set forth in Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 39.

The City of El Paso de Robles was incorporated in 1889, and operates under the State of California City Council-Manager form of government. The governing body consists of a five member City Council elected at large by voters of the City. The City provides the following services: Public Safety (Police and Fire), Library and Recreation Services, Planning and Zoning, Public Works (Streets and Roads), Public Improvements, Water, Sewer, Airport Operations, Public Transportation (Transit Services), and General Administrative Services.

The City Council members, in separate session, serve as the governing board of the Agency and the Authority and, as such, these entities are presented as blended component units. Separate financial statements are produced only for the Redevelopment Agency component unit of the City and may be obtained from the City's Administrative Services office.

The Agency was organized in August 1986, pursuant to the State of California Health and Safety Code, Section 33000, entitled "Community Redevelopment Law". At the same time, the City Council became the governing board. The Final Report, Redevelopment Plan, and Agency boundaries were adopted on November 19, 1987. Although it is legally separate from the City, the Agency is reported as if it were part of the primary government because its sole purpose is redevelopment, rehabilitation, and the revitalization of the redevelopment project area within the City's jurisdictional boundaries. City staff provides management assistance to the Agency. The funds of the Agency have been included in the Governmental Activities in the financial statements.

The Authority was formed by the City as a conduit for long-term debt financing and is governed by the City Council. The Authority exists and acts as a separate public entity and has the power to acquire, purchase, construct, finance, lease, and/or sell public facilities and appurtenances necessary or convenient for the public purposes of the City. The Authority has no assets of its own. All capital assets acquired by the City under the Authority are included in the financial statements.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard setting body for governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

## ***CITY OF EL PASO DE ROBLES***

Notes to the Basic Financial Statements  
June 30, 2010

### **B. Basis of Presentation**

The City's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

Government-Wide Financial Statements: The Statement of Net Assets and a Statement of Activities. These statements present summaries of Governmental and Business-type Activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These statements are presented on an economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the City are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, those transactions between governmental and business-type activities have not been eliminated.

The City applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect) as well as the following pronouncements issued on or before November 30, 1989, to the business type activities, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure. The City applies all applicable FASB Statements and Interpretations issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements.

Funds Financial Statements: Governmental Funds Financial Statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of funds financial statements is on major individual funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

## ***CITY OF EL PASO DE ROBLES***

Notes to the Basic Financial Statements  
June 30, 2010

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

### **C. Major Funds**

The City reported the following major governmental funds in the accompanying financial statements:

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

Traffic Mitigation Development Fund accounts for fees assessed and collected upon the issuance of a City building permit. Funds are used for bridge, road and signal improvements needed to serve new growth.

Public Facilities Development Fund accounts for fees assessed and collected upon the issuance of a City certificate of occupancy. Funds are used to construct public facilities.

Highway 101/46 West Community Facilities District Fund accounts for the improvements to the Highway 101/46 West interchange and road re-alignments.

Measure D GO Bond Debt Service Fund is to account for property tax revenues generated from the general obligation bond tax override approved by the voters and the expenditure of said funds for payment of bond principal and interest.

Redevelopment Agency Debt Service Fund is used to account for the collection property tax increment and payment of debt authorized by the Agency's Board.

The City reported all its enterprise funds as major proprietary funds in the accompanying financial statements:

Water Operations Fund is used to account for the operation and maintenance of the City's water production, transmission, and distribution system necessary to provide water service to the residents of the City.

Sewer Operations Fund is used to account for the operation and maintenance of the City's sewer collection and treatment system necessary to provide sewer services to the residents of the City.

Airport Operations Fund is used to account for the operation and maintenance activities of the City's airport.

Transit Operations Fund is used to account for the operation and maintenance activities of the City's transit system including both demand response and fixed route services as well as funding contributions to the regional transit system.

## ***CITY OF EL PASO DE ROBLES***

Notes to the Basic Financial Statements

June 30, 2010

The City also reports the following fund types:

Fiduciary Funds - Fiduciary Funds Financial Statements include a Statement of Net Assets. The City's Fiduciary Funds represent Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and /or other funds. Included in this category are the following four funds: 1) to account for funds received and expended by the Senior Advisory Committee, 2) to account for funds to provide scholarships to graduated local high school students who undertake courses in the medical field, scholarships are awarded by the Paso Robles High School District, 3) deposits from customers to be refunded when performance criteria is met or applied against future amounts due to the City from the customer and 4) to account for funds received and expended by the Tourism and Lodging Business Improvement District.

### **D. Basis of Accounting**

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after fiscal year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Other revenues susceptible to accrual include other taxes, intergovernmental revenues, interest, and charges for services. Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net assets may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary. Certain indirect costs are included in program expenses reported for individual functions and activities.

## ***CITY OF EL PASO DE ROBLES***

Notes to the Basic Financial Statements  
June 30, 2010

### **E. Budgeting and Budgetary Accounting**

The City prepares a four-year financial plan that contains appropriations for two full fiscal years. During the second year of the two-year budget/four year financial plan, a new two-year budget is developed and two additional years are added to the four-year financial plan. The process for updating the two-year budget/four year financial plan is generally described as follows:

Administrative Services prepares base budget schedules consisting of maintenance and operations, personnel services, operating capital, revenue estimating forms and forms for submitting budgetary requests for new and/or expanded services, as well as requests for operating capital not already provided for on various pre-authorized replacement schedules. These schedules are distributed to all executive managers for affirmation and/or completion. Upon affirmation and return of new request forms, Administrative Services compiles and publishes the draft budget. Executive managers meet to review the draft budget and prepare specific recommendations to balance the budget should resources not cover budgetary requests. The draft budget and executive manager recommendations are then reviewed by the Council's "ad hoc budget committee" made up of two Councilpersons. Final budget recommendations are developed and are presented to the full Council at a public workshop, followed by a public hearing, and then formal budget adoption in June. The budget preparation, review, and approval process takes place in the context of and with the objective of addressing the goals established by Council during a goal setting workshop held just prior to the process noted above.

This approved budget covers substantially all City expenditures including re-budgeted items. All appropriated amounts are as originally adopted or as amended by the City Council and lapse at fiscal year-end. The City Manager is authorized to transfer budgeted amounts between objects within departments. Transfers of appropriations between departments and funds may be made only by the City Council. Total departmental expenditures in excess of the total departmental budgeted amounts are discouraged and executive managers are held accountable accordingly. Formal budgetary integration is employed as a management control tool during the fiscal year for all funds including enterprise funds. All budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

### **F. Compensated Absences**

It is the City's policy to record the cost of annual vacation, compensatory time, and fringe benefits as earned in accordance with the Governmental Accounting Standards Board Statement No. 16, "Accounting for Compensated Absences". Accumulated unpaid vacation leave is accrued when incurred in the proprietary funds. Only the current portion of the unpaid vacation leave is accrued in the governmental funds. The long-term portion of the unpaid vacation leave is reported in the Government-wide Financial Statements. Employees may accumulate sick leave without limitation as to the number of hours of accumulation. Employees are paid 100% of their accumulated vacation pay when they terminate their employment for any reason. Accumulated sick pay under no circumstances is paid to employees at any time and thus is not recorded as a liability of the City.

## ***CITY OF EL PASO DE ROBLES***

Notes to the Basic Financial Statements  
June 30, 2010

### **G. Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, the City considered all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All cash and investments of the proprietary fund types are pooled with the City's pooled cash and investments.

### **H. Inventories and Prepaid Items**

Inventory is recorded using the purchases method and cost is recorded as an expenditure at the time individual inventory items are purchased. Inventory held in the Water Department is valued at cost using the first in, first out (FIFO) inventory method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

### **I. Property Taxes**

Property taxes are assessed, collected, and allocated by the County of San Luis Obispo throughout the fiscal year according to the following property tax calendar:

Lien Date	January 1
Levy Date	July 1 to June 30
Due Date - Secured Taxes	November 1, 1 <sup>st</sup> installment, March 1, 2 <sup>nd</sup> installment
Collection Date - Secured Taxes	December 10, 1 <sup>st</sup> installment, April 10, 2 <sup>nd</sup> installment
Due Date - Unsecured Taxes	June 30
Collection Date - Unsecured Taxes	August 31

Under California law, property taxes are assessed and collected by counties up to 1 percent of assessed value, plus other increases approved by the voters. Under Proposition 13, adopted by the voters in a statewide ballot in 1978, assessed valuation is increased annually by a cost of living index not to exceed 2% except for those properties that changed ownership during the twelve month period since the lien date. In these cases, the property is re-assessed at current value. The property taxes go into a pool, and are then allocated to the cities based on a complex formula prescribed by state statute. Accordingly, the City of El Paso de Robles recognizes property tax revenues when it becomes both measurable and available to finance expenditures of the current period.

Beginning with fiscal year 1993-94, the County of San Luis Obispo, for those taxing agencies desirous of participating on a volunteer basis, converted the property tax collection and distribution system to the "Teeter Plan". The City of El Paso de Robles chose to participate in the "Teeter Plan" wherein the City receives 100% of the property tax levy during the fiscal year without deduction for property tax payment delinquencies. Accordingly, the County of San Luis Obispo keeps all property tax penalties collected.

## ***CITY OF EL PASO DE ROBLES***

Notes to the Basic Financial Statements  
June 30, 2010

### **J. Use of Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the American Institute of Certified Public Accountants, require management to make assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

### **K. Receivables and Payables**

Activity between funds that is representative of lending/borrowing arrangements outstanding at fiscal year-end are referred to as "due to/due from other funds". In some cases, "due to/due from other funds" represent the short-term transfer of cash resources at fiscal year-end to eliminate negative cash balances that are temporary in nature. Cash resources have been loaned from one fund to another to provide resources to prepare a "specific plan", a planning/development tool, until fees generated from the specific plan area repay the loan.

Proprietary fund receivables are shown net of any allowance for uncollectible accounts. Utility customers are billed monthly. The value of services provided, and billed at fiscal year-end has been included in the accompanying financial statements.

### **L. Use of Restricted/Unrestricted Net Assets**

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the City's policy is to apply restricted net assets first.

### **M. New Accounting Pronouncements**

Governmental Accounting Standards Board Statement No. 51

In June 2007, the GASB issued Statement No. 51, Accounting and Financial Reporting for Intangible Assets. This Statement establishes accounting and financial reporting standards for many different types of assets that may be considered intangible assets, including easements, water rights, timber rights, patents, trademarks, and computer software. Implementation of GASB Statement No. 51, did not have an impact on the City's financial statements for the fiscal year ended June 30, 2010.

Governmental Accounting Standards Board Statement No. 53

In June 2008, the GASB issued Statement No. 53, Accounting and Financial Reporting for Derivative Instruments. This Statement is intended to improve how state and local governments report information about derivative instruments financial arrangements used by governments to manage specific risks or make investments - in their financial statements. The Statement specifically requires

## ***CITY OF EL PASO DE ROBLES***

Notes to the Basic Financial Statements  
June 30, 2010

governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting. The guidance in this Statement also addresses hedge accounting requirements. Implementation of GASB Statement No. 53, did not have an impact on the City's financial statements for the fiscal year ended June 30, 2010.

### Governmental Accounting Standards Board Statement No. 57

For the fiscal year ended June 30, 2010, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. The Statement is effective December 2009. This Statement amends Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." The requirements in the Statement allow more agent employers to use the alternative measurement method to produce actuarially based information for purposes of financial reporting. As a result of this change, the cost of compliance with the requirements of Statement No. 45 for eligible agent employers may be reduced while achieving an appropriate balance between the goals of reliable measurement of reported information and reasonable cost. Implementation of the GASB Statement No. 57, did not have an impact on the City's financial statements for the fiscal year ended June 30, 2010.

### Governmental Accounting Standards Board Statement No. 58

In December 2009, the GASB issued Statement No. 58, Accounting and Financial Reporting for Chapter 9 Bankruptcies. The objective of this Statement is to provide accounting and financial reporting guidance for governments that have petitioned for protection from creditor by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. Implementation of GASB Statement No. 58, did not have an impact on City's financial statements for the fiscal year ended June 30, 2010.

## **NOTE 2 - CASH AND INVESTMENTS**

### **A. Investment Policy**

Cash balances from all funds are combined and invested pursuant to the Council's adopted Investment Policy and State Government Code Section 53647. Authorized investments include securities of the United States Government or its agencies, certificates of deposit, the State of California Local Agency Investment Fund (LAIF), bankers' acceptances, negotiable certificates of deposit, and repurchase agreements. The earnings from these investments are allocated monthly to each fund based upon the closing balance of each fund at month end. All enterprise fund investments are considered to be liquid investments for cash flow and reporting purposes. Funds held by outside fiscal agents under the provisions of bond indentures that are maintained separately and interest income earned on said funds are credited directly to the bond fund or reported as if the interest was credited directly to said funds.

## ***CITY OF EL PASO DE ROBLES***

Notes to the Basic Financial Statements  
June 30, 2010

The City uses the yield on the Local Agency Investment Fund, an investment pool managed by the State of California Treasurer's Office for evaluating investment performance. The average monthly effective yield for LAIF for June 2010 was 0.528% while the apportioned rate for the quarter ending June 30, 2010 was 0.56%. For the month ended June 30, 2010, the City recognized a weighted average daily rate of return of 1.659%. At no time during the fiscal year did the City borrow funds through the use of reverse purchase agreements.

The table below identifies the investment types that are specifically authorized by the City's investment policy and also identifies certain provisions of the City's investment policy that addresses interest rate risk and concentration of credit risk per GASB Statement No. 40. It does not address investments of debt proceeds held by bond trustee that are governed by the provisions of the debt agreement between the City and trustee. Any investment type not listed is either prohibited by California Government Code, prohibited by the City's investment policy, or not specifically addressed by the City's investment policy.

<u>Investment Types Authorized by Law</u>	<u>Maximum Maturity</u>	<u>Maximum % of Portfolio</u>	<u>Maximum in One Issuer</u>
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Notes	7 years**	None	None
U.S. Agency Mortgaged Backed Securities	7 years**	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	180 days	None	None
Corporate Notes	5 years	20%	\$1 Million
Certificates of Deposit	5 years	None	None
Collateralized Certificates of Deposit	5 years	None	None
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	90 days	None	None
Local Agency Investment Fund (LAIF)	None	None	None

\*\*Only 15% of the aggregate total of 60% may be invested between 5 and 7 years.

### **B. Collateral and Categorization Requirements**

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus collateral for cash deposits is considered to be held in the City's

**CITY OF EL PASO DE ROBLES**

Notes to the Basic Financial Statements  
June 30, 2010

name. The fair value of the pledged securities must equal at least 110% of the City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The collateral for certificates of deposit is generally held in safekeeping by the Federal Home Loan Bank in San Francisco as the third-party trustee. The securities are physically held in an undivided pool for all California public agency depositors. The State Public Administrative Office for public agencies and the Federal Home Loan Bank maintains detailed records of the security pool that are coordinated and updated weekly. The City Treasurer, at his discretion, may waive the collateralization requirement for deposits that are insured up to \$250,000 by the Federal Deposit Insurance Corporation and in fact has waived the collateralization requirement for all deposits held by financial institutions at June 30, 2010.

**C. Disclosures Relating to Interest Risk**

Per GASB Statement No. 40, interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity. For purposes of the table shown below, any callable securities are assumed to be held to maturity.

	<u>Remaining Maturity (in months)</u>			
	<u>12 Months Or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>	<u>More Than 60 Months</u>
U.S. Agency Notes	\$ 36,422,440	\$ -	\$ 3,017,320	\$ 33,405,120
U.S. Agency Mortgaged Backed Securities	5,921,568	1,408,968	798,428	3,714,172
Corporate Notes	1,022,940		1,022,940	
Certificates of Deposit	2,181,000	1,232,000	949,000	
Local Agency Investment Fund (LAIF)	24,540,709	24,540,709		
Held by Bond Trustee:				
Money Market Funds	3,614,127	3,614,127		
	<u>\$ 73,702,784</u>	<u>\$ 30,795,804</u>	<u>\$ 5,787,688</u>	<u>\$ 37,119,292</u>
				<u>\$ -</u>

**CITY OF EL PASO DE ROBLES**

Notes to the Basic Financial Statements  
June 30, 2010

**D. Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations**

The City's investments did not include any investments that are highly sensitive to interest rate fluctuations (to a degree than already indicated in the information provided above).

**E. Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year end for the each investment type.

		Minimum Legal Rating	Exempt From Disclosure	Ratings as of Year End		
				AAA	AA	Not Rated
U.S. Agency Notes	\$ 36,422,440	N/A	\$ -	\$ 36,422,440	\$ -	\$ -
U.S. Agency Mortgaged Backed Securities	5,921,568	N/A		5,921,568		
Corporate Notes	1,022,940	A			1,022,940	
Certificates of Deposit	2,181,000	N/A				2,181,000
Local Agency Investment Fund (LAIF)	24,540,709	N/A				24,540,709
Held by Bond Trustee:						
Money Market Funds	3,614,127					3,614,127
	<u>\$ 73,702,784</u>			<u>\$ -</u>	<u>\$ 42,344,008</u>	<u>\$ 30,335,836</u>

**F. Concentrations of Credit Risk**

The investment policy of the City contains limitations that are, in some cases, more restrictive than those stipulated by the California Government Code. In some cases, the investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities and external investment pools) that represent 5% or more of the total City investments are as follows:

Issuer	Investment Type	Reported Amount
Federal Home Loan Bank	Federal agency securities	\$ 7,296,811
Federal Home Loan Mortgage Association	Federal agency securities	13,770,109
Federal National Mortgage Association	Federal agency securities	21,277,088

**CITY OF EL PASO DE ROBLES**

Notes to the Basic Financial Statements  
June 30, 2010

**G. 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 City'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 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 fair 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 City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As part of the Federal effort to strengthen the collapsing financial markets, the Federal Deposit Insurance Corporation (FDIC) raised their insured limit from \$100,000 to \$250,000. As of June 30, 2010, the City had no deposits or investments exceeding the FDIC insured limit.

**H. Cash and Investments**

The carrying amount of the City's cash and deposits was \$1,990,723 at June 30, 2010. Cash on hand was \$5,300 and bank balances, before reconciling items, were \$1,956,321 at June 30, 2010. At June 30, 2010, the difference between the City's bank accounts and the carrying amount is due to the normal deposits in transit and outstanding checks.

The City's total cash and investments are reported as follows:

Governmental activities	\$43,262,819
Business activities	31,335,198
Fiduciary funds	<u>1,100,789</u>
Total Cash and Investments	<u>\$75,698,807</u>

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments or Agency agreements:

Available for operations	\$70,983,885
With fiscal agent	3,614,133
Fiduciary funds	<u>1,100,789</u>
Total Cash and Investments	<u>\$75,698,807</u>

## ***CITY OF EL PASO DE ROBLES***

Notes to the Basic Financial Statements  
June 30, 2010

### **I. Marking Investments to Fair Value (GASB 31)**

Governmental Accounting Standards Board Statement No. 31 requires that the City's investments be carried at fair value instead of cost. The City must adjust the carrying value (book) of its investments to reflect their fair value at each fiscal year end, and it must include the effects of these adjustments in income for that fiscal year.

