*City of Paso Robles, California*

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

*Fiscal Year Ended June 30, 2013*

CITY OF EL PASO DE ROBLES
INCORPORATED
1889

Cover

Photos courtesy of
Travel Paso Robles Alliance, Paso Robles Wine Country Alliance and Festival of the Arts

# Comprehensive Annual Financial Report

## For The

## Fiscal Year Ended June 30, 2013

## City of El Paso de Robles

## California

Prepared by Department of Administrative Services

James Throop, Director of Administrative Services
Deanne Purcell, Finance Manager

CITY OF EL PASO DE ROBLES
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
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# CITY OF EL PASO DE ROBLES

# INTRODUCTORY SECTION

January 28, 2014

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 2012-13

## INTRODUCTION

The City of El Paso de Robles' Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2013 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 complement 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 complement 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 with 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 just over 30,000 residents. Historically, travelers from around the State would pass through Paso Robles on their way to central coast beaches or local lakes, but now they are heading directly for Paso Robles to experience its ever growing wine region and exceptional foods. The increase in grape and wine production has made Paso Robles a tourist destination for the State, Nation and now international visitors. 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, the nation and even international visits. Such events include the Wine Festival, Zinfandel 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, Pacific Coast Cutting Horse Association Competition and most recently a stop in the 2011 Amgen Tour of California Bike Race, Savor the Central Coast, the Garagiste Festival (for small wineries) as well as two highly successful farmers markets. More new events are planned each year. 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 world recognition for its premium wines. There are over 200 wineries and over 26,000 acres of wine grapes being grown in the Paso Robles American Viticultural Area (AVA). During the spring and summer months, many of the wineries and tasting rooms hold weekend concerts that attract numerous visitors. The City has been either mentioned on TV/Radio (CNN/CBS) or stories written by New York Times, Wall Street Journal, Bon Appetit, Sunset Magazine, Huffington Post, Foders, USAToday and as far away as England and Australia. The Paso Robles Event Center is again sponsoring the $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 2nd 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 9.9% over the prior fiscal year. The addition of a Business Improvement District for all hotels/motels in 2009 has generated approximately $600,000 per year to be used for marketing and tourism efforts.

Even with the continuing slow economic recovery in both the retail and manufacturing areas, the economic outlook for Paso Robles continues to look stronger than most other Central Coast communities. Standard & Poor's Rating Agency recently gave Paso Robles their highest rating of AAA+. This is reserved for only those cities deemed to be financially stable and well managed, with positive long-term economic growth. Locally, the housing construction market has continued its limited growth and show slight signs of recovery. During fiscal year 2013, Paso Robles issued building permits for 128 residential housing units. This is an increase of 86 units or a 204% increase from FY2012. The median home price of a home in the County in FY2013 was $415,000, or approximately a 9.2% increase from prior year.

Property tax collection is expected to increase by approximately 2.0% or $163,000, to $8,141,000 in 2014 as compared to $7,979,000 in FY 2013. Sales tax collection was a bright spot rising 4.5% from FY2013. Sales tax collection for 2014 is forecasted to be an additional 2.0%.

## 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 2013, the General Fund posted a second positive financial result since the end of the great recession, or FY2009. This surplus is due to the aggressive cost-cutting measures taken during the years of the great recession, as well as an increase in different revenue lines. The City is preparing its next five-year forecast and its results should show that the General Fund is maintaining its positive year-end surplus. Currently, the City has reduced costs by approximately $7,000,000 per year. The majority of these initiatives come through labor savings with a total staff reduction of approximately 35.0%. Other cost-saving measures include temporary and contractual service cuts, reduced maintenance expenditures and future building development fund set-asides. Some revenue enhancements were adopted by the Council that included increase Recreation fees, book fines and rental fees.

Even with these reductions and enhancements, the following four years will be monitored carefully. Should the economy continue to turn around at a slower than predicted pace, City management will again review all expenses for additional savings, as necessary. However, the City of Paso Robles enjoys the fact that it is surviving the lingering impacts of 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 required an increase in water-user rates. The rates are being 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 for water have been adopted and are scheduled to increase incrementally for five years up to $23,000/residential meter. Meters for larger projects will be more depending on the size of the required meter.

Sewer rates were approved and passed both by the Council and the Proposition 218 process. The sewer rate increase was needed to pay for the new sewer treatment plant. The current plant is almost 60 years old and does not meet today's rigorous environmental standards. The new plant will not only comply with all of the requirements, but will use "co-gen" applications to help lower the operating costs. It will also be designed to add recycled water at a later date. It is expected to take up to three years to build the new plant. The new plant began construction in summer of 2013 and is expected to take three years to complete.

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 123 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*

Each member pays an annual contribution (formerly called the primary deposit) to cover estimated losses for the coverage period. This initial funding is paid at the beginning of the coverage period. After the close of the coverage period, outstanding claims are valued. A retrospective deposit computation is then conducted annually thereafter until all claims incurred during the coverage period are closed on a pool-wide basis. This subsequent cost re-allocation among members based on actual claim development can result in adjustments of either refunds or additional deposits required.