GASB 31 applies to all the City's investments, even if they are held to maturity and redeemed at full face value. Since the City holds all investments until maturity or until fair value equals or exceeds cost, the fair value adjustments required by GASB 31 result in accounting gains or losses (called "recognized or "unrealized" gains or losses) which do not reflect actual sales of the investments (called "realized" gains or losses). Thus, recognized gains or losses on an investment purchased at par will now reflect changes in value at each succeeding fiscal year-end, but these recognized gains or losses will net to zero if the investment is held to maturity. By following GASB 31, the City is reporting the amount of available resources that would actually have been available if it had been required to liquidate all its investments at any fiscal year-end. The fair value is provided by Union Bank N.A., the City's safekeeping custodial institution.

### **J. State Investment Pool**

LAIF is a special fund of the California State Treasury through which local governments can pool investments. Each governmental agency may invest up to \$40,000,000 for each account in the fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-hours without loss of interest or principal. The full faith and credit of the State of California secure investments in LAIF.

At June 30, 2010, the account in the name of the City held \$24,540,272 on deposit while the Redevelopment Agency held \$437 on deposit.

### **NOTE 3 - CAPITAL ASSETS**

The Governmental Accounting Standards Board (GASB) issued Statement No. 34 that requires the inclusion of capital assets including infrastructure capital assets in the local governments' basic financial statements. Infrastructure assets include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems.

All capital assets including infrastructure are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair value on the date contributed. The City's policy is to capitalize all assets with costs exceeding certain minimum thresholds, \$5,000 for machinery and equipment and \$25,000 for buildings, improvements, and infrastructure, all with useful lives exceeding two years.

***CITY OF EL PASO DE ROBLES***

Notes to the Basic Financial Statements

June 30, 2010

For all infrastructure systems, the City elected to use the Basic Approach as defined by GASB Statement No. 34 for infrastructure reporting. The City commissioned an appraisal of City owned infrastructure and property as of June 30, 2002 and has completed an internal update for June 30, 2010. This appraisal determined the original cost, which is defined as the actual cost to acquire new property in accordance with market prices at the time of first construction/acquisition. When actual cost information was not available, current replacement cost was estimated and trended back to the date of acquisition by using either the Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers, Los Angeles-Riverside-Orange County, not seasonally adjusted for all items, or the Construction Cost Index compiled by Engineering News Record (ENR), revised in June 2002. The Consumer Price Index was used for traffic signals and streetlights. The Construction Cost Index was used for all other infrastructure assets. The book value was then computed by deducting the accumulated depreciation from the original cost.

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the useful life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets. GASB Statement No. 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives.

Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The City has assigned the useful lives listed below to capital assets:

Pavement	25 years
Curbs and gutters	50 years
Sidewalks	50 years
Medians	25 years
Bridges	75 years
Traffic signals	20 years
Streetlights	50 years
Storm drain systems	50 years
Off-road trails	20 years
Playground equipment	15 years
Governmental buildings	50 years

**CITY OF EL PASO DE ROBLES**  
Notes to the Basic Financial Statements  
June 30, 2010

Capital Assets of the City for the fiscal year ended June 30, 2010, consisted of the following:

	Balance June 30, 2010	Increases	Decreases	Balance June 30, 2010
<b>Governmental Activities:</b>				
Land	\$ 16,287,573	\$ 1,501,350	\$ -	\$ 17,788,923
Buildings and improvements	47,945,236	3,080,192	20,930	51,004,498
Equipment	7,679,461	314,435	60,060	7,933,836
Infrastructure and CIP Infrastructure	147,134,921	4,730,471	1,462,897	150,402,495
Construction in progress	4,217,568	1,084,605	3,013,550	2,288,623
Less accumulated depreciation	(54,056,993)	(5,341,049)	(64,246)	(59,333,796)
<b>Governmental activity capital assets, net</b>	<b>\$ 169,207,766</b>	<b>\$ 5,370,004</b>	<b>\$ 4,493,191</b>	<b>\$ 170,084,579</b>

**CITY OF EL PASO DE ROBLES**  
Notes to the Basic Financial Statements  
June 30, 2010

	Balance June 30, 2009	Increases	Decreases	Balance June 30, 2010
<b>Business-type Activities:</b>				
<b>Water</b>				
Buildings	\$ 817,782	\$ -	\$ -	\$ 817,782
Improvements other than buildings	36,128,286	374,502		36,502,788
Equipment	1,459,941		146,696	1,313,245
Construction in progress	5,983,222	461,314		6,444,536
Less accumulated depreciation	(16,419,576)	(1,067,457)	(146,696)	(17,340,337)
<b>Water activities capital assets, net</b>	<b>\$ 27,969,655</b>	<b>\$ (231,641)</b>	<b>\$ -</b>	<b>\$ 27,738,014</b>
<b>Sewer</b>				
Land	\$ 559,050	\$ -	\$ -	\$ 559,050
Buildings	688,338			688,338
Improvements other than buildings	40,033,894	9,791,264		49,825,158
Equipment	1,812,362	128,946	331,389	1,609,919
Construction in progress	10,084,924	3,126,862	9,791,397	3,420,389
Less accumulated depreciation	(19,815,728)	(1,367,439)	(297,762)	(20,885,405)
<b>Sewer activities capital assets, net</b>	<b>\$ 33,362,840</b>	<b>\$ 11,679,633</b>	<b>\$ 9,825,024</b>	<b>\$ 35,217,449</b>
<b>Airport</b>				
Land	\$ 7,830,415	\$ -	\$ -	\$ 7,830,415
Buildings	1,956,948			1,956,948
Improvements other than buildings	9,820,453			9,820,453
Equipment	176,344	6,697		183,041
Construction in progress	71,523	802,003		873,526
Less accumulated depreciation	(7,225,619)	(341,828)		(7,567,447)
<b>Airport activities capital assets, net</b>	<b>\$ 12,630,064</b>	<b>\$ 466,872</b>	<b>\$ -</b>	<b>\$ 13,096,936</b>
<b>Transit</b>				
Equipment	\$ 1,133,755	\$ 88,139	\$ 10,000	\$ 1,211,894
Less accumulated depreciation	(541,694)	(137,741)	(10,000)	(669,435)
<b>Transit activities capital assets, net</b>	<b>\$ 592,061</b>	<b>\$ (49,602)</b>	<b>\$ -</b>	<b>\$ 542,459</b>
<b>Business-type activity capital assets, net</b>	<b>\$ 74,554,620</b>	<b>\$ 11,865,262</b>	<b>\$ 9,825,024</b>	<b>\$ 76,594,858</b>
<b>Net capital assets, total government</b>	<b>\$ 243,762,386</b>	<b>\$ 17,235,266</b>	<b>\$ 14,318,215</b>	<b>\$ 246,679,437</b>

**CITY OF EL PASO DE ROBLES**

Notes to the Basic Financial Statements

June 30, 2010

For the fiscal year ended June 30, 2010, depreciation expense on capital assets was charged to the governmental functions as follows:

General Government	\$	408,404
Public Safety		598,016
Public Works		3,919,709
Library and Recreation Services		402,568
Community Development		<u>12,352</u>
Total Depreciation Expense	\$	<u>5,341,049</u>

**Construction Commitments**

As of June 30, 2010, the City had a number of construction projects in progress. The governmental activity projects had a total work in progress amount of \$2,288,623. The business-type activity projects included various water, sewer, and airport infrastructure improvements totaling \$10,738,451.

**NOTE 4 - INTERFUND TRANSACTIONS**

**A. Loans**

With Council approval resources were loaned to the Chandler Ranch and Olsen Beechwood Specific Plan Funds. The City Council adopted Resolution No. 93-173 on November 2, 1993 which approved a reimbursement agreement between the City and the Redevelopment Agency. The reimbursement agreement requires the Agency to reimburse the City for lease payments made for the construction of the City Hall/Library facility. The amount noted below represents "life to date" lease payments (debt services) owed the City for lease payments already made less prior payments from the Agency. This amount does not include future lease payments. Future lease payments will be recorded when paid by the City.

**CITY OF EL PASO DE ROBLES**

Notes to the Basic Financial Statements  
June 30, 2010

	<u>Loans Receivable</u>	<u>Loans Payable</u>
<b>Major Funds:</b>		
General Fund	\$ 2,300,586	\$ -
Traffic Mitigation Development Fund	9,887,764	3,438,191
Public Facilities Development Fund	8,154,214	
Highway 101/46 West Community Facilities District Fund		9,887,764
RDA Debt Service Fund		9,343,414
Sewer Enterprise Fund	3,438,191	
<b>Non-Major Funds:</b>		
Specific Plan Fund		2,120,496
Airport Road PSR Fund		180,090
Redevelopment Agency Fund	1,189,200	
	<hr/>	<hr/>
<b>Totals</b>	<u>\$ 24,969,955</u>	<u>\$ 24,969,955</u>

**B. Transfers Between Funds**

With Council approval, resources may be transferred from one City fund to another. The major purpose of the transfers is to reimburse a fund that has made an expenditure on behalf of another fund. Transfers are identified as follows:

**CITY OF EL PASO DE ROBLES**

Notes to the Basic Financial Statements

June 30, 2010

	<u>Transfers In</u>	<u>Transfers Out</u>
<b>Major Funds:</b>		
General Fund	\$ 1,098,505	\$ 396,760
Traffic Mitigation Fund	869,175	
Public Facilities Development Fund		29,175
RDA Debt Service Fund		467,604
<b>Non-Major Funds:</b>		
General Emergency and Reserves Fund	469,000	210,273
Police Grants Fund		23,677
Gas Tax Fund		1,013,029
Transportation Development Fund		14,537
Community Development Block Grant Fund	273,476	
Redevelopment Agency Fund	380,000	749,610
Landfill Contingency Fund	73,200	
Capital Projects Reserve Fund	14,537	220,000
Electronic Archiving Fund		
Community Facilities District		50,593
Parkway and Median Development Fund		469,000
Cal Home Loan Fund	246,134	
Oak Tree Preservation Fund	5,956	
1993 Public Facilities Debt Service Fund	317,604	
<b>Enterprise Funds:</b>		
Sewer Fund		343,136
Water Fund	304,040	64,233
<b>Totals</b>	<u>\$ 4,051,627</u>	<u>\$ 4,051,627</u>

## ***CITY OF EL PASO DE ROBLES***

Notes to the Basic Financial Statements  
June 30, 2010

### **NOTE 5 - RISK MANAGEMENT**

The City is a member of the California Joint Powers Insurance Authority, a risk sharing, self-funded joint powers authority whose membership at last count included 122 entities. The Joint Powers Authority provides program administration, claim servicing, investigation services, legal counsel, and excess coverage to its members. For general and auto liability, the Joint Powers Authority provides coverage of \$50 million per occurrence and \$50 million aggregate. For workers' compensation, the coverage is statutory plus \$10 million per occurrence for employer's liability. The City also participates in the non-auto property program offered by the Joint Powers Authority which provides full replacement coverage for buildings and facilities. The City is self-insured for property damage to City owned equipment and vehicles except for major equipment; i.e. fire trucks for which the City participates with other public agencies in a special insurance pool. The City purchases specialty policies to cover airport liability and landfill liability & pollution coverage from other sources. Copies of the financial audit are available upon request from the City or the Joint Powers Authority, 8081 Moody Street, La Palma, CA 90623, or phone 800-229-2343.

With the dissolution of the Central Coast Cities Self Insurance Fund, the Joint Powers Authority agreed to manage the "tail" claims for general liability and workers' compensation for the Self Insurance Fund participants on a voluntarily participation basis. The "tail" claims for Liability have been completed and any remaining funds were transferred to the Worker's Compensation "tail" claims fund. The Joint Powers Authority manages the "tail" claims separately from its regular programs. Paso Robles has agreed to allow the Joint Powers Authority to manage said "tail" claims for workers' compensation.

In the case of workers' compensation, the 2009 actuarial study indicated that the City had a fund balance of \$824,830. This amount does not include \$332,600 present value of liability for outstanding claims per the "Actuarial Review of the Workers' Compensation Program" as prepared by Richard Sherman & Associates, Inc. during fiscal year 2009. We anticipate the "Actuarial Review" will be updated in fiscal year 2010.

### **NOTE 6 - GOVERNMENTAL ACTIVITIES LONG-TERM DEBT**

#### **A. Description**

General Obligation Bonds - On September 27, 2007, the City issued \$31,435,000 of General Obligation Bonds (GO Bonds) with interest rates ranging from 3.5% to 5.0% and due in annual installments ranging from \$486,015 to \$2,623,112, to advance refund prior General Obligation Bonds Series A and C with interest rates ranging from 5.05% to 5.7% and a par value of \$23,253,951. The prior GO Bonds mature annually on August 1 between 2009 and 2027. The prior GO Bonds are callable on August 1, 2009. The current GO Bonds were issued at a premium of \$963,102 and the net proceeds were \$32,398,102. The net proceeds from the issuance of the GO Bonds were used to purchase US Government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the bonds are called on August 1, 2009. The advance refunding met the requirements of an in-substance defeasance and the term bonds were removed from the City's government-wide financial

## ***CITY OF EL PASO DE ROBLES***

Notes to the Basic Financial Statements  
June 30, 2010

statements. As a result of the advance refunding, the City reduced its total debt service requirements by \$3,804,464, which resulted in an economic gain of \$2,204,461.

On September 28, 2001, the City issued \$6,999,603 in General Obligation Bonds, Series B Capital Appreciation and Term Bonds (2001) for the purpose of providing construction funds for a variety of citywide projects. The outstanding bonds bear a net interest cost of 5.09% and are due in annual installments ranging from \$297,970 to \$615,806 through January 1, 2028. These bonds are payable from ad valorem taxes levied against all taxable real property in the City (with the exception of certain classes of personal property).

Tax Allocation Bonds - On September 16, 1996, \$3,630,000 Tax Allocation Refunding Bonds were issued by the Agency to refund bonds originally issued in 1991 to repay advances and loans received by the Agency from the City. The outstanding bonds bear a net interest cost of 5.50% and are due in annual installments ranging from \$70,000 to \$255,000 through January 1, 2022. These bonds were refunded with the 2009 Tax Allocation Bonds.

On October 3, 2000, \$4,090,000 Tax Allocation Bonds were issued by the Agency to repay advances and loans received by the Agency from the City and provide funds for the widening of Niblick Bridge from two to four lanes. The outstanding bonds bear a net interest cost of 5.25% and are due in annual installments ranging from \$20,000 to \$485,000 through January 1, 2028. These bonds are payable from property tax increment revenues.

On August 4, 2009, the Redevelopment Agency of the City of El Paso de Robles issued \$9,330,000 of 2009 Series A Tax Allocation Bonds, and \$2,785,000 of 2009 Series B with interest rates ranging from 4.750% to 6.500% to currently refund prior 1996 Tax Allocation Bonds with interest rates ranging from 5.250% to 5.625% and a par value of \$2,320,000. The 1996 Tax Allocation Bonds mature annually on July 1 between 2010 and 2021. The 1996 Tax Allocation Bonds were called on September 4, 2009. The 2009 Tax Allocation Bonds were issued at a discount of (\$105,005) and, after paying issuance costs of \$134,771 and underwriter's discount of \$94,935, the net proceeds were \$8,995,289. A portion of the net proceeds from the issuance of the 2009 Tax Allocation Bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the 1996 Tax Allocation Bonds were called on September 4, 2009. The current refunding met the requirements of an in-substance defeasance. As a result of the current refunding, Agency restructured its total debt service which resulted in an economic loss.

Lease Purchase Obligations - On March 10, 2004, the Paso Robles Public Financing Authority issued \$5,460,000 Certificates of Participation (COPS) with interest rates ranging from 2.0% to 4.25% to current refund prior COPS with interest rates ranging from 4.9% to 5.4% and a par value of \$5,365,000. The prior COPS mature annually on December 1 between 2004 and 2023. The prior COPS were callable on April 1, 2004. The current COPS were issued at a discount of (\$80.45) and, after paying issuance costs of \$115,368 and underwriter's discount of \$23,125, the net proceeds were \$5,394,920. The net proceeds from the issuance of the COPS were used to purchase US Government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the bonds were called on April 1, 2004. The advance refunding met the requirements of an in-substance defeasance and the term bonds were removed from the City's government-wide financial statements. As a result of

**CITY OF EL PASO DE ROBLES**

Notes to the Basic Financial Statements  
June 30, 2010

the advance refunding, the City reduced its total debt service requirements by \$684,823.06, which resulted in an economic gain of \$642,644.27. Annual installments range from \$227,870 to \$651,560 through January 1, 2024.

The City entered into a \$263,254 lease purchase contract dated September 7, 2004, for the acquisition of two street sweepers for the Public Works Department. Principal and interest payments are due monthly beginning December 3, 2004, with the last payment due November 3, 2009. Total annual payments are \$57,299.

The City entered into a \$289,000 lease purchase contract dated August 15, 2005, for the acquisition of one heavy rescue vehicle for the Emergency Services department. Principal and interest payments are due monthly beginning September 30, 2005, with the last payment due August 30, 2010. Total annual payments are \$63,353.

The City entered into a \$1,500,000 lease purchase agreement dated December 6, 2005, for the acquisition of 52 acres adjacent to the City's landfill. Principal and interest payments are due semi-annually beginning June 30, 2007, with the last payment due December 30, 2020. Total annual payments are \$138,598.

The City entered into a \$224,508 lease purchase agreement dated June 21, 2010 for the acquisition of one triple deck mower, one infield tractor, and a regenerative air sweeper. Principal and interest payments are due quarterly beginning June 30, 2010, with the last payment due March 21, 2015. Total annual payments are \$48,926.

**B. Changes in Long-Term Debt**

As of June 30, 2010, the City had the following long-term obligations outstanding including the current portion:

	Governmental Activities				
	Balance June 30, 2009	Incurred or Issued	Satisfied or Matured	Balance June 30, 2010	Current Portion
<b>Governmental Activities:</b>					
Capital Leases Payable	\$ 1,329,633	\$ 224,508	\$ (181,655)	\$ 1,372,486	\$ 140,014
Certificates of Participation	3,645,000		(185,000)	3,460,000	190,000
General Obligation Bonds	34,528,500		(1,446,088)	33,082,412	1,472,154
Redevelopment Tax Allocation Bonds	5,930,000	12,115,000	(2,525,000)	15,520,000	380,000
Compensated Absences	2,232,258		(34,957)	2,197,301	50,000
Closure/Postclosure Liability	1,593,109	160,467		1,753,576	
<b>Total Governmental Activities</b>	<b>\$ 49,258,500</b>	<b>\$ 12,499,975</b>	<b>\$ (4,372,700)</b>	<b>\$ 57,385,775</b>	<b>\$ 2,232,168</b>

**CITY OF EL PASO DE ROBLES**

Notes to the Basic Financial Statements  
June 30, 2010

**C. Annual Repayment Requirements of Long-Term Debt**

The annual requirements to amortize all debt outstanding (excluding compensated absences and closure/postclosure liability) as of June 30, 2010 are as follows:

<b>Governmental Activities</b>			
<b>Year End</b>			
<b>June 30</b>	<b>Principal</b>		<b>Interest</b>
2011	\$ 2,182,168	\$	2,498,631
2012	2,127,057		2,455,587
2013	2,218,297		2,403,525
2014	2,324,405		2,343,635
2015	2,374,272		2,276,554
2016-2020	12,606,201		10,189,038
2021-2025	14,430,026		7,678,834
2026-2030	10,492,472		3,633,483
2031-2035	2,420,000		1,145,509
2036-2039	2,260,000		297,050
	<u>\$ 53,434,898</u>	<u>\$</u>	<u>34,921,846</u>

**D. Bond Requirements**

At June 30, 2010, management believes the City and its component units are in compliance with all covenants of the various debt indentures.

**E. Defeased Obligations**

There are no outstanding defeased obligations at June 30, 2010.

**CITY OF EL PASO DE ROBLES**

Notes to the Basic Financial Statements  
June 30, 2010

**NOTE 7 - BUSINESS-TYPE ACTIVITIES LONG-TERM DEBT**

**A. Description**

Sewer Installment Sale Revenue Bonds - On October 1, 2002, the Public Financing Authority issued \$11,550,000 in Sewer Revenue Installment Bonds (2003) for the purpose of refunding the 1993 Sewer Refunding Bonds (which refunded the 1987 Sewer Revenue Bonds) and provided \$8,000,000 for sewer collection and treatment system improvements. The economic gain, net present value savings, was \$129,373. The outstanding bonds bear a net interest cost of 5.36% and are due in annual installments ranging from \$522,438 to \$1,046,201 through January 1, 2032. These bonds are payable from sewer user fees.

Lease Purchase Obligations - The City entered into a \$755,875 lease purchase agreement dated June 21, 2010 for the acquisition of equipment listed below. Principal and interest payments are due quarterly beginning June 30, 2010, with the last payment due March 21, 2015. Total annual payments are \$164,724

***Water Fund:***

One 1/2 ton full size pickup  
One 150 kw portable standby generator

***Sewer Fund:***

One small single axle dump truck - share with Water Fund  
One mechanical rodder trailer  
One sewer easement cleaner  
One Vac-Con truck  
One heavy duty service truck  
One 8 inch wastewater trash pump  
Two generators 220-440 3 phase

***Airport Fund:***

One 1/2 ton full size pickup

**B. Changes in Long-Term Debt**

As of June 30, 2010, the City had the following long-term obligations outstanding including the current portion:

**CITY OF EL PASO DE ROBLES**

Notes to the Basic Financial Statements  
June 30, 2010

	Business Activities				
	Balance June 30, 2009	Incurred or Issued	Satisfied or Matured	Balance June 30, 2010	Current Portion
<b>Business-type Activities:</b>					
Compensated Absences	\$ 168,077	\$ 21,324	\$ -	\$ 189,401	\$ -
Leases Payable		755,875	(41,181)	714,694	140,279
Revenue Bonds	7,295,000		(195,000)	7,100,000	205,000
<b>Total Business-type Activities</b>	<b>\$ 7,463,077</b>	<b>\$ 777,199</b>	<b>\$ (236,181)</b>	<b>\$ 8,004,095</b>	<b>\$ 345,279</b>

**C. Annual Repayment Requirements of Long-Term Debt**

The annual requirements to amortize all debts outstanding (excluding compensated absences) as of June 30, 2010 are as follows:

Year End June 30	Business Activities	
	Principal	Interest
2011	\$ 345,279	\$ 346,765
2012	355,527	334,752
2013	365,971	321,956
2014	381,620	308,514
2015	356,297	294,218
2016-2020	1,310,000	1,310,047
2021-2025	1,645,000	994,500
2026-2030	2,080,000	562,325
2031-2032	975,000	73,750
	<b>\$ 7,814,694</b>	<b>\$ 4,546,827</b>

**D. Bond Requirements**

At June 30, 2010, management believes the City and its component units are in compliance with all covenants of the various debt indentures.

## CITY OF EL PASO DE ROBLES

Notes to the Basic Financial Statements  
June 30, 2010

### E. Defeased Obligations

There are no outstanding defeased obligations at June 30, 2010.

## NOTE 8 - EMPLOYEE BENEFITS

### A. Retirement System

The City of Paso Robles' defined benefit pension plan, Public Employees' Retirement System (PERS), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is part of the Public Agency portion of the California Public Employees' Retirement System, (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers with the State of California. A menu of benefit provisions as well as other requirements is established by State statutes with the Public Employees' Retirement Law. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate comprehensive annual financial report.

The City contributes the employee and employer shares for the Miscellaneous Plan and the Safety Plans. The City of Paso Robles 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 CalPERS Board of Administration. The contribution requirements of the plan members are established by the State statute and the employer contribution rate is established and may be amended by CalPERS. The City's contributions to CalPERS for the fiscal years ending June 30, 2010, 2009, and 2008, were \$3,468,318, \$3,528,037, \$3,310,779, respectively, and equal 100% of the required contributions for each fiscal year.

The plans' provisions, benefits and contribution rates in effect at June 30, 2010 are summarized as follows:

	<u>Miscellaneous</u>	<u>Police</u>	<u>Fire</u>
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	55	50	50
Monthly benefits, as % of annual salary	2.5%	3.0%	2.0%
Required employee contribution rate	8%	9%	9%
Required employer contribution rate	14.810%	25.487%	14.891%
Total current covered payroll	\$ 8,343,828	\$ 3,083,628	\$ 2,088,310
Required employee contributions made	\$ 667,506	\$ 277,532	\$ 187,953
Required employer contributions rate made	\$ 1,236,586	\$ 787,608	\$ 311,133

**CITY OF EL PASO DE ROBLES**

Notes to the Basic Financial Statements  
June 30, 2010

Total current payroll for covered employees for the year ended June 30, 2010 was \$13,515,766 and the total payroll for all employees was \$14,300,837.

Audited annual financial statements and ten-year trend information for the fiscal year ended June 30, 2009, the most recent available, are available from PERS at P.O. Box 942709, Sacramento, CA 94229-2709.

**B. Post Employment Benefits**

In addition to the pension benefits described above, the City Council has adopted resolutions making health care insurance benefits available for all retired full time City employees regardless of bargaining affiliation if they so desire. Providing health care benefits under the City's group health plan may provide benefits at a substantially lower cost than if the retirees purchased their own individual benefit. This obligation to make coverage available under the City's group health plan is discontinued at such time as the retiree reaches age sixty-five or receives health insurance coverage from another employer. In accordance with adopted wage and benefit agreements, the City contributes toward retiree health insurance premiums as follows: 1) Management, Police, Fire, and SEIU employees receive up to \$500 per month. The City contributions may be used to defray premium cost for either the City provided plan(s) or other plan(s) secured by retiree. Each retiree choosing to receive City provided health care insurance must reimburse the City the full premium cost that exceed the City's contribution as detailed above.

The City is required to record the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The current ARC rate as a percent of annual covered payroll is to be determined.

The City's annual required contributions and actual contributions for the years ended June 30 are set forth below:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>ICMA Trust Balance</u>	<u>Net OPEB Asset</u>	<u>% of Annual OPEB Cost Contributed</u>
6/30/2009	\$ 590,737	\$ 419,851	\$ 838,806	\$ 248,069	74%
6/30/2010	\$ 590,737	\$ 477,396	\$1,208,840	\$ 27,366	81%

**CITY OF EL PASO DE ROBLES**

Notes to the Basic Financial Statements  
June 30, 2010

The funded status of the plan as of June 30, 2010, is as follows:

<u>Valuation Date</u>	<u>Entry Age Actuarial Accrued Liability (AAL)</u>	<u>Actuarial Asset Value</u>	<u>Unfunded Liability (Excess Assets)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
6/30/2008	\$ 5,053,094	\$ 652,905	\$ 4,400,189	13%	\$ 13,864,493	32%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and mortality. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, shows whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liabilities for benefits.

In the June 30, 2008, actuarial valuation, the Projected United Credit cost method was used. The actuarial assumptions included a six percent investment rate of return and the plan unfunded actuarial accrued liability is being amortized over a 30-year amortization period.

The City did pre-fund retiree healthcare costs and the City did establish an irrevocable trust for retiree healthcare costs with ICMA.

**C. Deferred Compensation Plans**

City employees may defer a portion of their compensation under one separate, optional City-sponsored deferred compensation plan - ICMA - created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death, or in an emergency as defined by the plans.

Effective January 1, 1998, the law governing deferred compensation plan assets now require plan assets to be held for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these new plans are not the City's property and are not subject to claims by general creditors of the City, they have been excluded from these financial statements.

In accordance with adopted wage and benefit agreements, the City makes contributions to optional City-sponsored deferred compensation plans for management. For all managers, the City contributes \$4,200 annually. In addition to the \$4,200, the City will

## ***CITY OF EL PASO DE ROBLES***

Notes to the Basic Financial Statements  
June 30, 2010

match up to \$2,500 in additional contributions for executive managers. For the fiscal year ended June 30, 2010, the total City contribution on behalf of eligible employees was \$175,698.90. All SEIU employees shall be eligible to participate in the deferred compensation program. Effective January 1, 2007, the City will match employee contributions to a maximum of \$20.00 per pay period.

### **D. Section 125 Benefit Plan**

The City has a 125 benefit plan established pursuant to Section 125 of the IRS code. Under this plan, eligible employees may elect to contribute pre-tax dollars into any combination of the following two benefit categories:

1. Unreimbursed Medical Spending Account
2. Dependent Day Care Spending Account

Under no circumstances may an employee direct more than \$5,000 annually into the Dependent Day Care Spending Account and the Unreimbursed Medical Spending Account. All regular full-time employees employed on a regular and continuous basis, including certain contractual employees, are eligible to participate in this plan. Temporary and casual employees are not eligible. The plan year adopted by the City begins on July 1 and ends June 30. To obtain reimbursement of expenses incurred within a plan year within the spending accounts, employees must submit claims within 90 days of the end of the plan year or separation of service from the City, whichever occurs first. Funds unclaimed after 90 days of the close of the plan year are then remitted to the City.

### **E. Compensated Absences**

The City's policy relating to compensated absences is described in Note 1. The long-term portion of this debt, amounting to \$2,147,301 for governmental activities and \$189,401 for business-type activities at June 30, 2010, is expected to be paid in future years from future resources. In prior years, compensated absences have been liquidated primarily by the general fund and the proprietary funds.

## **NOTE 9 - NET ASSETS AND FUND BALANCES**

### **A. Net Assets**

GASB Statement No. 34 adds the concept of Net Assets, which is measured on the full accrual basis, to the concept of Fund Balance, which is measured on the modified accrual basis. In the Government-wide Financial Statements, net assets are classified in the following categories:

**CITY OF EL PASO DE ROBLES**

Notes to the Basic Financial Statements  
June 30, 2010

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

Restricted Net Assets - This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets - This category represents the net assets of the City, which are not restricted for any project or other purpose.

**B. Fund Balances**

In the Funds Financial Statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various reserves and designations are established by actions of the City Council and Management and can be increased, reduced, or eliminated by similar actions (see pages 29, 79, and 80). As of June 30, 2010, reservations of fund balance are described below:

Fiscal Agreements - In the case of the Redevelopment Agency, tax increment revenues are held by the Agency until such time as projects are mutual, agreed benefit are identified and undertaken.

Interfund Receivables - These reserves were established to provide for receivable due by one fund to another. While expected to be fully repaid, it is not currently available for use by the fund where the receivable is recorded.

Capital Projects - These reserves represent specific projects and programs for which the City has made a commitment towards completion through adoption of the City Budget or Capital Improvement Projects Plan.

City has fund balances in the Funds Financial Statements for specific purposes.

As of June 30, 2010, the following funds had deficit fund balances:

<b>Major Funds:</b>	
Highway 101/46 West Community Facilities District Fund	\$ 9,887,764
<b>Non-Major Funds:</b>	
Airport Road PSR Fund	\$ 180,090
Specific Plans Fund	855,594
Public Works Grants Fund	95

**CITY OF EL PASO DE ROBLES**

Notes to the Basic Financial Statements  
June 30, 2010

**NOTE 10 - FUNDS WITH EXPENDITURES EXCEEDING APPROPRIATIONS**

The following individual fund and department expenditures exceeded appropriations during the fiscal year:

<b>Major Funds:</b>		
Highway 101/46 West Community Facilities District Fund	\$	182,582
Redevelopment Agency Debt Service Fund		6,755,997
<b>Non-Major Funds:</b>		
Citizens Option Public Safety Fund	\$	15,246
Public Works Grants Fund		95
Youth Scholarship Fund		12,439
Community Facilities District Operations Fund		4,178

**NOTE 11 - LITIGATION AND CONTINGENCIES**

The City generally follows the practice of recording liabilities resulting from claims and legal actions only when they become fixed or determined in amount. While the City is a defendant in a number of lawsuits arising out of the normal course of business, their outcome can not be predicted. In the opinion of the City Attorney, these actions when finally adjudicated will not have a material adverse impact on the financial position of the City.

**NOTE 12 - NACIMIENTO WATER PROJECT**

The City of Paso Robles has entered into a contract with the San Luis Obispo County Financing Authority (Authority). The Authority was created on August 15, 2000, to issue bonds for the purpose of financing part or all of the costs of the purchase, construction, expansion, improvement, or rehabilitation of any real or other tangible property. The Authority issued \$196,410,000 (\$157,845,000 Revenue Bonds, 2007 Series A and \$38,565,000 Revenue Bonds, 2007 Series B) for the Nacimiento Water Project on September 26, 2007. The City of Paso Robles is considered a participating agency of the Authority. The City's share of the Nacimiento Water Project is based upon the participating agency's share of the quantity of water to be distributed by the Authority from the Nacimiento Lake. The City is obligated to pay for the debt service of the Authority based on their water share. The City is further obligated to make contract payments until the year 2040. The future minimum contract payments for the debt service are as follows:

**CITY OF EL PASO DE ROBLES**

Notes to the Basic Financial Statements  
June 30, 2010

<u>Nacimiento Water Project</u>	
<u>Year End June 30</u>	<u>Net Annual Debt Service</u>
2011	\$ 1,587,995
2012	4,224,589
2013	4,225,889
2014	4,226,839
2015	4,225,989
2016-2020	21,134,046
2021-2025	21,134,571
2026-2030	21,117,946
2031-2035	21,126,571
2036-2040	21,023,861
	<u>\$ 124,028,296</u>

**NOTE 13 - PROPOSITION 1A BORROWING BY THE STATE OF CALIFORNIA**

Under the provisions of Proposition 1A and as part of the 2009-10 budget package passed by the California state legislature on July 28, 2009, the State of California borrowed 8% in the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in lieu sales tax, and supplemental property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). The State is required to repay this borrowing plus interest by June 30, 2013. After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period. The amount of this borrowing pertaining to the City of Paso Robles was \$769,723.

Authorized with the 2009-10 State budget package, the Proposition 1A Securitization Program was instituted by the California Statewide Communities Development Authority ("California Communities"), a joint powers authority sponsored by the California State Association of Counties and the League of California Cities, to enable local governments to sell their Proposition 1A receivables to

California Communities. Under the Securitization Program, California Communities simultaneously purchased the Proposition 1A receivables and issued bonds ("Prop 1A Bonds") to provide local agencies with cash proceeds in two equal installments, on January

***CITY OF EL PASO DE ROBLES***

Notes to the Basic Financial Statements

June 30, 2010

15, 2010 and May 3, 2010. The purchase price paid to the local agencies equaled 100% of the amount of the property tax reduction. All transaction costs of issuance and interest were paid by the State of California. Participating local agencies have no obligation on the bonds and no credit exposure to the State. The City participated in the Securitization Program and accordingly, property taxes have been recorded in the same manner as if the State had not exercised its rights under Proposition 1A. The receivable sale proceeds were equal to the book value and, as a result, no gain or loss was recorded.

# CITY OF EL PASO DE ROBLES



## REQUIRED SUPPLEMENTAL INFORMATION

**REQUIRED SUPPLEMENTAL INFORMATION (RSI)**

Postemployment Healthcare Schedule of Funding Progress:

The following table provides required supplemental information regarding the City's postemployment healthcare benefits.

<u>Valuation Date</u>	<u>Entry Age Actuarial Accrued Liability (AAL)</u>	<u>Actuarial Asset Value</u>	<u>Unfunded Liability (Excess Assets)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
6/30/2008	\$ 5,053,094	\$ 652,905	\$ 4,400,189	13%	\$ 13,864,493	32%

# CITY OF EL PASO DE ROBLES



## SUPPLEMENTAL INFORMATION

## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

Capital Replacement Fund - to account for funds being set aside for the replacement of capital equipment.

City/School Facility Improvement Fund - to account for funds to be set aside for major maintenance and repairs of joint use facilities in accordance with each facility use agreement with the Paso Robles School District for the purpose of repair and long term maintenance of recreation public facilities.

Citizens Option Public Safety Fund - to account for State AB 3229 funds. Funds must be held in an interest bearing account until utilized to provide the City's matching share of Federal Citizens Option Public Safety grant.

Police Grants Fund - to account for public safety grants.

State Gas Tax Fund - to account for receipts and expenditures of money apportioned under Streets and Highway Code Sections 2105, 2106, 2107, and 2107.5 of the State of California.

Transportation Development Act Fund - to account for the receipt and expenditure of the 1/4% sales tax levied statewide for local transportation purposes. In 1971, the 6% sales tax levy was extended to gasoline purchases and is divided into two categories; Article 8a, which is used for streets and roads, and Article 8c, which is restricted for transit purposes.

Community Development Block Grant Fund - to account for Federal grant funds received from the Department of Housing and Urban Development for the rehabilitation of low and moderate income housing and the elimination of blight in the City.

Youth Scholarship Fund - to account for revenues and expenditures associated with grants to recreation program participants who are unable to pay their own participation fees.

Landscape and Lighting District Fund - to account for City's benefit assessment district which was established to finance the ongoing maintenance and operational costs of street lighting and landscaped medians and parkways, etc.

Landfill Closure/Postclosure Fund - to account for the State mandated set-aside funds to provide funds for the closure and postclosure operating expenses for the municipal landfill.

Redevelopment Agency Fund - to account for certain financial activities of the City's Redevelopment Agency.