The total funding requirement for self-insurance programs is estimated using actuarial models and is pre-funded through the annual contribution. Costs are allocated to individual agencies based on exposure (payroll) and experience (claims)

relative to other members of the risk-sharing pool. Additional information regarding the cost allocation methodology is provided below.

General Liability. In the liability program, claims are pooled separately between police and non-police exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to the first $30,000 for each occurrence and is evaluated as percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from $30,000 to $750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of $750,000 up to the reinsurance attachment point of $5 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from $5 million to $10 million are paid under a reinsurance contract subject to a $2.5 million annual aggregate deductible. Costs of covered claims from $10 million to $15 million are paid under two reinsurance contracts subject to a combined $3 million annual aggregate deductible. On a cumulative basis for all 2011-2012 reinsurance contracts the annual aggregate deductible is $5.5 million. (6) Costs of covered claims from $15 million up to $50 million are covered through excess insurance policies.

The overall coverage limit for each member including all layers of coverage is $50 million per occurrence. Costs of covered claims subsidence losses are paid on reinsurance and excess insurance with a pooled sub-limit of $35 million per occurrence. This $35 million subsidence sub-limit is composed of (a) $5 million retained within the pool's SIR, (b) $10 million in reinsurance and (c) $20 million in excess insurance. The Excess insurance layer has a $20 million annual aggregate.

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. In the workers' compensation program, claims are pooled separately between public safety (police and fire) and non-public safety exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to $50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from $50,000 to $100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of $100,000 up to the reinsurance attachment point of $2 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from $2 million up to statutory limits are paid under a reinsurance policy. Protection is provided per statutory liability under California's Workers' Compensation Law.

Employer's Liability losses are pooled among members to $2 million. Coverage from $2 million to $5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from $5 million to $10 million are pooled among members.

The City joined the workers' compensation program on July 1, 2004.

*Purchased Insurance*

Pollution Legal Liability Insurance – The City of Paso Robles participates in the pollution legal liability program (previously called environmental 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 million for the 3-year period from July 1, 2011 through July 1, 2014. Each member of the Authority has a $10 million sub-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 $230,516,508. There is a $5,000 deductible per occurrence except for non-emergency vehicle insurance which has a $1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Fidelity Bonds – The City of Paso Robles purchases blanket fidelity bond coverage in the amount of $3 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.

Special Event Tenant User Liability Insurance – The City of Paso Robles further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on agency property. The insurance premium is paid by the tenant user and is paid to the City of Paso Robles according to a schedule. The City of Paso Robles then pays for the insurance. The insurance is arranged by the Authority.

Adequacy of Protection

During the past three fiscal (claims) years none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled insured liability coverage in 2012-13

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 fiscal year ended June 30, 2013. 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. 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 2011 CAFR. This was the thirteenth 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, including **Jody Dauth**, for their work ethic and dedication to "customer service" both internally and externally. Special acknowledgment goes to **Deanne Purcell**, the City's new Finance Manager, who worked many days/weeks on preparing the CAFR with very limited staff support due to numerous vacant positions. 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,

James Throop
Director of Administrative Services

# California Society of Municipal Finance Officers

*Certificate of Award*

## *Outstanding Financial Reporting Award*
## *Fiscal Year Ending June 30, 2012*

*Presented to the*

## *City of El Paso de Robles*

For meeting the criteria established to achieve the Outstanding Financial Reporting Award.