Building Department Special Fees Fund - to account for Building Department electronic archiving fees, permit automation fees, and nexus study fees.

General Emergency and Reserve Fund - to account for funds provided to meet unanticipated emergencies and special budgetary needs of the City. Funds were originally derived from a General Fund transfer.

Economic Incentive Fund - to account for funds which were set aside by the City Council to assist business development in the community in accordance with the adopted economic strategic plan. Funding derives from General Fund transfers.

City Facility Repair Fund - to account for funds generated by a \$2.00 surcharge assessed on and collected from each recreation program participant for the purpose of repair and long term maintenance of recreation public facilities. General Fund also makes a contribution.

Landfill Contingency Fund - to account for funds set-aside by the City to cover any landfill contingencies that might arise after "decommissioning" the landfill as an enterprise fund operation. Funds come from General Fund landfill franchise fees.

## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS - continued

General Services Community Facilities District Fund - to account for funds provided by special taxes on new residential development for city services.

Art in Public Places Fund - to account for funds generated by a 1% surcharge on all public facility construction.

Downtown Parking in Lieu Fee Fund - to account for funds deposited with new or expanded downtown development that chooses to pay a Council authorized fee in lieu of providing all or a portion of their required on-site parking.

Oak Tree Preservation Fund - to account for funds collected for oak tree preservation.

Cal Home Loan Fund - to account for funds dispersed for this home loan program.

Public Works Grants Fund - to account for various public works grant funds.

Prop 1B Public Transportation Fund - to account for Prop 1B transportation funds per State of California requirements.

### CAPITAL PROJECTS FUNDS

Capital Projects Reserve Fund - to account for financial resources segregated for the acquisition or construction of major capital facilities and equipment by the City.

Bridge Development Fund - to account for service charges received through the assessment of specific fees on every building permit issued. The City acts as an agent for the developer who purchased all of the bridge certificates for the construction of the Niblick Bridge in a prior year. The City remits the proceeds that are collected on behalf of the developer to the developer and retains a service charge fee.

Park Development Fund - to account for the fees assessed and collected upon the issuance of a City building permit. Funds are used to acquire or construct park and recreation facilities throughout the City.

Storm Drain Development Fund - to account for the fees assessed and collected upon the issuance of a City building permit. Funds are used to construct storm drain facilities throughout the City.

Specific Plans Fund - to segregate and accumulate funds collected from the payment of development impact fees as identified in the Borkey and Union/46 Specific Plans for public facilities and infrastructure.

Airport Road PSR Fund - to account for expenditures associated with the Project Study Report (PSR) for the intersection of Highway 46 East and Airport Road.

Bike and Pedestrian Path Fund - to account for the fees assessed and collected upon the issuance of a City building permit. Funds are used to construct bike and pedestrian paths throughout the City.

### DEBT SERVICE FUND

1993 Public Facilities Fund - to account for long-term debt service transactions relating to the construction of Centennial Park. Certificates of participation were first issued in 1988 and were refunded in this issue which included an additional, new amount issued to construct a new municipal library and city hall.

**NON-MAJOR GOVERNMENTAL FUNDS**  
**Combining Balance Sheet**

SPECIAL REVENUE FUNDS

	Capital Replacement	City/School Facility Improvement	Citizens Option Public Safety	Police Grants	State Gas Tax	Transportation Development Act	Community Development Block Grant	Youth Scholarship	Landscape and Lighting District	Landfill Closure/ Postclosure	Redevelopment Agency	Building Department Special Fees
<b>ASSETS</b>												
Cash and investments	\$ 2,750,542	\$ 23,844	\$ 101,002	\$ 842	\$ 567,152	\$ -	\$ 182,180	\$ 38,720	\$ 217,247	\$ 1,752,406	\$ 126,390	\$ 416,686
Cash and investments with fiscal agent	224,508											
Accounts receivable	135		25,000	21,876	126,131	3,735	34,409		62,306			
Advance receivable												
Loan contracts receivable							778,233				2,134,790	
<b>Total Assets</b>	<b>\$ 2,975,185</b>	<b>\$ 23,844</b>	<b>\$ 126,002</b>	<b>\$ 22,718</b>	<b>\$ 693,283</b>	<b>\$ 3,735</b>	<b>\$ 994,822</b>	<b>\$ 38,720</b>	<b>\$ 279,553</b>	<b>\$ 1,752,406</b>	<b>\$ 2,261,180</b>	<b>\$ 416,686</b>
<b>LIABILITIES AND FUND BALANCES</b>												
Accounts payable	\$ 224,705	\$ -	\$ 18,552	\$ 21	\$ 1,955	\$ -	\$ 8,112	\$ -	\$ 1,483	\$ -	\$ 12,859	\$ 6,698
Accrued payroll expenses							11,712		2,889			
Deferred revenues							778,233				945,590	
Loan contracts payable												
Advance payable											1,000,000	
<b>Total Liabilities</b>	<b>224,705</b>		<b>18,552</b>	<b>21</b>	<b>1,955</b>		<b>798,057</b>		<b>4,372</b>		<b>1,958,449</b>	<b>6,698</b>
Fund balances:												
Reserved					150,000						1,221,040	
Unreserved	2,750,480	23,844	107,450	22,697	541,328	3,735	196,765	38,720	275,181	1,752,406	(918,309)	409,988
<b>Total Fund Balances</b>	<b>2,750,480</b>	<b>23,844</b>	<b>107,450</b>	<b>22,697</b>	<b>691,328</b>	<b>3,735</b>	<b>196,765</b>	<b>38,720</b>	<b>275,181</b>	<b>1,752,406</b>	<b>302,731</b>	<b>409,988</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,975,185</b>	<b>\$ 23,844</b>	<b>\$ 126,002</b>	<b>\$ 22,718</b>	<b>\$ 693,283</b>	<b>\$ 3,735</b>	<b>\$ 994,822</b>	<b>\$ 38,720</b>	<b>\$ 279,553</b>	<b>\$ 1,752,406</b>	<b>\$ 2,261,180</b>	<b>\$ 416,686</b>

**NON-MAJOR GOVERNMENTAL FUNDS**  
**Combining Balance Sheet**

	CAPITAL PROJECTS FUNDS							DEBT SVC FUND		
	Other Funds*	Capital Projects Reserve	Bridge Development	Park Development	Storm Drain Development	Specific Plans	Airport Road PSR	Bike and Pedestrian Path	1993 Public Facilities Debt Service Fund	Total Non-Major Governmental Funds
<b>ASSETS</b>										
Cash and investments	\$ 1,842,347	\$ 269,254	\$ 75,329	\$ 1,895,403	\$ 278,108	\$ 1,264,902	\$ -	\$ 26,909	\$ 806	\$ 11,830,069
Cash and investments with fiscal agent									412,993	637,501
Accounts receivable	25,101	41,880								340,573
Advance receivable				210,122				28,379		238,501
Loan contracts receivable	258,900									3,171,923
<b>Total Assets</b>	<b>\$ 2,126,348</b>	<b>\$ 311,134</b>	<b>\$ 75,329</b>	<b>\$ 2,105,525</b>	<b>\$ 278,108</b>	<b>\$ 1,264,902</b>	<b>\$ -</b>	<b>\$ 55,288</b>	<b>\$ 413,799</b>	<b>\$ 16,218,567</b>
<b>LIABILITIES AND FUND BALANCES</b>										
Accounts payable	\$ 108,929	\$ 26,423	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 409,737
Accrued payroll expenses	3,788									18,389
Deferred revenues	258,900			210,122				28,379		2,221,224
Loan contracts payable						2,120,496	180,090			2,300,586
Advance payable										1,000,000
<b>Total Liabilities</b>	<b>371,617</b>	<b>26,423</b>		<b>210,122</b>		<b>2,120,496</b>	<b>180,090</b>	<b>28,379</b>		<b>5,949,936</b>
Fund balances:										
Reserved										1,371,040
Unreserved	1,754,731	284,711	75,329	1,895,403	278,108	(855,594)	(180,090)	26,909	413,799	8,897,591
<b>Total Fund Balances</b>	<b>1,754,731</b>	<b>284,711</b>	<b>75,329</b>	<b>1,895,403</b>	<b>278,108</b>	<b>(855,594)</b>	<b>(180,090)</b>	<b>26,909</b>	<b>413,799</b>	<b>10,268,631</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,126,348</b>	<b>\$ 311,134</b>	<b>\$ 75,329</b>	<b>\$ 2,105,525</b>	<b>\$ 278,108</b>	<b>\$ 1,264,902</b>	<b>\$ -</b>	<b>\$ 55,288</b>	<b>\$ 413,799</b>	<b>\$ 16,218,567</b>

\*Other Funds includes General Emergency and Reserve Fund, Economic Incentive Fund, City Facility Repair Fund, Landfill Contingency Fund, General Services Community Facilities District, Art in Public Places, Downtown Parking in Lieu, Oak Tree Preservation, Cal Home Loan Program, Public Works Grants, and Prop 1B Transportation.

**NON-MAJOR GOVERNMENTAL FUNDS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**

	SPECIAL REVENUE FUNDS											
	Capital Replacement	City/School Facility Improvement	Citizens Option Public Safety	Police Grants	State Gas Tax	Transportation Development Act	Community Development Block Grant	Youth Scholarship	Landscape and Lighting District	Landfill Closure/ Postclosure	Redevelopment Agency	Building Department Special Fees
Revenues:												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,410,394	\$ -	\$ 839,056	\$ -
Uses of money and property	81,345	5,917	2,490		23,711	367	8,140	957		37,305	22,181	8,876
From other agencies			100,031	129,610	791,593	16,334	202,948					
Charges for current services												29,253
Other	883,272							8,357				
<b>Total Revenues</b>	<b>964,617</b>	<b>5,917</b>	<b>102,521</b>	<b>129,610</b>	<b>815,304</b>	<b>16,701</b>	<b>211,088</b>	<b>9,314</b>	<b>1,410,394</b>	<b>37,305</b>	<b>861,237</b>	<b>38,129</b>
Expenditures:												
General government	16,484											
Public safety	26,418		73,609	73,761								
Public works	260,140								1,323,677			20,836
Library & recreation services	1,813							12,439				
Community development	2,280						359,067				1,574,637	
Debt service	12,231											
Capital outlay		33,049	51,037	24,118	44,841		109,637					
<b>Total Expenditures</b>	<b>319,366</b>	<b>33,049</b>	<b>124,646</b>	<b>97,879</b>	<b>44,841</b>		<b>468,704</b>	<b>12,439</b>	<b>1,323,677</b>		<b>1,574,637</b>	<b>20,836</b>
Excess revenues over (under) expenditures	645,251	(27,132)	(22,125)	31,731	770,463	16,701	(257,616)	(3,125)	86,717	37,305	(713,400)	17,293
Other financing sources (uses):												
Proceeds from capital leases	224,508											
Operating transfers in							273,476			73,200	380,000	
Operating transfers out				(23,677)	(1,013,029)	(14,537)					(749,610)	
<b>Total other financing sources (uses)</b>	<b>224,508</b>			<b>(23,677)</b>	<b>(1,013,029)</b>	<b>(14,537)</b>	<b>273,476</b>			<b>73,200</b>	<b>(369,610)</b>	
Excess revenues and other sources over (under) expenditures and other uses	869,759	(27,132)	(22,125)	8,054	(242,566)	2,164	15,860	(3,125)	86,717	110,505	(1,083,010)	17,293
Fund Balances - July 1	1,880,721	50,976	129,575	14,643	933,894	1,571	180,905	41,845	188,464	1,641,901	1,385,741	392,695
Fund Balances - June 30	\$ 2,750,480	\$ 23,844	\$ 107,450	\$ 22,697	\$ 691,328	\$ 3,735	\$ 196,765	\$ 38,720	\$ 275,181	\$ 1,752,406	\$ 302,731	\$ 409,988

**NON-MAJOR GOVERNMENTAL FUNDS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**

	CAPITAL PROJECTS FUNDS								DEBT SVC FUND	
	Other Funds*	Capital Projects Reserve	Bridge Development	Park Development	Storm Drain Development	Specific Plans	Airport Road PSR	Bike and Pedestrian Path	1993 Public Facilities Debt Service Fund	Total Non-Major Governmental Funds
Revenues:										
Taxes	\$ 54,889	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2,304,339
Uses of money and property	38,311	9,857	1,607	42,979	5,612	27,505		505	858	318,523
From other agencies	1,564,930	748,439								3,553,885
Charges for current services	12,032			95,936	44,922	177,004		10,693		369,840
Other	798	250,000				6,702				1,149,129
<b>Total Revenues</b>	<b>1,670,960</b>	<b>1,008,296</b>	<b>1,607</b>	<b>138,915</b>	<b>50,534</b>	<b>211,211</b>		<b>11,198</b>	<b>858</b>	<b>7,695,716</b>
Expenditures:										
General government	69,134									85,618
Public safety										173,788
Public works	54,308									1,658,961
Library & recreation services										14,252
Community development	4,178					307				1,940,469
Debt service						34,747	2,951	316,797		366,726
Capital outlay	2,020,815	1,715,978	2,840			20,873				4,023,188
<b>Total Expenditures</b>	<b>2,148,435</b>	<b>1,715,978</b>	<b>2,840</b>			<b>55,927</b>	<b>2,951</b>	<b>316,797</b>		<b>8,263,002</b>
Excess revenues over (under) expenditures	(477,475)	(707,682)	(1,233)	138,915	50,534	155,284	(2,951)	11,198	(315,939)	(567,286)
Other financing sources (uses):										
Proceeds from capital leases										224,508
Operating transfers in	721,090	14,537							317,604	1,779,907
Operating transfers out	(260,866)	(220,000)		(469,000)						(2,750,719)
<b>Total other financing sources (uses)</b>	<b>460,224</b>	<b>(205,463)</b>		<b>(469,000)</b>					<b>317,604</b>	<b>(746,304)</b>
Excess revenues and other sources over (under) expenditures and other uses	(17,251)	(913,145)	(1,233)	(330,085)	50,534	155,284	(2,951)	11,198	1,665	(1,313,590)
Fund Balances - July 1	1,771,982	1,197,856	76,562	2,225,488	227,574	(1,010,878)	(177,139)	15,711	412,134	11,582,221
Fund Balances - June 30	\$ 1,754,731	\$ 284,711	\$ 75,329	\$ 1,895,403	\$ 278,108	\$ (855,594)	\$ (180,090)	\$ 26,909	\$ 413,799	\$ 10,268,631

\*Other Funds includes General Emergency and Reserve Fund, Economic Incentive Fund, City Facility Repair Fund, Landfill Contingency Fund, General Services Community Facilities District, Art in Public Places, Downtown Parking in Lieu, Oak Tree Preservation, Cal Home Loan Program, Public Works Grants, and Prop 1B Transportation.

**CITY OF EL PASO DE ROBLES  
NON-MAJOR FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
For the fiscal year ended June 30, 2010**

	Capital Replacement Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	\$ 80,800	\$ 81,345	\$ 545
Other	883,300	883,272	(28)
Total Revenues	<u>964,100</u>	<u>964,617</u>	<u>517</u>
Expenditures:			
General government	992,200	16,484	975,716
Public safety	297,700	26,418	271,282
Public works	392,400	260,140	132,260
Library & recreation services	50,700	1,813	48,887
Community development	7,900	2,280	5,620
Debt service		12,231	(12,231)
Total Expenditures	<u>1,740,900</u>	<u>319,366</u>	<u>1,421,534</u>
Excess revenues over (under) expenditures	<u>(776,800)</u>	<u>645,251</u>	<u>1,422,051</u>
Other financing sources (uses):			
Proceeds from capital leases	264,000	224,508	(39,492)
Total other financing sources (uses)	<u>264,000</u>	<u>224,508</u>	<u>(39,492)</u>
Excess revenues and other sources over (under) expenditures and other uses	<u>(512,800)</u>	<u>869,759</u>	<u>1,382,559</u>
Fund Balance - July 1	<u>1,880,721</u>	<u>1,880,721</u>	
Fund Balance - June 30	<u>\$ 1,367,921</u>	<u>\$ 2,750,480</u>	<u>\$ 1,382,559</u>

**CITY OF EL PASO DE ROBLES**  
**NON-MAJOR FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**For the fiscal year ended June 30, 2010**

	City/School Facility Improvement Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	\$ 6,300	\$ 5,917	\$ (383)
Total Revenues	6,300	5,917	(383)
Expenditures:			
Capital outlay	33,100	33,049	51
Total Expenditures	33,100	33,049	51
Excess revenues over (under) expenditures	(26,800)	(27,132)	(332)
Fund Balance - July 1	50,976	50,976	
Fund Balance - June 30	\$ 24,176	\$ 23,844	\$ (332)

**CITY OF EL PASO DE ROBLES**  
**NON-MAJOR FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**For the fiscal year ended June 30, 2010**

	Citizens Option Public Safety Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	\$ 4,600	\$ 2,490	\$ (2,110)
From other agencies	100,000	100,031	31
Total Revenues	<u>104,600</u>	<u>102,521</u>	<u>(2,079)</u>
Expenditures:			
Public safety	9,400	73,609	(64,209)
Capital outlay	100,000	51,037	48,963
Total Expenditures	<u>109,400</u>	<u>124,646</u>	<u>(15,246)</u>
Excess revenues over (under) expenditures	(4,800)	(22,125)	(17,325)
Fund Balance - July 1	<u>129,575</u>	<u>129,575</u>	
Fund Balance - June 30	<u>\$ 124,775</u>	<u>\$ 107,450</u>	<u>\$ (17,325)</u>

**CITY OF EL PASO DE ROBLES**  
**NON-MAJOR FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**For the fiscal year ended June 30, 2010**

	Police Grants Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
From other agencies	\$ 57,500	\$ 129,610	\$ 72,110
Total Revenues	57,500	129,610	72,110
Expenditures:			
Public safety	45,800	73,761	(27,961)
Capital outlay	72,300	24,118	48,182
Total Expenditures	118,100	97,879	20,221
Excess revenues over (under) expenditures	(60,600)	31,731	92,331
Other financing sources (uses):			
Operating transfers out		(23,677)	(23,677)
Total other financing sources (uses)		(23,677)	(23,677)
Excess revenues and other sources over (under) expenditures and other uses	(60,600)	8,054	68,654
Fund Balance - July 1	14,643	14,643	
Fund Balance - June 30	\$ (45,957)	\$ 22,697	\$ 68,654

**CITY OF EL PASO DE ROBLES**  
**NON-MAJOR FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**For the fiscal year ended June 30, 2010**

	State Gas Tax Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	\$ 28,000	\$ 23,711	\$ (4,289)
From other agencies	548,400	791,593	243,193
Total Revenues	<u>576,400</u>	<u>815,304</u>	<u>238,904</u>
Expenditures:			
Capital outlay	<u>1,082,600</u>	<u>44,841</u>	<u>1,037,759</u>
Total Expenditures	<u>1,082,600</u>	<u>44,841</u>	<u>1,037,759</u>
Excess revenues over (under) expenditures	<u>(506,200)</u>	<u>770,463</u>	<u>1,276,663</u>
Other financing sources (uses):			
Operating transfers out	<u>(1,070,000)</u>	<u>(1,013,029)</u>	<u>56,971</u>
Total other financing sources (uses)	<u>(1,070,000)</u>	<u>(1,013,029)</u>	<u>56,971</u>
Excess revenues and other sources over (under) expenditures and other uses	<u>(1,576,200)</u>	<u>(242,566)</u>	<u>1,333,634</u>
Fund Balance - July 1	<u>933,894</u>	<u>933,894</u>	
Fund Balance - June 30	<u>\$ (642,306)</u>	<u>\$ 691,328</u>	<u>\$ 1,333,634</u>

**CITY OF EL PASO DE ROBLES**  
**NON-MAJOR FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**For the fiscal year ended June 30, 2010**

	Transportation Development Act Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	\$ 7,600	\$ 367	\$ (7,233)
From other agencies	48,000	16,334	(31,666)
Total Revenues	<u>55,600</u>	<u>16,701</u>	<u>(38,899)</u>
Other financing sources (uses):			
Operating transfers out		(14,537)	(14,537)
Total other financing sources (uses)		<u>(14,537)</u>	<u>(14,537)</u>
Excess revenues and other sources over (under) expenditures and other uses	55,600	2,164	(53,436)
Fund Balance - July 1	<u>1,571</u>	<u>1,571</u>	
Fund Balance - June 30	<u>\$ 57,171</u>	<u>\$ 3,735</u>	<u>\$ (53,436)</u>

**CITY OF EL PASO DE ROBLES  
NON-MAJOR FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
For the fiscal year ended June 30, 2010**

	Community Development Block Grant Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	\$ -	\$ 8,140	\$ 8,140
From other agencies	338,000	202,948	(135,052)
Other	74,000		(74,000)
Total Revenues	<u>412,000</u>	<u>211,088</u>	<u>(200,912)</u>
Expenditures:			
Community development	448,800	359,067	89,733
Capital outlay	475,200	109,637	365,563
Total Expenditures	<u>924,000</u>	<u>468,704</u>	<u>455,296</u>
Excess revenues over (under) expenditures	<u>(512,000)</u>	<u>(257,616)</u>	<u>254,384</u>
Other financing sources (uses):			
Operating transfers in	115,000	273,476	158,476
Total other financing sources (uses)	<u>115,000</u>	<u>273,476</u>	<u>158,476</u>
Excess revenues and other sources over (under) expenditures and other uses	<u>(397,000)</u>	<u>15,860</u>	<u>412,860</u>
Fund Balance - July 1	<u>180,905</u>	<u>180,905</u>	
Fund Balance - June 30	<u>\$ (216,095)</u>	<u>\$ 196,765</u>	<u>\$ 412,860</u>

**CITY OF EL PASO DE ROBLES**  
**NON-MAJOR FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**For the fiscal year ended June 30, 2010**

	Youth Scholarship Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	\$ 1,200	\$ 957	\$ (243)
Other	9,000	8,357	(643)
Total Revenues	10,200	9,314	(886)
Expenditures:			
Library & recreation services		12,439	(12,439)
Total Expenditures		12,439	(12,439)
Excess revenues over (under) expenditures	10,200	(3,125)	(13,325)
Fund Balance - July 1	41,845	41,845	
Fund Balance - June 30	\$ 52,045	\$ 38,720	\$ (13,325)

**CITY OF EL PASO DE ROBLES**  
**NON-MAJOR FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**For the fiscal year ended June 30, 2010**

	Landscape and Lighting District Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Taxes	\$ 1,400,000	\$ 1,410,394	\$ 10,394
Total Revenues	1,400,000	1,410,394	10,394
Expenditures:			
Public works	1,402,500	1,323,677	78,823
Total Expenditures	1,402,500	1,323,677	78,823
Excess revenues over (under) expenditures	(2,500)	86,717	89,217
Fund Balance - July 1	188,464	188,464	
Fund Balance - June 30	\$ 185,964	\$ 275,181	\$ 89,217

**CITY OF EL PASO DE ROBLES**  
**NON-MAJOR FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**For the fiscal year ended June 30, 2010**

	Landfill Closure/Postclosure Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	\$ 38,800	\$ 37,305	\$ (1,495)
Total Revenues	38,800	37,305	(1,495)
Excess revenues over (under) expenditures	38,800	37,305	(1,495)
Other financing sources (uses):			
Operating transfers in	73,200	73,200	
Total other financing sources (uses)	73,200	73,200	
Excess revenues and other sources over (under) expenditures and other uses	112,000	110,505	(1,495)
Fund Balance - July 1	1,641,901	1,641,901	
Fund Balance - June 30	\$ 1,753,901	\$ 1,752,406	\$ (1,495)

**CITY OF EL PASO DE ROBLES  
NON-MAJOR FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
For the fiscal year ended June 30, 2010**

	Redevelopment Agency Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Taxes	\$ 866,500	\$ 839,056	\$ (27,444)
Uses of money and property	22,000	22,181	181
Total Revenues	<u>888,500</u>	<u>861,237</u>	<u>(27,263)</u>
Expenditures:			
Community development	2,155,200	1,574,637	580,563
Capital outlay	1,103,000		1,103,000
Total Expenditures	<u>3,258,200</u>	<u>1,574,637</u>	<u>1,683,563</u>
Excess revenues over (under) expenditures	<u>(2,369,700)</u>	<u>(713,400)</u>	<u>1,656,300</u>
Other financing sources (uses):			
Operating transfers in	305,000	380,000	75,000
Operating transfers out	(345,000)	(749,610)	(404,610)
Total other financing sources (uses)	<u>(40,000)</u>	<u>(369,610)</u>	<u>(329,610)</u>
Excess revenues and other sources over (under) expenditures and other uses	<u>(2,409,700)</u>	<u>(1,083,010)</u>	<u>1,326,690</u>
Fund Balance - July 1	<u>1,385,741</u>	<u>1,385,741</u>	
Fund Balance - June 30	<u>\$ (1,023,959)</u>	<u>\$ 302,731</u>	<u>\$ 1,326,690</u>

**CITY OF EL PASO DE ROBLES**  
**NON-MAJOR FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**For the fiscal year ended June 30, 2010**

	Building Department Special Fees Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	\$ 9,200	\$ 8,876	\$ (324)
Charges for current services	30,400	29,253	(1,147)
Total Revenues	39,600	38,129	(1,471)
Expenditures:			
Public works	45,000	20,836	24,164
Total Expenditures	45,000	20,836	24,164
Excess revenues over (under) expenditures	(5,400)	17,293	22,693
Fund Balance - July 1	392,695	392,695	
Fund Balance - June 30	\$ 387,295	\$ 409,988	\$ 22,693

**CITY OF EL PASO DE ROBLES**  
**NON-MAJOR FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**For the fiscal year ended June 30, 2010**

	General Emergency and Reserve Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	\$ 21,500	\$ 14,329	\$ (7,171)
From other agencies		1,542,089	1,542,089
Total Revenues	21,500	1,556,418	1,534,918
Expenditures:			
Capital outlay	3,582,500	1,982,052	1,600,448
Total Expenditures	3,582,500	1,982,052	1,600,448
Excess revenues over (under) expenditures	(3,561,000)	(425,634)	3,135,366
Other financing sources (uses):			
Operating transfers in	919,000	469,000	(450,000)
Operating transfers out	(200,000)	(210,273)	(10,273)
Total other financing sources (uses)	719,000	258,727	(460,273)
Excess revenues and other sources over (under) expenditures and other uses	(2,842,000)	(166,907)	2,675,093
Fund Balance - July 1	741,499	741,499	
Fund Balance - June 30	\$ (2,100,501)	\$ 574,592	\$ 2,675,093

**CITY OF EL PASO DE ROBLES**  
**NON-MAJOR FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**For the fiscal year ended June 30, 2010**

	Economic Incentive Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	\$ 5,500	\$ 2,096	\$ (3,404)
Total Revenues	5,500	2,096	(3,404)
Expenditures:			
General government	75,000	69,134	5,866
Total Expenditures	75,000	69,134	5,866
Excess revenues over (under) expenditures	(69,500)	(67,038)	2,462
Fund Balance - July 1	145,750	145,750	
Fund Balance - June 30	\$ 76,250	\$ 78,712	\$ 2,462

**CITY OF EL PASO DE ROBLES**  
**NON-MAJOR FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**For the fiscal year ended June 30, 2010**

	City Facility Repair Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	\$ 14,900	\$ 6,869	\$ (8,031)
From other agencies	156,100	20,476	(135,624)
Charges for current services	14,000	12,032	(1,968)
Total Revenues	<u>185,000</u>	<u>39,377</u>	<u>(145,623)</u>
Expenditures:			
Public works	177,100	42,213	134,887
Capital outlay	159,300	38,763	120,537
Total Expenditures	<u>336,400</u>	<u>80,976</u>	<u>255,424</u>
Excess revenues over (under) expenditures	(151,400)	(41,599)	109,801
Fund Balance - July 1	<u>344,306</u>	<u>344,306</u>	
Fund Balance - June 30	<u>\$ 192,906</u>	<u>\$ 302,707</u>	<u>\$ 109,801</u>

**CITY OF EL PASO DE ROBLES**  
**NON-MAJOR FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**For the fiscal year ended June 30, 2010**

	Landfill Contingency Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	\$ 1,100	\$ 44	\$ (1,056)
Total Revenues	1,100	44	(1,056)
Expenditures:			
Public works	12,000	12,000	
Total Expenditures	12,000	12,000	
Excess revenues over (under) expenditures	(10,900)	(11,956)	(1,056)
Fund Balance - July 1	12,793	12,793	
Fund Balance - June 30	\$ 1,893	\$ 837	\$ (1,056)

**CITY OF EL PASO DE ROBLES**  
**NON-MAJOR FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**For the fiscal year ended June 30, 2010**

	General Services Community Facilities District Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Taxes	\$ 55,000	\$ 54,889	\$ (111)
Uses of money and property	1,400	698	(702)
Total Revenues	<u>56,400</u>	<u>55,587</u>	<u>(813)</u>
Expenditures:			
Community development		4,178	(4,178)
Total Expenditures		<u>4,178</u>	<u>(4,178)</u>
Excess revenues over (under) expenditures	<u>56,400</u>	<u>51,409</u>	<u>(4,991)</u>
Other financing sources (uses):			
Operating transfers out		(50,593)	(50,593)
Total other financing sources (uses)		<u>(50,593)</u>	<u>(50,593)</u>
Excess revenues and other sources over (under) expenditures and other uses	56,400	816	(55,584)
Fund Balance - July 1	<u>3,646</u>	<u>3,646</u>	
Fund Balance - June 30	<u>\$ 60,046</u>	<u>\$ 4,462</u>	<u>\$ (55,584)</u>

**CITY OF EL PASO DE ROBLES**  
**NON-MAJOR FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**For the fiscal year ended June 30, 2010**

	Art in Public Places Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	\$ -	\$ -	\$ -
Total Revenues			
Fund Balance - July 1	599	599	
Fund Balance - June 30	\$ 599	\$ 599	\$ -

**CITY OF EL PASO DE ROBLES**  
**NON-MAJOR FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**For the fiscal year ended June 30, 2010**

	Downtown Parking in Lieu Fee Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	\$ 13,100	\$ 11,499	\$ (1,601)
Other	30,000		(30,000)
Total Revenues	43,100	11,499	(31,601)
Fund Balance - July 1	522,358	522,358	
Fund Balance - June 30	\$ 565,458	\$ 533,857	\$ (31,601)

**CITY OF EL PASO DE ROBLES**  
**NON-MAJOR FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**For the fiscal year ended June 30, 2010**

	Oak Tree Preservation Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Other revenues	\$ -	\$ 798	\$ 798
Total Revenues		798	798
Other financing sources (uses):			
Operating transfers in		5,956	5,956
Total other financing sources (uses)		5,956	5,956
Excess revenues and other sources over (under) expenditures and other uses		6,754	6,754
Fund Balance - July 1	1,031	1,031	
Fund Balance - June 30	\$ 1,031	\$ 7,785	\$ 6,754

**CITY OF EL PASO DE ROBLES**  
**NON-MAJOR FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**For the fiscal year ended June 30, 2010**

	Cal Home Loan Program Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	\$ -	\$ 2,776	\$ 2,776
Total Revenues		2,776	2,776
Other financing sources (uses):			
Operating transfers in		246,134	246,134
Total other financing sources (uses)		246,134	246,134
Excess revenues and other sources over (under) expenditures and other uses		248,910	248,910
Fund Balance - July 1			
Fund Balance - June 30	\$ -	\$ 248,910	\$ 248,910

**CITY OF EL PASO DE ROBLES**  
**NON-MAJOR FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**For the fiscal year ended June 30, 2010**

	Public Works Grants Fund		
	Final Budget	Actual	Variance positive (negative)
Expenditures:			
Public works	\$ -	\$ 95	\$ (95)
Total Expenditures		95	(95)
Excess revenues over (under) expenditures		(95)	(95)
Fund Balance - July 1			
Fund Balance - June 30	\$ -	\$ (95)	\$ (95)

**CITY OF EL PASO DE ROBLES**  
**NON-MAJOR FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**For the fiscal year ended June 30, 2010**

	Prop 1B Public Transportation Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
From other agencies	\$ -	\$ 2,365	\$ 2,365
Total Revenues		2,365	2,365
Fund Balance - July 1			
Fund Balance - June 30	\$ -	\$ 2,365	\$ 2,365

CITY OF EL PASO DE ROBLES  
NON-MAJOR FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
For the fiscal year ended June 30, 2010

	Capital Projects Reserve Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	\$ 10,000	\$ 9,857	\$ (143)
From other agencies		748,439	748,439
Other		250,000	250,000
Total Revenues	<u>10,000</u>	<u>1,008,296</u>	<u>998,296</u>
Expenditures:			
Capital outlay	<u>3,190,400</u>	<u>1,715,978</u>	<u>1,474,422</u>
Total Expenditures	<u>3,190,400</u>	<u>1,715,978</u>	<u>1,474,422</u>
Excess revenues over (under) expenditures	<u>(3,180,400)</u>	<u>(707,682)</u>	<u>2,472,718</u>
Other financing sources (uses):			
Operating transfers in		14,537	14,537
Operating transfers out	(220,000)	(220,000)	
Total other financing sources (uses)	<u>(220,000)</u>	<u>(205,463)</u>	<u>14,537</u>
Excess revenues and other sources over (under) expenditures and other uses	<u>(3,400,400)</u>	<u>(913,145)</u>	<u>2,487,255</u>
Fund Balance - July 1	<u>1,197,856</u>	<u>1,197,856</u>	
Fund Balance - June 30	<u>\$ (2,202,544)</u>	<u>\$ 284,711</u>	<u>\$ 2,487,255</u>

CITY OF EL PASO DE ROBLES  
NON-MAJOR FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
For the fiscal year ended June 30, 2010

	Bridge Development Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	\$ 1,300	\$ 1,607	\$ 307
Total Revenues	1,300	1,607	307
Expenditures:			
Capital outlay	21,400	2,840	18,560
Total Expenditures	21,400	2,840	18,560
Excess revenues over (under) expenditures	(20,100)	(1,233)	18,867
Fund Balance - July 1	76,562	76,562	
Fund Balance - June 30	\$ 56,462	\$ 75,329	\$ 18,867

CITY OF EL PASO DE ROBLES  
NON-MAJOR FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
For the fiscal year ended June 30, 2010

	Park Development Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	\$ 42,400	\$ 42,979	\$ 579
Charges for current services	92,200	95,936	3,736
Total Revenues	134,600	138,915	4,315
Other financing sources (uses):			
Operating transfers out	(919,000)	(469,000)	450,000
Total other financing sources (uses)	(919,000)	(469,000)	450,000
Excess revenues and other sources over (under) expenditures and other uses	(784,400)	(330,085)	454,315
Fund Balance - July 1	2,225,488	2,225,488	
Fund Balance - June 30	\$ 1,441,088	\$ 1,895,403	\$ 454,315

CITY OF EL PASO DE ROBLES  
NON-MAJOR FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
For the fiscal year ended June 30, 2010

	Storm Drain Development Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	\$ 5,000	\$ 5,612	\$ 612
Charges for current services	85,600	44,922	(40,678)
Total Revenues	90,600	50,534	(40,066)
Expenditures:			
Public works	1,200		1,200
Total Expenditures	1,200		1,200
Excess revenues over (under) expenditures	89,400	50,534	(38,866)
Fund Balance - July 1	227,574	227,574	
Fund Balance - June 30	\$ 316,974	\$ 278,108	\$ (38,866)

CITY OF EL PASO DE ROBLES  
NON-MAJOR FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
For the fiscal year ended June 30, 2010

	Specific Plans Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	\$ 22,000	\$ 27,505	\$ 5,505
Charges for current services	11,200	177,004	165,804
Other	700	6,702	6,002
Total Revenues	<u>33,900</u>	<u>211,211</u>	<u>177,311</u>
Expenditures:			
Community development	90,900	307	90,593
Debt service		34,747	(34,747)
Capital outlay	44,700	20,873	23,827
Total Expenditures	<u>135,600</u>	<u>55,927</u>	<u>79,673</u>
Excess revenues over (under) expenditures	(101,700)	155,284	256,984
Fund Balance - July 1	<u>(1,010,878)</u>	<u>(1,010,878)</u>	
Fund Balance - June 30	<u>\$ (1,112,578)</u>	<u>\$ (855,594)</u>	<u>\$ 256,984</u>

CITY OF EL PASO DE ROBLES  
NON-MAJOR FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
For the fiscal year ended June 30, 2010

	Airport Road PSR Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	\$ -	\$ -	\$ -
Total Revenues			
Expenditures:			
Debt service		2,951	(2,951)
Capital outlay	58,000		58,000
Total Expenditures	58,000	2,951	55,049
Excess revenues over (under) expenditures	(58,000)	(2,951)	55,049
Fund Balance - July 1	(177,139)	(177,139)	
Fund Balance - June 30	\$ (235,139)	\$ (180,090)	\$ 55,049

**CITY OF EL PASO DE ROBLES**  
**NON-MAJOR FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**For the fiscal year ended June 30, 2010**

	Bike and Pedestrian Path Facilities Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	\$ -	\$ 505	\$ 505
Charges for current services		10,693	10,693
		11,198	11,198
Total Revenues		11,198	11,198
Fund Balance - July 1	15,711	15,711	
Fund Balance - June 30	\$ 15,711	\$ 26,909	\$ 11,198

CITY OF EL PASO DE ROBLES  
NON-MAJOR FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
For the fiscal year ended June 30, 2010