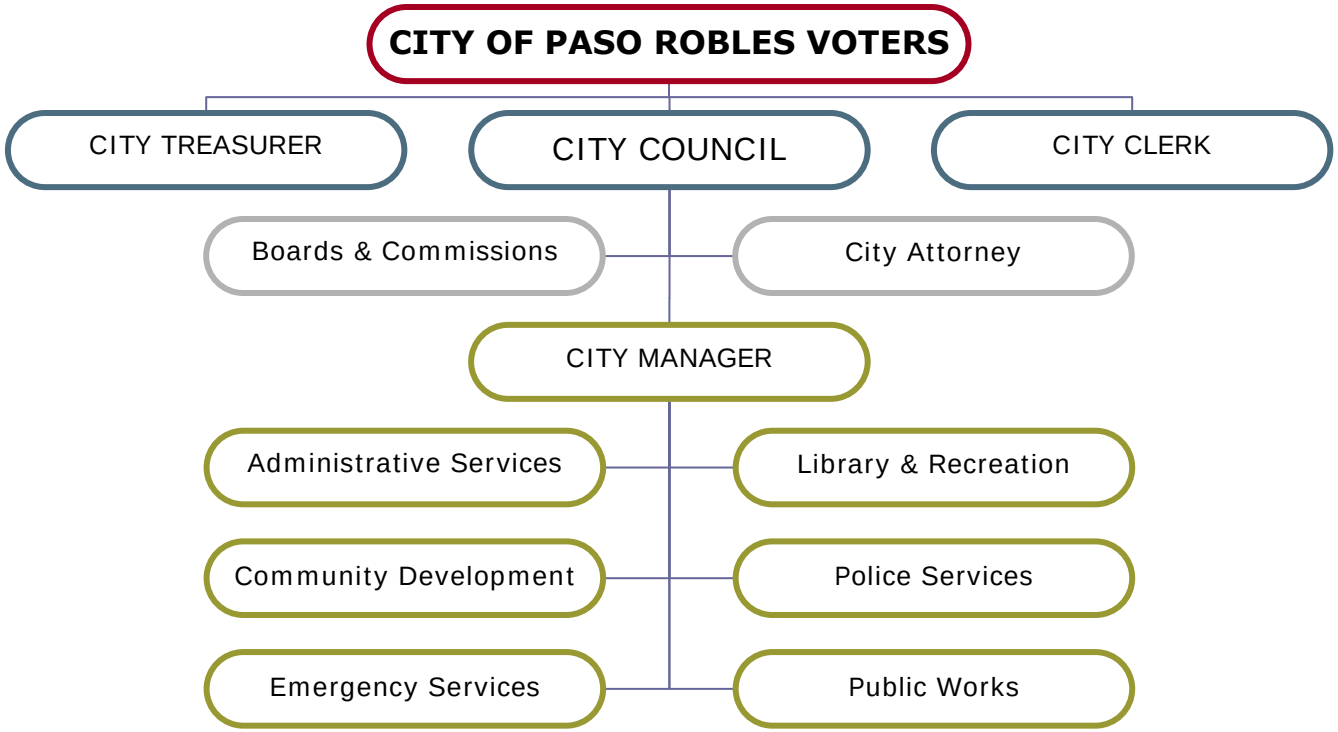
***February 6, 2013***

***Laura Nomura***
***CSMFO President***

***Scott Catlett, Chair***
***Professional Standards and Recognition Committee***

***Dedicated Excellence in Municipal Financial Reporting***

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



# City of El Paso de Robles
# List of Principal Officers

## For The Fiscal Year Ended June 30, 2013

Duane Picanco, Mayor
John Hamon, Councilmember
Ed Steinbeck, Mayor Pro Term
Fred Strong, Councilmember
Steve Martin, Councilmember

Michael J. Compton, City Treasurer

James L. App, City Manager

Dennis Fansler, City Clerk

City Departments and Department Heads

City Manager's Office.....Meg Williamson
Administrative Services.....James Throop
Police.....Robert Burton
Emergency Services.....Ken Johnson
Public Works.....Doug Monn
Library and Recreation Services.....Julie Dahlen
Community Development.....Ed Gallagher

# CITY OF EL PASO DE ROBLES

# FINANCIAL SECTION

MOSS, LEVY & HARTZHEIM LLP
CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS
RONALD A LEVY, CPA
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# 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 (the City), as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## 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, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.



OFFICES: BEVERLY HILLS · CLUVER CITY · SANTA MARIA
MEMBER AMERICAN INSTITUTE OF CPAs · CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS · CALIFORNIA ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

**Emphasis of Matter**

As discussed in note 1. N, to the basic financial statements effective July 1, 2012, the City of El Paso de Robles adopted Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements,* Statement No. 61, *The Financial Reporting Entity: Omnibus,* Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* and Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.* Our opinion is not modified with respect to this matter.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 16 through 26, the General Fund budget comparison on page 82, and the postemployment healthcare schedule of funding progress on page 83, 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 inquires 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.

*Other information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of El Paso de Robles's basic financial statements. The introductory section, statistical section, combining and individual nonmajor fund financial statements and schedules, major funds budgetary comparison schedules, and the fiduciary funds statement of changes in assets and liabilities are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, major funds budgetary comparison schedules, and the fiduciary funds statement of changes in assets and liabilities are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, major funds budgetary comparison schedules, and the fiduciary funds statement of changes in assets and liabilities are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2014, on our consideration of the City of El Paso de Robles'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Moss, Levy & Hartzheim LLP

Santa Maria, California
January 22, 2014

# MANAGEMENT'S DISCUSSION AND ANALYSIS
## Fiscal Year Ended June 30, 2013

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, 2013. 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 2013 fiscal year by $278 million (net position). Of this amount, $22.8 million may be used to meet the City's ongoing obligations to citizens and creditors (unrestricted net position).
- The City's total net position increased by $3.3 million.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $43.3 million, compared to $40.8 million in the prior fiscal year.
- $764,030 of the combined fund balances is unassigned.
- At the end of the current fiscal year, unassigned fund balance for the general fund was $13 million, or 48% of total general fund expenditures.
- The City's total governmental activities debt increased by $1,513,800 during the current fiscal year which was mainly due to a prior period adjustment for the PERS side fund, the purchase of a new fire truck, the OPEB liability, and normal amortization.
- The City's total business-type funds debt increased by $3,433,200 due to the Wastewater Treatment Plant upgrade project.