	1993 Public Facilities Debt Service Fund		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Uses of money and property	\$ 12,000	\$ 858	\$ (11,142)
Total Revenues	<u>12,000</u>	<u>858</u>	<u>(11,142)</u>
Expenditures:			
Debt service:			
Principal	185,000	185,000	
Interest	129,600	129,607	(7)
Paying agent fees	3,000	2,190	810
Total Expenditures	<u>317,600</u>	<u>316,797</u>	<u>803</u>
Excess revenues over (under) expenditures	<u>(305,600)</u>	<u>(315,939)</u>	<u>(10,339)</u>
Other financing sources (uses):			
Operating transfers in	<u>317,600</u>	<u>317,604</u>	<u>4</u>
Total other financing sources (uses)	<u>317,600</u>	<u>317,604</u>	<u>4</u>
Excess revenues and other sources over (under) expenditures and other uses	<u>12,000</u>	<u>1,665</u>	<u>(10,335)</u>
Fund Balance - July 1	<u>412,134</u>	<u>412,134</u>	
Fund Balance - June 30	<u>\$ 424,134</u>	<u>\$ 413,799</u>	<u>\$ (10,335)</u>

CITY OF EL PASO DE ROBLES  
NON-MAJOR FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the fiscal year ended June 30, 2010

	TOTALS		
	Final Budget	Actual	Variance positive (negative)
Revenues:			
Taxes	\$ 2,321,500	\$ 2,304,339	\$ (17,161)
Uses of money and property	348,700	318,523	(30,177)
Charges for current services	233,400	3,553,885	3,320,485
From other agencies	1,248,000	369,840	(878,160)
Other	997,000	1,149,129	152,129
Total Revenues	<u>5,148,600</u>	<u>7,695,716</u>	<u>2,547,116</u>
Expenditures:			
General government	1,067,200	85,618	981,582
Public safety	352,900	173,788	179,112
Public works	2,030,200	1,658,961	371,239
Library & recreation services	50,700	14,252	36,448
Community development	2,702,800	1,940,469	762,331
Debt service	317,600	366,726	(49,126)
Capital outlay	9,922,500	4,023,188	5,899,312
Total Expenditures	<u>16,443,900</u>	<u>8,263,002</u>	<u>8,180,898</u>
Excess revenues over (under) expenditures	<u>(11,295,300)</u>	<u>(567,286)</u>	<u>10,728,014</u>
Other financing sources (uses):			
Operating transfers in	1,729,800	1,779,907	50,107
Operating transfers out	(2,754,000)	(2,750,719)	3,281
Proceeds from capital leases	264,000	224,508	(39,492)
Total other financing sources (uses)	<u>(760,200)</u>	<u>(746,304)</u>	<u>13,896</u>
Excess revenues and other sources over (under) expenditures and other uses	<u>(12,055,500)</u>	<u>(1,313,590)</u>	<u>10,741,910</u>
Fund Balances - July 1	<u>11,582,221</u>	<u>11,582,221</u>	
Fund Balances - June 30	<u>\$ (473,279)</u>	<u>\$ 10,268,631</u>	<u>\$ 10,741,910</u>

## MAJOR FUNDS

### Traffic Mitigation Development Fund

This fund accounts for fees assessed and collected upon the issuance of a City building permit. Funds are used for bridge, road and signal improvements needed to serve new growth.

### Public Facilities Development Fund

This fund accounts for fees assessed and collected upon the issuance of a City certificate of occupancy. Funds are used to construct public facilities.

### Highway 101/46 West Community Facilities District Fund

This fund accounts for the improvements to the Highway 101/46 West interchange and road re-alignments.

### Measure D GO Bonds Debt Service Fund

This fund accounts for long-term debt service transactions relating to a variety of infrastructure projects funded by voter approved Measure D General Obligation Bonds.

### Redevelopment Agency Debt Service Fund

This fund accounts for long-term debt service transactions relating to the acquisition and improvements of interim city hall and the repayment of short-term cash advances owed to the City of El Paso de Robles' general fund.

**CITY OF EL PASO DE ROBLES  
TRAFFIC MITIGATION DEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For The Fiscal Year Ending June 30, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget Positive/(Negative)
	Original	Final		
Revenues:				
Uses of money and property	\$ 50,000	\$ 50,000	\$ 47,155	\$ (2,845)
From other agencies		13,320,000		(13,320,000)
Charges for current services	853,900	3,502,900	2,471,698	(1,031,202)
Total Revenues	903,900	16,872,900	2,518,853	(14,354,047)
Expenditures:				
Public works			122	(122)
Capital outlay		16,646,700	1,134,793	15,511,907
Total Expenditures		16,646,700	1,134,915	15,511,785
Excess revenues over (under) expenditures	903,900	226,200	1,383,938	1,157,738
Other financing sources (uses):				
Transfers in		840,000	869,175	29,175
Total other financing sources (uses)		840,000	869,175	29,175
Excess revenues and other sources over (under) expenditures and other uses	903,900	1,066,200	2,253,113	1,186,913
Fund Balance - July 1	5,284,027	5,284,027	5,284,027	
Fund Balance - June 30	\$ 6,187,927	\$ 6,350,227	\$ 7,537,140	\$ 1,186,913

**CITY OF EL PASO DE ROBLES  
PUBLIC FACILITIES DEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For The Fiscal Year Ending June 30, 2009**

	Budgeted Amounts			Variance with Final Budget Positive/(Negative)
	Original	Final	Actual	
Revenues:				
Uses of money and property	\$ 157,100	\$ 157,100	\$ 153,071	\$ (4,029)
Charges for current services	197,500	197,500	431,109	233,609
Total Revenues	354,600	354,600	584,180	229,580
Expenditures:				
General government	96,000	195,900	131,091	64,809
Total Expenditures	96,000	195,900	131,091	64,809
Excess revenues over (under) expenditures	258,600	158,700	453,089	294,389
Other financing sources (uses):				
Transfers out			(29,175)	(29,175)
Total other financing sources (uses)			(29,175)	(29,175)
Excess revenues and other sources over (under) expenditures and other uses	258,600	158,700	423,914	265,214
Fund Balance - July 1	15,239,171	15,239,171	15,239,171	
Fund Balance - June 30	\$ 15,497,771	\$ 15,397,871	\$ 15,663,085	\$ 265,214

CITY OF EL PASO DE ROBLES  
HIGHWAY 101/46 WEST COMMUNITY FACILITIES DISTRICT FUND  
SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For The Fiscal Year Ending June 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive/(Negative)
	Original	Final	Actual	
Revenues:				
Uses of money and property	\$ -	\$ -	\$ -	\$ -
Total Revenues				
Expenditures:				
Community development		131,000	151,876	(20,876)
Debt service:				
Interest			161,706	(161,706)
Total Expenditures		131,000	313,582	(182,582)
Excess revenues over (under) expenditures		(131,000)	(313,582)	(182,582)
Excess revenues and other sources over (under) expenditures and other uses		(131,000)	(313,582)	(182,582)
Fund Balance - July 1	(9,574,182)	(9,574,182)	(9,574,182)	
Fund Balance - June 30	\$ (9,574,182)	\$ (9,705,182)	\$ (9,887,764)	\$ (182,582)

**CITY OF EL PASO DE ROBLES  
 MEASURE D GO BONDS - DEBT SERVICE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 For The Fiscal Year Ending June 30, 2010**

	Budgeted Amounts			Variance with Final Budget Positive/(Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 2,988,700	\$ 2,988,700	\$ 3,176,476	\$ 187,776
From other agencies	5,000	5,000	33,517	28,517
Uses of money and property	155,000	155,000	135,838	(19,162)
Total Revenues	3,148,700	3,148,700	3,345,831	197,131
Expenditures:				
Debt service:				
Interest	1,482,600	1,482,600	1,333,711	148,889
Principal	1,446,100	1,446,100	1,595,000	(148,900)
Paying agent fees	5,000	5,000	2,602	2,398
Total Expenditures	2,933,700	2,933,700	2,931,313	2,387
Excess revenues over (under) expenditures	215,000	215,000	414,518	199,518
Fund Balance - July 1	6,895,651	6,895,651	6,895,651	
Fund Balance - June 30	\$ 7,110,651	\$ 7,110,651	\$ 7,310,169	\$ 199,518

**CITY OF EL PASO DE ROBLES**  
**REDEVELOPMENT AGENCY - DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For The Fiscal Year Ending June 30, 2010**

	Budgeted Amounts			Variance with Final Budget Positive/(Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 4,050,000	\$ 4,050,000	\$ 3,856,527	\$ (193,473)
Uses of money and property	20,000	20,000	178,063	158,063
Miscellaneous			138,336	138,336
Total Revenues	4,070,000	4,070,000	4,172,926	102,926
Expenditures:				
General government			1,566,742	(1,566,742)
Debt service:				
Interest	310,800	310,800	680,928	(370,128)
Principal	205,000	205,000	205,000	
Paying agent fees	5,000	5,000	1,500	3,500
Fiscal agreement payments			4,418,893	(4,418,893)
Bond issue costs			403,734	(403,734)
Total Expenditures	520,800	520,800	7,276,797	(6,755,997)
Excess revenues over (under) expenditures	3,549,200	3,549,200	(3,103,871)	(6,653,071)
Other financing sources (uses):				
Bond proceeds	12,000,000	12,000,000	12,115,000	115,000
Payments to refunded debt			(2,320,000)	(2,320,000)
Operating transfers out	(392,600)	(392,600)	(467,604)	(75,004)
Total other financing sources (uses)	11,607,400	11,607,400	9,327,396	(2,280,004)
Excess revenues and other sources over (under) expenditures and other uses	15,156,600	15,156,600	6,223,525	(8,933,075)
Fund Balance - July 1	(6,087,553)	(6,087,553)	(6,087,553)	
Fund Balance - June 30	\$ 9,069,047	\$ 9,069,047	\$ 135,972	\$ (8,933,075)

### **FIDUCIARY FUNDS**

Senior Citizen Fund - to account for funds received and expended by the Senior Advisory Committee.

War Memorial Hospital Scholarship Fund - to account for funds that provide scholarships to graduated local high school students who undertake college courses in the medical field. Scholarships are awarded by the Paso Robles High School District.

Customer Deposits Fund - to account for deposits from customers which are either to be refunded when performance criteria is met or to be applied against future amounts due to the City from the customer.

Tourism and Lodging Business Improvement District (BID) - to account for the 2% additional TOT from hotels/motels to be used exclusively by the BID for tourism promotional activities.

**CITY OF EL PASO DE ROBLES**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS**  
**For The Fiscal Year Ended June 30, 2010**

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
<b><u>SENIOR CITIZEN</u></b>				
Assets:				
Cash and investments	\$ 270,406	\$ 19,819	\$ 49,011	\$ 241,214
Total Assets	<u>\$ 270,406</u>	<u>\$ 19,819</u>	<u>\$ 49,011</u>	<u>\$ 241,214</u>
Liabilities:				
Accounts payable	\$ -	\$ 680	\$ 680	\$ -
Accrued salary & benefits payable	5,378	2,148	1,692	5,834
Due to others	265,028	16,991	46,639	235,380
Total Liabilities	<u>\$ 270,406</u>	<u>\$ 19,819</u>	<u>\$ 49,011</u>	<u>\$ 241,214</u>
<b><u>WAR MEMORIAL HOSPITAL SCHOLARSHIP</u></b>				
Assets:				
Cash and investments	\$ 114,785	\$ 15,334	\$ 20,411	\$ 109,708
Total Assets	<u>\$ 114,785</u>	<u>\$ 15,334</u>	<u>\$ 20,411</u>	<u>\$ 109,708</u>
Liabilities:				
Accounts payable	\$ -	\$ 12,400	\$ 7,400	\$ 5,000
Due to others	114,785	2,934	13,011	104,708
Total Liabilities	<u>\$ 114,785</u>	<u>\$ 15,334</u>	<u>\$ 20,411</u>	<u>\$ 109,708</u>

**CITY OF EL PASO DE ROBLES**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS**  
**For The Fiscal Year Ended June 30, 2010**

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
<b><u>CUSTOMER DEPOSITS</u></b>				
Assets:				
Cash and investments	\$ 676,104	\$ 440,304	\$ 442,557	\$ 673,851
Total Assets	<u>\$ 676,104</u>	<u>\$ 440,304</u>	<u>\$ 442,557</u>	<u>\$ 673,851</u>
Liabilities:				
Accounts payable	\$ 11,433	\$ 177,135	\$ 175,232	\$ 13,336
Customer deposits	664,671	263,169	267,325	660,515
Total Liabilities	<u>\$ 676,104</u>	<u>\$ 440,304</u>	<u>\$ 442,557</u>	<u>\$ 673,851</u>
<b><u>TOURISM AND LODGING BID</u></b>				
Assets:				
Cash and investments	\$ 134,086	\$ 1,175,060	\$ 1,233,130	\$ 76,016
Accounts receivable	49,311	57,490	49,311	57,490
Total Assets	<u>\$ 183,397</u>	<u>\$ 1,232,550</u>	<u>\$ 1,282,441</u>	<u>\$ 133,506</u>
Liabilities:				
Accounts payable	\$ 52,744	\$ 532,283	\$ 574,209	\$ 10,818
Due to others	130,653	700,267	708,232	122,688
Total Liabilities	<u>\$ 183,397</u>	<u>\$ 1,232,550</u>	<u>\$ 1,282,441</u>	<u>\$ 133,506</u>
<b><u>TOTAL - ALL AGENCY FUNDS</u></b>				
Assets:				
Cash and investments	\$ 1,195,381	\$ 1,650,517	\$ 1,745,109	\$ 1,100,789
Accounts receivable	49,311	57,490	49,311	57,490
Total Assets	<u>\$ 1,244,692</u>	<u>\$ 1,708,007</u>	<u>\$ 1,794,420</u>	<u>\$ 1,158,279</u>
Liabilities:				
Accounts payable	\$ 64,177	\$ 722,498	\$ 757,521	\$ 29,154
Accrued salary & benefits payable	5,378	2,148	1,692	5,834
Customer deposits	664,671	263,169	267,325	660,515
Due to others	510,466	720,192	767,882	462,776
Total Liabilities	<u>\$ 1,244,692</u>	<u>\$ 1,708,007</u>	<u>\$ 1,794,420</u>	<u>\$ 1,158,279</u>

# CITY OF EL PASO DE ROBLES



## STATISTICAL SECTION

**CITY OF EL PASO DE ROBLES  
NET ASSETS BY COMPONENT  
BY FISCAL YEAR**

	2006	2007	2008	2009	2010
Governmental activities					
Invested in capital assets, net of related debt	\$ 107,693,936	\$ 122,168,978	\$ 123,267,038	\$ 126,146,832	\$ 119,279,344
Restricted	829,674	1,286,753	1,168,175	2,170,711	1,124,540
Unrestricted	30,782,721	26,014,158	25,740,998	26,732,780	34,942,358
Total governmental activities net assets	<u>\$ 139,306,331</u>	<u>\$ 149,469,889</u>	<u>\$ 150,176,211</u>	<u>\$ 155,050,323</u>	<u>\$ 155,346,242</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ 54,373,577	\$ 54,078,917	\$ 57,702,782	\$ 67,486,229	\$ 68,996,920
Restricted	479				
Unrestricted	33,620,918	40,862,436	42,105,837	35,069,547	34,719,423
Total business-type activities net assets	<u>\$ 87,994,974</u>	<u>\$ 94,941,353</u>	<u>\$ 99,808,619</u>	<u>\$ 102,555,776</u>	<u>\$ 103,716,343</u>
Primary government					
Invested in capital assets, net of related debt	\$ 162,067,513	\$ 176,247,895	\$ 180,969,820	\$ 193,633,061	\$ 188,276,264
Restricted	830,153	1,286,753	1,168,175	2,170,711	1,124,540
Unrestricted	64,403,639	66,876,594	67,846,835	61,802,327	69,661,781
Total primary government net assets	<u>\$ 227,301,305</u>	<u>\$ 244,411,242</u>	<u>\$ 249,984,830</u>	<u>\$ 257,606,099</u>	<u>\$ 259,062,585</u>

**CITY OF EL PASO DE ROBLES  
CHANGES IN NET ASSETS  
BY FISCAL YEAR**

	2006	2007	2008	2009	2010
<b>Expenses</b>					
Governmental activities:					
General government	\$ 499,902	\$ 1,516,575	\$ 4,205,603	\$ 2,664,573	\$ 2,961,021
Public safety	11,715,883	13,846,830	13,825,505	14,644,352	13,758,631
Public works	8,347,720	9,922,306	10,665,983	10,372,489	11,747,078
Library and recreation services	4,560,785	4,960,652	4,455,244	4,380,035	2,711,980
Community development	7,124,605	4,600,339	4,752,684	3,812,797	8,811,192
Interest on long-term debt	1,709,387	2,265,878	2,588,398	2,389,710	2,548,696
Total governmental activities expenses	33,958,282	37,112,580	40,493,417	38,263,956	42,538,598
Business-type activities:					
Water operations	3,734,082	4,113,070	4,399,286	5,482,678	5,860,310
Sewer operations	3,621,438	3,672,572	4,130,267	4,374,113	4,964,606
Airport operations	681,207	765,078	748,673	779,181	750,705
Transit operations	1,088,576	1,246,765	1,149,988	1,402,596	1,408,455
Total business-type activities expenses	9,125,303	9,797,485	10,428,214	12,038,568	12,984,076
Total primary government expenses	\$ 43,083,585	\$ 46,910,065	\$ 50,921,631	\$ 50,302,524	\$ 55,522,674
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 43,872	\$ 46,693	\$ 45,877	\$ 39,648	\$ 34,819
Public safety	620,003	760,126	1,025,247	922,764	531,567
Public works	20,944	7,626	1,612	340,091	250,738
Library and recreation services	791,830	827,976	795,118	710,085	696,325
Community development	5,777,450	5,399,402	3,782,118	2,094,258	4,401,371
Operating contributions and grants		300,000			2,009,355
Capital contributions and grants	7,129,023	3,634,416	4,765,465	2,581,818	3,008,669
Total governmental activities program revenues	14,383,122	10,976,239	10,415,437	6,688,664	10,932,844
Business-type activities:					
Charges for services:					
Water operations	3,590,654	4,312,130	4,227,593	4,008,362	3,608,107
Sewer operations	3,864,353	4,059,804	4,367,772	4,495,292	4,535,599
Airport operations	18,544	20,935	53,839	121,382	34,550
Transit operation	132,078	160,685	156,103	149,782	154,382
Operating contributions and grants					2,051,606
Capital contributions and grants	7,313,475	4,571,395	3,548,974	2,977,958	2,675,879
Total business-type activities program revenues	14,919,104	13,124,949	12,354,281	11,752,776	13,060,123
Total primary government program revenues	\$ 29,302,226	\$ 24,101,188	\$ 22,769,718	\$ 18,441,440	\$ 23,992,967

**CITY OF EL PASO DE ROBLES  
CHANGES IN NET ASSETS  
BY FISCAL YEAR**

	2006	2007	2008	2009	2010
Net (expense)/revenue					
Governmental activities	\$ (19,575,160)	\$ (26,136,341)	\$ (30,077,980)	\$ (31,575,292)	\$ (31,605,754)
Business-type activities	5,793,801	3,327,464	1,926,067	(285,792)	76,047
Total primary government net expense	<u>\$ (13,781,359)</u>	<u>\$ (22,808,877)</u>	<u>\$ (28,151,913)</u>	<u>\$ (31,861,084)</u>	<u>\$ (31,529,707)</u>
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental activities:					
Taxes					
Property taxes	\$ 13,966,390	\$ 15,450,804	\$ 17,795,597	\$ 18,423,566	\$ 17,723,203
Sales taxes	6,183,527	8,237,072	7,691,562	6,702,166	5,945,622
Other taxes	4,640,054	4,933,674	5,182,504	5,027,312	4,885,432
From other agencies	3,953,811	3,837,498	2,972,863	2,610,537	328,877
Licenses and permits	341,034	376,088	420,059	432,448	424,333
Other	911,550	1,273,805	1,582,640	1,255,776	1,398,201
Uses of money and property	875,397	2,521,193	2,573,339	1,870,103	1,092,676
Transfers in/(out)	18,700	(330,235)	102,396	127,496	103,329
Asset impairment losses					
Total governmental activities	<u>30,890,463</u>	<u>36,299,899</u>	<u>38,320,960</u>	<u>36,449,404</u>	<u>31,901,673</u>
Business-type activities:					
Taxes					
From other agencies	72,152	70,807	52,457	49,304	47,918
Other	2,038,011	1,354,005	908,754	1,384,327	
Uses of money and property	54,746	8,148	82,961	90,646	
Transfers in/(out)	1,369,416	1,855,720	1,999,423	1,636,168	1,139,931
Asset impairment losses	(18,700)	330,235	(102,396)	(127,496)	(103,329)
Total business-type activities	<u>3,515,625</u>	<u>3,618,915</u>	<u>2,941,199</u>	<u>3,032,949</u>	<u>1,084,520</u>
Total primary government	<u>\$ 34,406,088</u>	<u>\$ 39,918,814</u>	<u>\$ 41,262,159</u>	<u>\$ 39,482,353</u>	<u>\$ 32,986,193</u>
<b>Change in Net Assets</b>					
Governmental activities	\$ 11,315,303	\$ 10,163,558	\$ 8,242,980	\$ 4,874,112	\$ 295,919
Business-type activities	9,309,426	6,946,379	4,867,266	2,747,157	1,160,567
Total primary government	<u>\$ 20,624,729</u>	<u>\$ 17,109,937</u>	<u>\$ 13,110,246</u>	<u>\$ 7,621,269</u>	<u>\$ 1,456,486</u>

**CITY OF EL PASO DE ROBLES  
FUND BALANCES OF GOVERNMENTAL FUNDS  
BY FISCAL YEAR**

	2006	2007	2008	2009	2010
General fund					
Reserved	\$ 1,819,571	\$ 2,171,603	\$ 2,544,927	2,332,243	2,340,337
Unreserved	6,602,512	6,400,258	6,027,797	6,026,892	4,559,268
Total general fund	<u>\$ 8,422,083</u>	<u>\$ 8,571,861</u>	<u>\$ 8,572,724</u>	<u>\$ 8,359,135</u>	<u>\$ 6,899,605</u>
All other governmental funds					
Reserved	\$ 7,115,402	\$ 17,667,211	\$ 18,661,111	\$ 19,548,017	21,522,402
Unreserved, reported in:					
Special revenue funds	6,963,650	7,911,169	8,112,255	7,084,440	\$ 4,919,632
Capital projects funds	10,521,780	(3,977,038)	(4,618,045)	(4,308,354)	(3,204,741)
Debt service funds	1,474,597	33,930	(309,871)	1,015,232	7,789,940
Total all other governmental funds	<u>\$ 26,075,429</u>	<u>\$ 21,635,272</u>	<u>\$ 21,845,450</u>	<u>\$ 23,339,335</u>	<u>\$ 31,027,233</u>

**CITY OF EL PASO DE ROBLES**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**BY FISCAL YEAR**

	2006	2007	2008	2009	2010
<b>Revenues</b>					
Taxes	\$ 24,789,972	\$ 28,660,022	\$ 30,672,302	\$ 30,153,044	\$ 28,554,257
Licenses and permits	1,531,411	924,967	853,515	770,006	674,693
Fines and forfeitures	307,138	321,533	379,876	335,345	268,484
Uses of money and property	1,193,603	2,690,477	1,882,106	2,042,562	1,224,746
From other agencies	4,477,647	3,777,991	4,758,566	4,061,243	4,702,105
Charges for current services	6,441,726	6,103,246	4,598,357	3,213,044	4,331,563
Other	911,549	1,273,806	1,581,564	1,253,973	1,403,160
Total revenues	39,653,046	43,752,042	44,726,286	41,829,217	41,159,008
<b>Expenditures</b>					
General government	194,652	1,271,921	2,294,079	2,331,382	4,095,371
Public safety	11,625,058	13,105,217	13,106,157	13,922,924	13,218,140
Public works	5,578,195	5,998,723	6,870,697	6,683,959	5,652,991
Library and recreation services	4,173,170	4,554,183	4,053,268	4,040,414	3,860,779
Community development	4,837,054	3,549,712	3,551,725	2,689,798	3,201,403
Interest	1,687,136	2,238,598	2,588,398	2,390,047	2,399,784
Principal	2,845,829	2,917,391	2,837,346	2,111,322	2,157,373
Paying agent fees	8,267	7,019	7,440	7,877	6,292
Bond insurance costs					403,734
Capital outlay	13,497,123	13,144,260	7,103,548	4,799,427	5,638,717
Fiscal agreements payments	918,079	1,112,911	1,215,983	1,699,267	4,418,893
Total expenditures	45,364,563	47,899,935	43,628,641	40,676,417	45,053,477
Excess of revenues over (under) expenditures	(5,711,517)	(4,147,893)	1,097,645	1,152,800	(3,894,469)
<b>Other financing sources (uses):</b>					
Operating transfers in	12,983,207	6,639,069	3,665,614	4,032,464	3,747,587
Operating transfers out	(12,964,507)	(6,969,304)	(3,563,218)	(3,904,968)	(3,644,258)
Capital leases/bond proceeds	1,789,000		31,435,000		12,339,508
Bond premium			963,102		
Payments to refunded debt			(33,387,102)		(2,320,000)
Proceeds from postclosure liability	154,126	187,749			
Total other financing sources (uses)	1,961,826	(142,486)	(886,604)	127,496	10,122,837
Net change in fund balances	(3,749,691)	(4,290,379)	211,041	1,280,296	6,228,368
Fund balances July 1	38,483,943	34,497,512	30,207,133	30,418,174	31,698,470
Prior period adjustment	(236,740)				
Fund balances June 30	\$ 34,497,512	\$ 30,207,133	\$ 30,418,174	\$ 31,698,470	\$ 37,926,838

**CITY OF EL PASO DE ROBLES  
TAX REVENUE BY SOURCE, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Property <sup>a</sup></b>	<b>Sales &amp; Use <sup>b</sup></b>	<b>Occupancy</b>	<b>Franchise</b>	<b>Property Transfer</b>	<b>Other</b>	<b>Total</b>
<b>2001</b>	\$ 2,520,254	\$ 5,141,821	\$ 976,618	\$ 390,862	\$ 141,379	\$ 3,702,365	\$ 12,873,299
<b>2002</b>	2,833,986	5,408,997	1,040,692	1,543,510	159,474	2,092,768	13,079,427
<b>2003</b>	3,267,031	5,821,356	1,123,814	1,740,499	168,598	5,388,301	17,509,601
<b>2004</b>	3,513,445	6,229,299	1,296,972	2,020,347	239,085	6,725,850	20,024,998
<b>2005</b>	4,076,025	5,414,506	1,446,059	1,999,715	340,630	9,590,830	22,867,765
<b>2006</b>	4,952,372	6,183,527	1,614,347	2,197,861	332,074	9,509,791	24,789,972
<b>2007</b>	7,584,685	5,986,431	2,025,859	2,429,063	219,287	10,414,698	28,660,022
<b>2008</b>	8,638,732	5,723,861	2,549,065	2,185,058	146,972	7,928,053	27,171,741
<b>2009</b>	8,845,816	4,753,451	2,692,915	1,964,038	95,767	7,284,996	25,636,983
<b>2010</b>	8,385,861	4,841,765	2,735,664	1,794,918	105,999	4,977,296	22,841,503
<b>Percentage Change 2001-2010</b>	<b>232.7%</b>	<b>-5.8%</b>	<b>180.1%</b>	<b>359.2%</b>	<b>-25.0%</b>	<b>34.4%</b>	<b>77.4%</b>

Notes:

<sup>a</sup> Due to passage of Proposition 13, the maximum tax rate is set at 1% of assessed valuation unless otherwise approved by vote of electorate. Except for general obligation bond override approved by the voters in 1998, there are no general use property tax overrides authorized. The growth in property tax revenues is due to significant growth in assessed valuations arising from new residential and commercial development and property ownership turnover.

<sup>b</sup> The growth in sales tax revenues is solely attributable to growth in retail sales.

Source: City of Paso Robles Finance Dept

**CITY OF EL PASO DE ROBLES  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Less: Tax- Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Taxable Assessed Value as a Percentage of Actual Taxable Value</b>
<b>2001</b>	\$ 832,482,817	\$ 232,468,535	\$ 76,680,343	\$ (12,126,304)	\$ 1,129,505,391	1.00000	\$ 1,389,535,518	81.29%
<b>2002</b>	951,469,383	246,237,969	86,456,909	(13,318,285)	1,270,845,976	1.00000	1,601,282,486	79.36%
<b>2003</b>	1,095,030,424	268,132,765	96,605,248	(13,696,226)	1,446,072,211	1.00000	1,816,055,597	79.63%
<b>2004</b>	1,314,883,360	284,034,088	103,030,536	(14,156,282)	1,687,791,702	1.00000	2,070,380,257	81.52%
<b>2005</b>	1,431,862,012	301,924,082	105,570,399	(15,227,842)	1,824,128,651	1.00000	2,336,844,323	78.06%
<b>2006</b>	1,656,550,223	335,058,825	111,044,371	(17,359,195)	2,120,012,614	1.00000	2,744,186,720	77.25%
<b>2007</b>	1,930,820,904	345,382,147	111,510,547	(21,405,648)	2,409,119,246	1.00000	3,225,596,576	74.69%
<b>2008</b>	2,195,861,062	407,470,899	114,920,595	(23,917,027)	2,742,169,583	1.00000	3,592,822,457	76.32%
<b>2009</b>	2,529,439,815	533,512,510	153,731,724	(34,496,695)	3,251,180,744	1.00000	3,793,427,118	85.71%
<b>2010</b>	2,429,476,741	481,525,922	161,004,214	(34,861,735)	3,106,868,612	1.00000	3,654,522,643	85.01%

Source: San Luis Obispo County Assessor's Office as reported by HdL Coren & Cone

**CITY OF EL PASO DE ROBLES  
 ASSESSED VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS**

Fiscal Year	Secured <sup>a</sup>	Unsecured <sup>b</sup>	Homeowners Exempt <sup>c</sup>	Total Taxable Assessed Value	Total Direct Tax Rate
2001	\$ 1,280,017,282	\$ 102,172,032	\$ (29,291,803)	\$ 1,352,897,511	1.00000
2002	1,469,498,589	109,356,793	(30,755,791)	1,548,099,591	1.00000
2003	1,676,286,480	108,117,503	(32,338,561)	1,752,065,422	1.00000
2004	1,927,106,815	114,310,291	(33,685,444)	2,007,731,662	1.00000
2005	2,209,220,841	116,769,665	(34,060,600)	2,291,929,906	1.00000
2006	2,602,130,386	120,324,144	(34,826,400)	2,687,628,130	1.00000
2007	3,077,152,015	127,044,894	(36,149,400)	3,168,047,509	1.00000
2008	3,434,872,893	141,592,656	(37,343,600)	3,539,121,949	1.00000
2009	3,612,661,077	164,939,855	(37,632,000)	3,739,968,932	1.00000
2010	3,468,323,850	171,031,032	(37,640,954)	3,601,713,928	1.00000

Notes:

<sup>a</sup> Secured property is generally real property, defined as land, mines, minerals, timber and improvements such as buildings, structures, crops, trees, and vines.

<sup>b</sup> Unsecured property is generally personal property including machinery, equipment, office tools and supplies.

<sup>c</sup> Homeowners exemption

Source: HdL, San Luis Obispo County Assessor's Office

**CITY OF PASO ROBLES  
TAXABLE SALES BY CATEGORY  
LAST TEN FISCAL YEARS**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Consumer Goods	\$ 122,075,800	\$ 133,365,200	\$ 146,375,300	\$ 157,790,700	\$ 170,463,100	\$ 185,474,900	\$ 191,799,000	\$184,760,900	\$178,468,000	\$176,825,700
Auto and Transportation	92,400,700	116,414,500	118,953,800	130,783,000	138,936,500	158,172,000	151,434,500	120,267,100	92,053,800	85,848,800
Fuel and Service Stations	55,659,000	50,378,300	57,384,900	58,343,600	73,442,500	92,815,700	91,988,100	112,027,000	106,805,400	87,244,800
Building and Construction	38,592,000	47,453,100	53,968,700	60,726,600	75,787,100	81,811,200	79,867,200	60,632,400	45,084,400	48,919,700
Restaurants and Hotels	47,184,400	47,258,900	51,483,900	59,128,900	63,677,100	70,684,200	78,978,300	87,414,800	85,521,900	80,181,600
Business and Industry	52,491,400	54,834,000	54,519,900	54,294,600	64,153,200	83,545,900	95,576,400	80,075,000	70,764,900	67,797,200
Food and Drugs	30,978,000	33,364,000	33,774,700	36,130,900	38,995,100	39,610,200	41,126,700	39,921,200	40,841,000	39,864,500
<b>Total</b>	<b>\$ 439,381,300</b>	<b>\$ 483,068,000</b>	<b>\$ 516,461,200</b>	<b>\$ 557,198,300</b>	<b>\$ 625,454,600</b>	<b>\$ 712,114,100</b>	<b>\$ 730,770,200</b>	<b>\$ 685,098,400</b>	<b>\$619,539,400</b>	<b>\$586,682,300</b>
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Source: State Department of Commerce - State Board of Equalization  
Data: Point of sale payments only - unadjusted for economic data

**CITY OF EL PASO DE ROBLES  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS**

Fiscal Year	City Direct Rates			Overlapping Rates	Total Rate
	Basic Rate	General Obligation Debt Service	Total Direct Rate	SLO County Flood Control - State Water Project	
2001	1.00000	-	1.0000	0.00230	1.00230
2002	1.00000	-	1.0000	0.00230	1.00230
2003	1.00000	0.1775	1.1775	0.00230	1.17980
2004	1.00000	0.1775	1.1775	0.00230	1.17980
2005	1.00000	0.1775	1.1775	0.00223	1.17973
2006	1.00000	0.1082	1.1082	0.00222	1.11042
2007	1.00000	0.0952	1.0952	0.00221	1.09741
2008	1.00000	0.0888	1.0888	0.00220	1.09100
2009	1.00000	0.0839	1.0839	0.00220	1.08610
2010	1.00000	0.0876	1.0876	0.00220	1.08980

Note: Due to passage of Proposition 13, the maximum general tax rate is set at 1% of assessed valuation unless otherwise approved by vote of electorate. Except for general obligation bond override approved by the voters in 1998, there are no general use property tax overrides authorized.

Source: San Luis Obispo County Auditor-Controller

**CITY OF EL PASO DE ROBLES  
DIRECT AND OVERLAPPING SALES TAX RATES  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>City Direct Rate</b>	<b>San Luis Obispo County Rate</b>	<b>Total Rate</b>
2001	1.00%	6.25%	7.25%
2002	1.00%	6.25%	7.25%
2003	1.00%	6.25%	7.25%
2004	1.00%	6.25%	7.25%
2005	1.00%	6.25%	7.25%
2006	1.00%	6.25%	7.25%
2007	1.00%	6.25%	7.25%
2008	1.00%	6.25%	7.25%
2009	1.00%	7.25%	8.25%
2010	1.00%	7.25%	8.25%

Note: The sales tax rate is uniformly set at 8.25% county wide. Of the 8.25%, the City's share is 1%. The City may increase the rate with approval of the electorate.

Source: CA State Board of Equalization

CITY OF EL PASO DE ROBLES  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2009/10			2000/01		
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value	Rank	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value	Rank
Paso Robles Ventures LLC	\$ 26,481,663	0.72%	1			
Dry Creek Apartments	20,294,154	0.56%	2	\$ 15,100,000	1.0867%	1
Colin G. Weyrick Trust	15,290,276	0.42%	3			
Martin Hotel Management Co	12,875,661	0.35%	4			
Tri-W Enterprises Inc	12,851,768	0.35%	5	9,956,533	0.7165%	3
Paso Robles Investments LLC	12,836,120	0.35%	6			
Zodiac Investment Inc	12,770,360	0.35%	7			
Brendon Twigden LLC	11,800,000	0.32%	8			
Kohl's Department Stores	11,447,333	0.31%	9			
Health Care Reit Inc	11,357,150	0.31%	10			
CEP Investors V LP A DEL LP				11,266,265	0.8108%	2
Walmart Stores				8,989,054	0.6469%	4
Industries				6,825,501	0.4912%	5
TDC Emeritus Paso Robles Assoc				6,420,809	0.4621%	6
Woodland Plaza LLC				6,112,146	0.4399%	7
Marshall Field Stores, Inc				5,952,932	0.4284%	8
Paris Sales Co., Inc				5,858,788	0.4216%	9
Ennis Business Forms Inc				5,757,864	0.4144%	10
<b>Total Principal Taxpayers</b>	<b>148,004,485</b>	<b>4.05%</b>		<b>82,239,892</b>	<b>5.92%</b>	
<b>All Other Taxpayers</b>	<b>3,506,518,158</b>	<b>95.95%</b>		<b>1,307,295,626</b>	<b>94.08%</b>	
<b>Total Taxpayers</b>	<b>\$ 3,654,522,643</b>	<b>100.00%</b>		<b>\$ 1,389,535,518</b>	<b>100.00%</b>	

Source: Hdl Coren & Cone, San Luis Obispo County Assessor 2009/10 Combined Tax Rolls

CITY OF EL PASO DE ROBLES  
 PRINCIPAL SALES TAX REMITTERS  
 CURRENT YEAR AND NINE YEARS AGO

2009/10	2000/01
Tax Remitter	Tax Remitter
Albertson's	Albertsons
AM PM Mini Mart	ATV Agricultural
Arco AM PM	Bay Area Diablo Petroleum
Big Creek Lumber	Beacon Oil
Chevron	Big Creek Lumber
Chevron	Black Oak AM PM
Chevron	Chevron
Exxon	Farm Supply
Farm Supply	GMC
JB Dewar	Hayward Lumber
Kohls	Jack in the Box
Lowe's	JB Dewar
Orchard Supply Hardware	JC Penney
Paso Robles Chevrolet Cadillac	Longs
Paso Robles Ford Lincoln Mercury	Paso Robles Ford Lincoln Mercury
Paso Robles GMC Truck	Paso Robles GMC Truck
Rite Aid	Ralphs
Ross	Reneau Chrysler Dodge
San Luis Bay Suzuki Kia	Ross
Santa Cruz Biotechnology	San Luis Bay Suzuki Kia
Sky River	Staples
Target	Target
Valero Corner	Vons
Vons	Wal Mart
Wal Mart	Waynes Tire
Top 25 accounts	Top 25 accounts

Note: Firms are listed alphabetically  
 Source: HdL Companies, State Board of Equalization

**CITY OF EL PASO DE ROBLES  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Estimated Tax Levy	Collected within the Fiscal year of the Levy		Collections in Subsequent Year	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	\$ 2,144,660	\$ 2,055,452	95.84%	\$ 46,394	\$ 2,101,846	98.00%
2002	2,404,026	2,310,096	96.09%	49,759	2,359,855	98.16%
2003	2,680,287	2,570,758	95.91%	60,113	2,630,871	98.16%
2004	3,019,732	2,893,105	95.81%	77,729	2,970,834	98.38%
2005	3,396,708	3,266,913	96.18%	79,978	3,346,891	98.53%
2006	3,918,826	3,750,938	95.72%	130,612	3,881,550	99.05%
2007	4,497,234	4,306,515	95.76%	144,667	4,451,182	98.98%
2008	4,922,828	4,527,838	91.98%	268,297	4,796,135	97.43%
2009	5,059,300	4,637,382	91.66%	308,859	4,946,241	97.77%
2010	4,834,774	4,405,221	91.12%	288,601	4,693,821	97.08%

Note: Collections do not include supplemental roll revenues (secured or unsecured) and are "net" the Redevelopment Agency distribution.