## 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 Position 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.

These two statements report the City's net position and changes in it. Net position is 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 position is 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 position 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

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 position and the statement of revenues, expenses, and changes in fund net position. 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, Tourism and Lodging Business Improvement District and the Successor Agency for the dissolution of the Redevelopment Agency. The City's fiduciary activities are reported in a separate statement of fiduciary net position. 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 position for the City increased $3.3 million from $274.3 million at June 30, 2012 to $277.6 million at June 30, 2013. The largest portion of the City's net position 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 position represents resources subject to external restrictions on how they may be used. The remaining balance of unrestricted net position 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 position, for both the government as a whole, as well as for its separate governmental and business-type activities.

CITY OF EL PASO DE ROBLES' NET POSITION

| | Governmental activities | | Business-type activites | | Total | |
|---|---|---|---|---|---|---|
| | 2012-13 | 2011-12 | 2012-13 | 2011-12 | 2012-13 | 2011-12 |
| Current and other assets | $ 52,226,722 | $ 48,928,420 | $ 31,647,147 | $ 31,161,610 | $ 83,873,869 | $ 80,090,030 |
| Capital assets | 172,757,923 | 169,755,989 | 79,323,432 | 76,584,196 | 252,081,355 | 246,340,185 |
| Total assets | 224,984,645 | 218,684,409 | 110,970,579 | 107,745,806 | 335,955,224 | 326,430,215 |
| | | | | | | |
| Long-term liabilities outstanding | 40,419,898 | 38,906,098 | 7,280,002 | 7,594,995 | 47,699,900 | 46,501,093 |
| Other liabilities | 5,310,628 | 4,776,650 | 5,377,738 | 876,365 | 10,688,366 | 5,653,015 |
| Total liabilities | 45,730,526 | 43,682,748 | 12,657,740 | 8,471,360 | 58,388,266 | 52,154,108 |
| | | | | | | |
| Net position: | | | | | | |
| Net investment in capital assets | 141,608,211 | 137,374,401 | 72,619,932 | 69,531,969 | 214,228,143 | 206,906,370 |
| Restricted | 40,503,151 | 40,428,024 | | | 40,503,151 | 40,428,024 |
| Unrestricted | (2,857,243) | (2,800,764) | 25,692,907 | 29,742,477 | 22,835,664 | 26,941,713 |
| Total Net Position | $ 179,254,119 | $ 175,001,661 | $ 98,312,839 | $ 99,274,446 | $ 277,566,958 | $ 274,276,107 |

The City's net position increased when compared to the prior fiscal year. Current and other assets increased $3.8 million while capital assets increased by $5.7 million. Long-term liabilities increased $1.2 million primarily due to a prior period adjustment for the PERS side fund and the purchase of a new fire truck, which was offset by normal amortization.

## GOVERNMENTAL ACTIVITIES

The City's net position from governmental activities increased $4.3 million. The cost of all governmental activities this fiscal year was $33.7 million. As shown in the statement of activities, the amount that the taxpayers ultimately financed for these activities was $29.8 million because some of the cost was paid by those who directly benefited from the programs ($3.9 million). Operating contributions and grants totaled $2.5 million and capital grants and contributions of $3.6 million provided capital asset infrastructure by building development. The City paid for the remaining "public benefit" portion of governmental activities with $27 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.

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 position at July 1, 2012 of $175 million, program revenues of $10.05 million and general revenues of $29.6 million. Total expenses for governmental activities during the fiscal year were $33.7 million.

## BUSINESS TYPE ACTIVITIES

The City's net position from business-type activities decreased $1 million.

The cost of all Proprietary (business-type) activities this year was $18.9 million. As shown in the statement of activities, the amounts paid by users of the systems were $14.2 million and capital grants and contributions were $4 million. Earnings from uses of money and property were $447,930.

CITY OF EL PASO DE ROBLES CHANGES IN NET POSITION

| | Governmental activities | | Business-type activites | | Total | |
|---|---|---|---|---|---|---|
| | 2012-13 | 2011-12 | 2012-13 | 2011-12 | 2012-13 | 2011-12 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | $ 3,945,458 | $ 1,886,979 | $ 14,237,874 | $ 9,964,910 | $ 18,183,332 | $ 11,851,889 |
| Operating grants and contributions | 2,521,901 | 2,676,760 | | 2,024,355 | 2,521,901 | 4,701,115 |
| Capital grants and contributions | 3,580,891 | 2,811,156 | 3,950,751 | 2,592,755 | 7,531,642 | 5,403,911 |
| General revenues: | | | | | | |
| Taxes: | | | | | | |
| Property taxes | 14,376,085 | 13,986,519 | 46,284 | 44,812 | 14,422,369 | 14,031,331 |
| Sales tax | 8,558,016 | 7,632,113 | | | 8,558,016 | 7,632,113 |
| Other taxes | 4,054,553 | 5,453,697 | | | 4,054,553 | 5,453,697 |
| Licenses and permits | 1,019,087 | 869,709 | | | 1,019,087 | 869,709 |
| From other agencies | 69,527 | 84,201 | | | 69,527 | 84,201 |
| Investment earnings | (72,650) | 860,479 | 447,930 | 723,400 | 375,280 | 1,583,879 |
| Miscellaneous | 1,547,740 | 1,135,740 | | | 1,547,740 | 1,135,740 |
| Total revenues | 39,600,608 | 37,397,353 | 18,682,839 | 15,350,232 | 58,283,447 | 52,747,585 |
| Expenses: | | | | | | |
| General government | 2,488,091 | 3,121,878 | | | 2,488,091 | 3,121,878 |
| Public safety | 14,212,732 | 12,885,818 | | | 14,212,732 | 12,885,818 |
| Public works | 9,976,319 | 8,897,707 | | | 9,976,319 | 8,897,707 |
| Library and recreation services | 3,739,742 | 3,510,015 | | | 3,739,742 | 3,510,015 |
| Community development | 1,368,899 | 2,015,586 | | | 1,368,899 | 2,015,586 |
| Interest on long term debt | 1,949,435 | 2,425,788 | | | 1,949,435 | 2,425,788 |
| Water operations | | | 11,032,299 | 10,209,691 | 11,032,299 | 10,209,691 |
| Sewer operations | | | 6,003,605 | 5,732,912 | 6,003,605 | 5,732,912 |
| Airport operations | | | 726,620 | 680,230 | 726,620 | 680,230 |
| Transit operations | | | 1,105,222 | 1,416,472 | 1,105,222 | 1,416,472 |
| Total expenses | 33,735,218 | 32,856,792 | 18,867,746 | 18,039,305 | 52,602,964 | 50,896,097 |
| Increase in net position before transfers and extraordinary gain | 5,865,390 | 4,540,561 | (184,907) | (2,689,073) | 5,680,483 | 1,851,488 |
| Transfers | 776,700 | 82,800 | (776,700) | (82,800) | | |
| Extraordinary gain | | 12,943,608 | | | | 12,943,608 |
| Increase (decrease) in net position | 6,642,090 | 17,566,969 | (961,607) | (2,771,873) | 5,680,483 | 14,795,096 |
| Net position July 1 | 175,001,661 | 157,434,692 | 99,274,446 | 102,046,319 | 274,276,107 | 259,481,011 |
| Prior period adjustments | (2,389,632) | | | | (2,389,632) | |
| Net position June 30 | $ 179,254,119 | $ 175,001,661 | $ 98,312,839 | $ 99,274,446 | $ 277,566,958 | $ 274,276,107 |

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The fund balance at fiscal year-end for the City's general fund of $16.42 million is an overall increase of $2,966,015 over last year.

The Traffic Mitigation Development fund shows an increase in fund balance of $1,173,099 from the prior fiscal year.

The Public Facilities Development fund shows a decrease in fund balance of $16,557.

The Highway 101/46 West Community Facilities District has a negative fund balance of $10.3 million 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 a decrease of $499,768 in fund balance, as a result of lower receipts.

The Specific Plan fund shows an increase in fund balance of $150,339.

## DEBT ADMINISTRATION

Debt considered a liability of governmental activities increased in FY 2012-13 by $1,513,800, including a prior period adjustment for the PERS side fund of $2,389,632, the purchase of a fire truck of $499,020, an increase in compensated absences of $166,050, a closure/postclosure liability increase of $162,734 and an increase in OPEB liability of $281,788.

Debt considered a liability of business-type activities increased in FY 2012-13 by $3,433,200 due to the Wastewater Treatment Plant upgrade project.

A schedule of outstanding debt is presented below.

| | Balance June 30, 2012 | Prior Period Adjustment | Incurred or Issued | Satisfied or Matured | Balance June 30, 2013 |
|---|---|---|---|---|---|
| **Governmental Activities:** | | | | | |
| Leases payable | $ 4,211,903 | $ - | $ 499,020 | $ 352,996 | $ 4,357,927 |
| Compensated absences | 1,941,076 | | 1,456,784 | 1,290,734 | 2,107,126 |
| Closure/postclosure liability | 2,060,879 | | 162,734 | | 2,223,613 |
| General obligation bonds payable | 30,123,261 | | | 1,517,441 | 28,605,820 |
| OPEB liability | 568,979 | | 678,636 | 396,848 | 850,767 |
| PERS side fund | | 2,389,632 | 168,773 | 283,760 | 2,274,645 |
| Total governmental activities | $ 38,906,098 | $ 2,389,632 | $ 2,965,947 | $ 3,841,779 | $ 40,419,898 |
| **Business-type Activities:** | | | | | |
| Compensated absences | $ 350,600 | $ - | $ 237,070 | $ 193,484 | $ 394,186 |
| Leases payable | 394,400 | | | 138,830 | 255,570 |
| Loan payable | | | 3,723,444 | | 3,723,444 |
| Revenue bonds payable | 6,355,000 | | | 195,000 | 6,160,000 |
| Total business-type activities | $ 7,100,000 | $ - | $ 3,960,514 | $ 527,314 | $ 10,533,200 |