Source: San Luis Obispo County Auditor-Controller

**CITY OF EL PASO DE ROBLES  
RATIOS OF DEBT PAYMENT BY TYPE  
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities					Business-type Activities		Total Primary Government	Percentage of Assessed Value <sup>a</sup>	Per Capita <sup>b</sup>
	General Obligation Bonds	Redevelopment Bonds	Certificates of Participation	Capital Leases	Internal Notes Payable	Sewer Revenue Bonds	Internal Notes Payable			
2001	\$ -	\$ 349,069	\$ 666,541	\$ 148,504	\$ 127,753	\$ 577,055	\$ 157,138	\$ 2,026,060	0.16%	80
2002	-	694,350	666,601	148,504	127,753	579,415	75,644	2,292,267	0.16%	89
2003	297,970	470,288	660,434	244,819	127,753	1,026,336	75,644	2,903,244	0.17%	108
2004	2,772,294	509,720	658,079	292,976	127,753	1,024,689	75,644	5,461,155	0.30%	201
2005	2,891,825	512,939	651,569	246,648	127,753	1,032,289	-	5,463,023	0.26%	195
2006	2,990,888	510,699	570,070	254,565	3,159,884	934,489	-	8,420,595	0.26%	188
2007	3,088,075	503,152	573,798	265,124	16,690,230	1,041,389	-	22,161,768	0.70%	751
2008	3,166,531	524,709	568,120	168,809	16,589,162	1,048,426	-	22,065,757	0.62%	737
2009	3,143,112	510,495	227,870	120,652	16,508,621	523,826	-	21,034,576	0.56%	725
2010	2,928,713	688,209	314,608	99,459	15,626,541	523,364	-	20,180,894	0.56%	673

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<sup>a</sup> See the "Assessed Value of Taxable Property" table for figures.

<sup>b</sup> See the "Demographic and Economic Statistics" table for population data.

Source: City of Paso Robles

**CITY OF EL PASO DE ROBLES**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN**  
**LAST TEN FISCAL YEARS**

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General bonded debt outstanding</b>										
General obligation bonds	\$ -	\$ -	\$ 37,999,201	\$ 35,989,681	\$ 33,972,549	\$ 31,972,970	\$ 29,966,715	\$ 36,159,473	\$ 34,528,500	\$ 33,082,412
 Percentage of estimated actual assessed value <sup>a</sup>	-	-	2.17%	1.79%	1.48%	1.19%	0.95%	1.02%	0.92%	0.92%
Per capita <sup>b</sup>	-	-	\$ 1,415	\$ 1,322	\$ 1,215	\$ 1,104	\$ 1,015	\$ 1,208	\$ 1,189	\$ 1,103
 Less: Amounts set aside to repay general debt <sup>c</sup>	\$ -	\$ -	\$ 2,827,313	\$ 3,910,516	\$ 5,785,833	\$ 6,465,576	\$ 7,128,829	\$ 6,277,461	\$ 6,699,648	\$ 7,152,832
<b>Total net debt applicable to debt limit</b>	\$ -	\$ -	\$ 35,171,888	\$ 32,079,165	\$ 28,186,716	\$ 25,507,394	\$ 22,837,886	\$ 29,882,012	\$ 27,828,852	\$ 25,929,580
<b>Legal debt limit <sup>d</sup></b>			\$ 65,702,453	\$ 75,289,937	\$ 85,947,371	\$ 100,786,055	\$ 118,801,782	\$ 132,717,073	\$ 140,248,835	\$ 135,064,272
<b>Legal debt margin</b>	\$ -	\$ -	\$ 30,530,565	\$ 43,210,772	\$ 57,760,655	\$ 75,278,661	\$ 95,963,896	\$ 102,835,061	\$ 112,419,983	\$ 109,134,692
 Legal debt margin as a percentage of the debt limit	-	-	46.5%	57.4%	67.2%	74.7%	80.8%	77.5%	80.2%	80.8%

<sup>a</sup> See the "Assessed Value of Taxable Property" table for figures.

<sup>b</sup> See the "Demographic and Economic Statistics" table for population data.

<sup>c</sup> City has established an internal reserve for debt repayment in case of economic downturn.

<sup>d</sup> Legal debt limit is calculated as 3.75% of assessed value - see footnote "a".

Source: San Luis Obispo County Auditor-Controller and City of Paso Robles

CITY OF EL PASO DE ROBLES  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 As of June 30, 2010

2009-10 Assessed Valuation:	\$ 3,654,127,308
Redevelopment Incremental Valuation:	449,333,644
Adjusted Assessed Valuation:	<u>\$ 3,204,793,664</u>

<u>Direct and Overlapping Tax and Assessment Debt</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable (1)</u>	<u>City's Share of Debt 6/30/10</u>
Paso Robles Joint Unified School District	\$ 19,664,998	48.4%	\$ 9,520,022
City of Paso Robles	33,082,413	100.0%	33,082,413
<b>Total Direct and Overlapping Tax and Assessment Debt</b>			<u>42,602,435</u>
<u>Direct and Overlapping Tax General Fund Debt</u>			
San Luis Obispo County Certificates of Participation	\$ 39,835,000	8.259%	\$ 3,289,973
San Luis Obispo County Pension Obligations	125,444,398	8.259%	10,360,453
San Luis Obispo Community College District Certificates of Participation	37,455,000	8.227%	3,081,423
Paso Robles Joint Unified School District Certificates of Participation	1,770,000	48.411%	856,875
Paso Robles Union School District Certificates of Participation	340,000	58.654%	199,424
City of Paso Robles Certificates of Participaition	3,460,000	100.000%	3,460,000
<b>Total Direct and Overlapping Tax General Fund Debt</b>			<u>21,248,148</u>
<b>Combined Total Debt</b>			<u>\$ 63,850,583</u> (2)

**Ratios to 2009-10 Assessed Valuation:**

Direct Debt (\$33,082,413)	0.91%
Total Direct and Overlapping Tax and Assessment Debt	1.17%

**Ratios to Adjusted Assessed Valuation:**

Combined Direct Debt (\$36,542,413)	1.14%
Combined Total Debt	1.99%

State School Building Aid Repayable as of 6/30/10: \$0

(1) Percentage of overlapping city's assessed valuation located within boundaries of the city.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds, non-bonded capital lease obligations.

**CITY OF EL PASO DE ROBLES  
PLEGDED REVENUE COVERAGE  
LAST TEN FISCAL YEARS**

Fiscal Year	Tax Allocation Bonds				Sewer Revenue Bonds					
	Property Tax Increment <sup>(1)</sup>	Debt Service		Coverage	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
		Principal	Interest					Principal	Interest	
2001	\$ 717,422	\$ 120,000	\$ 229,069	3.84	\$ 1,869,486	\$ 1,310,208	\$ 559,278	\$ 400,000	\$ 177,055	0.97
2002	734,764	320,000	374,350	2.19	2,073,640	1,227,001	846,639	420,000	159,415	1.46
2003	808,971	105,000	365,288	3.01	2,510,233	1,442,371	1,067,862	780,000	246,336	1.04
2004	954,719	150,000	359,720	3.02	3,565,011	1,511,408	2,053,603	620,000	404,689	2.00
2005	1,165,757	160,000	352,939	3.82	3,412,963	1,911,324	1,501,639	640,000	392,289	1.45
2006	1,570,486	165,000	345,699	4.62	3,923,094	2,229,684	1,693,410	655,000	279,489	1.81
2007	1,752,963	165,000	338,153	3.48	4,094,968	2,269,625	1,825,343	675,000	366,389	1.75
2008	2,565,692	195,000	329,709	4.89	4,444,240	2,714,563	1,729,677	695,000	353,426	1.65
2009	2,748,930	190,000	320,495	5.38	4,608,895	2,929,406	1,679,489	190,000	333,826	3.21
2010	2,252,954	205,000	548,209	2.99	4,535,599	3,247,229	1,288,370	195,000	328,364	2.46

Source: City of Paso Robles Financial Reports

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses.

<sup>(1)</sup> Net Tax Increment after deducting LMI set aside and fiscal agreement contributions

**CITY OF EL PASO DE ROBLES  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

<b>Calendar Year</b>	<b>Population</b>	<b>Est. Median Household Income</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>Total Employment, All Industries</b>	<b>K-12 School Enrollment</b>	<b>Median Home Price (\$ thousands)</b>	<b>County Unemployment Rate</b>
2001	25,190	\$ 46,658	\$ 20,900	33	12,655	6,800	214.3	3.9%
2002	25,812	28,909	12,116	33	13,110	6,900	251.1	4.5%
2003	26,856	43,559	19,876	33	12,886	6,800	306.4	4.6%
2004	27,216	43,650	20,063	33	13,408	6,800	368.3	4.4%
2005	27,964	45,650	21,068	34	13,786	6,800	437.0	4.1%
2006	28,969	45,755	21,180	34	14,229	6,900	445.5	4.0%
2007	29,514	47,298	22,204	33	15,166	6,910	446.8	4.2%
2008	29,934	48,399	22,721	33	15,254	6,910	452.8	6.1%
2009	29,032	52,226	24,073	33	14,390	6,910	299.8	9.2%
2010	30,004	52,242	24,554	34	13,653	6,910	295.5	10.7%

Source: HdL Coren & Cone, Demographic and Economic Statistics

CITY OF EL PASO DE ROBLES  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

Employer	2009			2000		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Paso Robles Joint Unified	650	1	4.42%	614	1	5.00%
California Mid State Fair	600	2	4.08%	420	4	3.42%
Cuesta College - North Campus	564	3	3.84%			
Division of Juvenile Justice	500	4	3.40%	460	3	3.75%
Walmart	312	5	2.12%	263	5	2.14%
Callifornia Portland Construction	300	6	2.04%			
City of Paso Robles	240	7	1.63%	132	13	1.07%
Wilkins	201	8	1.37%			
Joslyn-Sunbank Corporation	200	9	1.36%	210	7	1.71%
Paris Precision Products	200	10	1.36%	146	12	1.19%
Sierra Delta Corp	200	11	1.36%			
Specialty Silicone Fabricators	200	12	1.36%	150	11	1.22%
Wilkins - Regulator Division	170	13	1.16%			
Meridian Vineyards	160	14	1.09%			
Applied Technologies	150	15	1.02%			
Jack in the Box	146	16	0.99%			
Ennis Inc	140	17	0.95%	113	15	0.92%
Albertson's	120	18	0.82%	150	11	1.22%
JIT Manufacturing	100	19	0.68%	110	16	0.90%
Paso Robles Public School After	100	20	0.68%			
Twin Cities Hospital				500	2	4.07%
Target				160	9	1.30%
Zurn Industries				155	10	1.26%
San Luis Personnel				225	6	1.83%
Pro Forms				150	11	1.22%
Cognitive Solutions				130	14	1.06%
Volt Services Group				100	17	0.81%
Life Fitness Strength Systems				100	18	0.81%
M.A.T.E.S.				188	8	1.53%
<b>Total</b>	<u>5,253</u>		<u>35.73%</u>	<u>4,476</u>		<u>36.44%</u>
<b>Total City Employment</b>	<u>14,701</u>			<u>12,282</u>		

Source: 2000 data is from Paso Robles Chamber of Commerce  
2009 data is provided by HdL/InfoGroup

CITY OF EL PASO DE ROBLES  
 FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>Full-time-Equivalent Employees as of June 30</u>									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government										
City manager	N/A	3	3	5	4	4	4	4	4	4
Information technology	N/A	1	1	2	2	4	4	6	6	5
Human resources	N/A	1	1	2	2	3	3	3	3	3
Administrative services	N/A	8	8	9	9	10	11	11	11	10
Police department										
Officers	N/A	35	35	37	37	40	41	43	45	45
Others	N/A		9	10	10	12	12	12	12	12
Emergency services										
Firefighters	N/A	11	11	19	20	24	24	27	30	26
Others	N/A	1	1	1	1	1	1	1	1	1
Public works										
Maintenance services	N/A	28	28	32	32	36	33	36	38	29
Airport	N/A	1	1	1	1	1	1	1	1	1
Water	N/A	8	7	8	8	9	9	11	12	12
Wastewater	N/A	8	9	9	9	9	9	12	15	12
Building/Engineering							9	8	8	6
Library and recreation services										
Library services	N/A	5	5	5	5	5	5	5	5	5
Recreation services	N/A	10	11	11	11	11	11	10	10	10
Community development										
Planning	N/A	3	3	3	3	3	3	4	4	4
Housing	N/A	1	1	1	1	1	1	1	1	1
Engineering	N/A	2	2	2	2	2	2	2	2	1
Building	N/A	7	7	8	8	9	2	2	2	2
Total	-	133	143	165	165	184	185	199	210	189

Source: City Budget

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

**CITY OF EL PASO DE ROBLES  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

<u>Function/Program</u>	<u>Fiscal year</u>									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government										
Police department										
Physical arrests	N/A	N/A	1,241	1,443	1,486	1,673	1,694	1,575	1688	1662
Parking violations	N/A	N/A			1,160	963	1,124	1,019	953	573
Traffic violations	N/A	N/A	2,584	3,751	3,406	2,927	5,008	4,517	4165	3273
Emergency services										
Emergency responses	2,300		2,370	2,436	2,567	2679	2,803	2,821	3018	2918
Fires extinguished	147	162	166	147	121	125	129	115	124	109
Inspections							N/A	329	178	203
Public works										
Water										
New connections	N/A	N/A	N/A	N/A	N/A	328	54	35	N/A	N/A
Water main breaks	N/A	N/A	N/A	N/A	N/A	7	2	N/A	N/A	N/A
Average daily production (millions of gallons)	N/A	N/A	N/A	N/A	N/A	7	7	7	6	N/A
Peak daily production (millions of gallons)	N/A	N/A	N/A	N/A	N/A	12.3	12.33	N/A	N/A	N/A
Wastewater										
Average daily sewage treatment (millions of gallons)	2.8584	2.7983	2.7871	2.8556	2.9590	2.7514	2.983	3.02	2.94	2.94
Library and recreation services										
Library services										
Volumes in collection	N/A	N/A	N/A	54,044	56,228	56,070	55,885	57,580	59,109	60,690
Total volumes borrowed	N/A	N/A	N/A	148,315	120,923	160,832	160,249	176,132	191,335	193,716
Recreation services										
Athletic field permits issued	N/A	N/A	N/A	1,418	1,472	2,508	2,595	1,564	2,578	2,104
Activity admissions	8,219	22,448	23,628	24,050	24,501	23,953	25,325	26,060	36,921	50,365
Community development										
Building permits issued	874	808	952	1,107	972	947	654	504	406	TBD
Building inspections conducted	7,038	7,434	7,772	8,387	8,603	7140	3,608	2563	2588	TBD

Source: City Budget

**CITY OF EL PASO DE ROBLES  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

<u>Function/Program</u>	<u>Fiscal year</u>									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government										
Personal computers	N/A	N/A	N/A	N/A	N/A	164	173	171	193	193
Police department										
Stations	N/A	N/A	1	1	1	1	1	1	1	1
Patrol units	11	12	15	14	12	11	12	13	14	14
Emergency services										
Fire stations	3	3	3	3	3	3	3	3	2	2
Public works										
Streets (miles)	N/A	N/A	N/A	N/A	N/A	140.0	160	173.5	173.5	173.5
Traffic signals	N/A	N/A	N/A	N/A	N/A	20	24	25	26	26
Bridges	N/A	N/A	N/A	N/A	N/A	4	4	4	4	4
Airport	1	1	1	1	1	1	1	1	1	1
Water										
Fire hydrants	N/A	N/A	875	890	900	900	900	1087	1087	1087
Storage tanks	N/A	N/A	4	4	4	4	4	4	4	4
Storage capacity (millions of gallons)	N/A	N/A	12.1	12.1	12.1	12.1	12.1	12.1	12.1	12.1
Water Mains (miles)	N/A	N/A	120	120	125	125	125	164	164	164
Wastewater										
Sanitary sewers (miles)	N/A	N/A	N/A	N/A	N/A	137.07	137.07	137.07	140	140
Storm sewers (miles)	15	15	15	15	15	15	15	15	15	15
Treatment capacity (millions of gallons)	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9
Library and recreation services										
Acreage	64.095	101.095	101.095	101.095	101.095	101.095	101.095	101.095	101.095	101.095
Pools	4	4	4	4	4	4	4	4	4	4
Playgrounds	12	14	14	14	14	13	10	10	10	10
Baseball/softball diamonds	6	10	10	10	10	10	10	10	10	10
Soccer/football fields	4	6	6	6	6	6	6	6	6	6
Community centers	1	3	3	3	3	3	3	3	3	3

Source: City Budget