## 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.

## 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, 2013, net capital assets of the governmental activities totaled $172.8 million and the net capital assets of the business-type activities totaled $79.3 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 | $ 247,937,621 | $ 75,179,698 | $ 172,757,923 |
| Capital Assets - Business-type Activities: | | | |
| Land, Buildings, Equipment, CIP, and Infrastructure | $ 135,171,651 | $ 55,848,219 | $ 79,323,432 |

## GENERAL FUND BUDGETARY HIGHLIGHTS

Comparing the FY13 original (or adopted) general fund budget amount of $29.5 million to the final budget amount of $33.7 million shows a net increase of $4.2 million. Included in this figure is $1.3 million in CIP carry forward, $2.8 million for the 21st Street Project and $.2 million in miscellaneous appropriations. City Council approved all budget supplemental changes to the original budget.

| Original Budget | + | Supplemental Changes | = | Final Budget |
|---|---|---|---|---|
| $ 29,465,700 | + | $ 4,274,102 | = | $ 33,739,802 |

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

Economic Factors and Next Year's Budgets and Rates

The key assumptions in the general fund revenue forecast for fiscal year 2013-2014 were presented to Council on June 18, 2013, during the semi-annual financial forecast update. This update included a review of the previously approved recovery service additions, which included:

- Emergency Services Training
- Narcotics Task Force Officer
- HR/Risk Specialist
- Part-time Library staffing
- Pothole Patching
- Finance System

These forecasts are used to keep Council appraised on an ongoing basis, the financial status of the City. Items not included in the actual numbers of the forecast, but were footnoted, include:

- $1.0M possible FEMA repayment

- $250,000 Library re-roof expense
- Any future PERS rate increases

The City appears to be on track to grow its surplus annually. The actual surplus may vary should Council decide that other service recovery priorities take precedence. The projected total surplus over the five-year forecast is approximately $3,663,000.

The City's year end results of the last twelve fiscal years (2002 through 2013) have increased the general fund's fund balance by nearly $9.7 million.

## 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.

# CITY OF EL PASO DE ROBLES

# BASIC FINANCIAL STATEMENTS

## *STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES*

The Statement of Net Position and the Statement of Activities are 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 Position 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 Position 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 position, by subtracting total liabilities from total assets.

The Statement of Net Position 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 position. 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 Position is computed and reconciled with the Statement of Net Position.

CITY OF EL PASO DE ROBLES
STATEMENT OF NET POSITION
JUNE 30, 2013

| | Governmental Activities | Business-type Activities | Total |
|---|---|---|---|
| ASSETS | | | |
| Cash and investments | $ 38,474,188 | $ 25,737,529 | $ 64,211,717 |
| Accounts receivable | 4,270,057 | 2,248,569 | 6,518,626 |
| Interest receivable | 165,915 | | 165,915 |
| Inventory | | 184,384 | 184,384 |
| Due from private-purpose trust fund | 6,894,395 | | 6,894,395 |
| Loan contracts receivable | 1,785,628 | 5,160 | 1,790,788 |
| Internal balances | (1,778,619) | 1,778,619 | |
| Prepaid expenses | 601,123 | 2,790 | 603,913 |
| Land | 18,076,458 | 8,389,465 | 26,465,923 |
| Buildings and improvements | 55,220,058 | 107,724,379 | 162,944,437 |
| Equipment | 7,574,637 | 6,982,062 | 14,556,699 |
| Construction in progress | 14,343,088 | 12,075,745 | 26,418,833 |
| Infrastructure | 152,723,380 | | 152,723,380 |
| Accumulated depreciation | (75,179,698) | (55,848,219) | (131,027,917) |
| Bond issuance deferred charges | 1,814,035 | 1,690,096 | 3,504,131 |
| Total Assets | 224,984,645 | 110,970,579 | 335,955,224 |
| LIABILITIES | | | |
| Accounts payable | 1,718,371 | 1,387,332 | 3,105,703 |
| Accrued payroll expenses | 508,595 | 81,904 | 590,499 |
| Interest payable | 786,577 | 20,102 | 806,679 |
| Customer deposits | | 164,956 | 164,956 |
| Unearned revenue | 2,297,085 | | 2,297,085 |
| Long term debt | | | |
| Due within one year | 2,005,390 | 369,025 | 2,374,415 |
| Due in more than one year | 38,414,508 | 10,634,421 | 49,048,929 |
| Total Liabilities | 45,730,526 | 12,657,740 | 58,388,266 |
| NET POSITION | | | |
| Net investment in capital assets | 141,608,211 | 72,619,932 | 214,228,143 |
| Restricted for: | | | |
| Debt service | 5,875,335 | | 5,875,335 |
| Community development | 348,603 | | 348,603 |
| Capital projects | 32,900,262 | | 32,900,262 |
| Public safety | 134,464 | | 134,464 |
| Library and recreation | 19,143 | | 19,143 |
| Public works | 1,225,344 | | 1,225,344 |
| Unrestricted | (2,857,243) | 25,692,907 | 22,835,664 |
| Total Net Position | $ 179,254,119 | $ 98,312,839 | $ 277,566,958 |

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, 2013

| | | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|---|---|---|---|---|---|---|---|
| | | | | | Primary Government | | |
| | Expenses | Charges for Services | Operating Contributions and Grants | Capital Contributions and Grants | Net Governmental Activities | Net Business-type Activities | Total |
| Governmental Activities: | | | | | | | |
| General government | $ 2,488,091 | $ 146,967 | $ 25,929 | $ - | $ (2,315,195) | $ - | $ (2,315,195) |
| Public safety | 14,212,732 | 340,212 | 162,078 | | (13,710,442) | | (13,710,442) |
| Public works | 9,976,319 | 2,081,518 | 1,724,110 | 3,580,891 | (2,589,800) | | (2,589,800) |
| Library and recreation services | 3,739,742 | 358,650 | 444,284 | | (2,936,808) | | (2,936,808) |
| Community development | 1,368,899 | 1,018,111 | 165,500 | | (185,288) | | (185,288) |
| Interest on long-term debt | 1,949,435 | | | | (1,949,435) | | (1,949,435) |
| Total Governmental Activities | 33,735,218 | 3,945,458 | 2,521,901 | 3,580,891 | (23,686,968) | | (23,686,968) |
| Business-type Activities: | | | | | | | |
| Water operations | 11,032,299 | 7,926,477 | | 1,897,132 | | (1,208,690) | (1,208,690) |
| Sewer operations | 6,003,605 | 6,054,546 | | 574,363 | | 625,304 | 625,304 |
| Airport operations | 726,620 | 82,846 | | | | (643,774) | (643,774) |
| Transit operations | 1,105,222 | 174,005 | | 1,479,256 | | 548,039 | 548,039 |
| Total Business-type Activities | 18,867,746 | 14,237,874 | | 3,950,751 | | (679,121) | (679,121) |
| Total Primary Government | $ 52,602,964 | $ 18,183,332 | $ 2,521,901 | $ 7,531,642 | (23,686,968) | (679,121) | (24,366,089) |
| General Revenues and Transfers: | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes | | | | | 14,376,085 | 46,284 | 14,422,369 |
| Sales taxes | | | | | 8,558,016 | | 8,558,016 |
| Other taxes | | | | | 4,054,553 | | 4,054,553 |
| From other agencies | | | | | 69,527 | | 69,527 |
| Licenses and permits | | | | | 1,019,087 | | 1,019,087 |
| Other | | | | | 1,547,740 | | 1,547,740 |
| Uses of money and property | | | | | (72,650) | 447,930 | 375,280 |
| Transfers in/(out) | | | | | 776,700 | (776,700) | |
| Total general revenues and transfers | | | | | 30,329,058 | (282,486) | 30,046,572 |
| Change in net position | | | | | 6,642,090 | (961,607) | 5,680,483 |
| Net position beginning of fiscal year | | | | | 175,001,661 | 99,274,446 | 274,276,107 |
| Prior period adjustment | | | | | (2,389,632) | | (2,389,632) |
| Net position beginning of fiscal year, restated | | | | | 172,612,029 | 99,274,446 | 271,886,475 |
| Net position end of fiscal year | | | | | $ 179,254,119 | $ 98,312,839 | $ 277,566,958 |

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 No. 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.

The Governmental funds described below were determined to be Major Funds of 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 acocunts 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.

### Specific Plan Fund
This fund accounts for collection from the payment of development impact fees as identified in the
Borkey, Union/46, Chandler Ranch and Olsen Beechwood specific plans for public facilities and infrastructure.

CITY OF EL PASO DE ROBLES
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2013

| | 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 | Specific Plans Fund | Other Governmental Funds | Totals |
|---|---|---|---|---|---|---|---|---|
| ASSETS | | | | | | | | |
| Cash and investments | $ 12,584,476 | $ 1,550,229 | $ 9,909,171 | | $ 6,192,956 | $ 679,816 | $ 7,139,952 | $ 38,056,600 |
| Cash and investments with fiscal agent | | | | | | | 417,588 | 417,588 |
| Accounts receivable | 2,606,178 | 1,035,701 | | | 40,684 | | 587,494 | 4,270,057 |
| Interest receivable | 165,915 | | | | | | | 165,915 |
| Due from private-purpose trust fund | | 336,789 | 6,378,298 | | | | 179,308 | 6,894,395 |
| Loan contracts receivable | 38,980 | 153,466 | 215,748 | | | | 1,377,434 | 1,785,628 |
| Prepaid items | 601,123 | | | | | | | 601,123 |
| Advances receivable | 2,403,673 | 10,310,310 | | | | | | 12,713,983 |
| Total Assets | $ 18,400,345 | $ 13,386,495 | $ 16,503,217 | $ - | $ 6,233,640 | $ 679,816 | $ 9,701,776 | $ 64,905,289 |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts payable | $ 730,030 | $ 800,258 | $ 1,412 | $ - | $ - | $ 12,977 | $ 173,694 | $ 1,718,371 |
| Accrued payroll expenses | 505,363 | | | | | | 3,232 | 508,595 |
| Compensated absences | 50,000 | | | | | | | 50,000 |
| Unearned revenue | 697,859 | 2,128,461 | 451,461 | | | | 1,556,742 | 4,834,523 |
| Advances payable | | 1,778,619 | | 10,310,310 | | 2,215,941 | 187,732 | 14,492,602 |
| Total Liabilities | 1,983,252 | 4,707,338 | 452,873 | 10,310,310 | | 2,228,918 | 1,921,400 | 21,604,091 |
| Fund Balances: | | | | | | | | |
| Nonspendable: | | | | | | | | |
| Prepaid items | 601,123 | | | | | | | 601,123 |
| Advances receivable | 2,403,673 | | | | | | | 2,403,673 |
| Restricted for: | | | | | | | | |
| Debt service | | | | | 6,233,640 | | 428,272 | 6,661,912 |
| Community development | | | | | | | 348,603 | 348,603 |
| Capital projects | | 8,679,157 | 16,050,344 | | | | 5,672,303 | 30,401,804 |
| Public safety | | | | | | | 134,464 | 134,464 |
| Library and recreation | | | | | | | 19,143 | 19,143 |
| Public works | | | | | | | 1,225,344 | 1,225,344 |
| Assigned for capital projects | 601,123 | | | | | | 139,979 | 741,102 |
| Unassigned: | 12,811,174 | | | (10,310,310) | | (1,549,102) | (187,732) | 764,030 |
| Total Fund Balances | 16,417,093 | 8,679,157 | 16,050,344 | (10,310,310) | 6,233,640 | (1,549,102) | 7,780,376 | 43,301,198 |
| Total Liabilities and Fund Balances | $ 18,400,345 | $ 13,386,495 | $ 16,503,217 | $ - | $ 6,233,640 | $ 679,816 | $ 9,701,776 | $ 64,905,289 |

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 Position
June 30, 2013

| | |
|---|---|
| Fund balances of governmental funds | $ 43,301,198 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | |
| Capital assets net of depreciation have not been included as financial resources in governmental fund activity | 172,757,923 |
| Other post employment benefits payable | (850,767) |
| Unearned revenue | 2,537,438 |
| Accrued closure and postclosure costs added to long term debt | (2,223,613) |
| Bond issuance deferred charges | 1,814,035 |
| Interest payable | (786,577) |
| Lease contracts payable | (1,477,927) |
| Bonds and certificates of participation payable | (31,485,820) |
| Compensated absences | (2,057,126) |
| PERS Side Fund | (2,274,645) |
| Net position of governmental activities | $ 179,254,119 |

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, 2013

| | 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 | Specific Plans Fund | Other Governmental Funds | Totals |
|---|---|---|---|---|---|---|---|---|
| Revenues: | | | | | | | | |
| Taxes | $ 22,416,501 | $ - | $ - | $ - | $ 2,426,922 | $ - | $ 2,145,231 | $ 26,988,654 |
| Licenses and permits | 1,019,087 | | | | | | | 1,019,087 |
| Fines and forfeitures | 175,187 | | | | | | | 175,187 |
| Uses of money and property | (34,484) | 8,574 | (15,942) | | (24,753) | (1,786) | (4,259) | (72,650) |
| From other agencies | 1,272,777 | 3,580,891 | | | 25,929 | | 1,292,722 | 6,172,319 |
| Charges for current services | 1,074,105 | 1,793,787 | 143,367 | | | 279,817 | 146,123 | 3,437,199 |
| Other | 1,332,577 | | | | | 9,592 | 30,384 | 1,372,553 |
| Total Revenues | 27,255,750 | 5,383,252 | 127,425 | - | 2,428,098 | 287,623 | 3,610,201 | 39,092,349 |
| Expenditures: | | | | | | | | |
| General government | 1,517,915 | | 143,982 | | | | | 1,661,897 |
| Public safety | 13,575,368 | | | | | | 73,992 | 13,649,360 |
| Public works | 4,117,529 | | | | | | 1,466,543 | 5,584,072 |
| Library and recreation services | 3,307,724 | | | | | | 15,136 | 3,322,860 |
| Community development | 1,246,735 | | | | | 398 | 110,686 | 1,357,819 |
| Interest | 47,774 | | | 132,724 | 1,409,071 | 28,304 | 116,738 | 1,734,611 |
| Principal | 152,996 | | | | 1,517,441 | | 200,000 | 1,870,437 |
| Paying agent fees | | | | | 1,354 | | 2,310 | 3,664 |
| Capital outlay | 2,681,630 | 3,811,153 | | | | 108,582 | 2,111,095 | 8,712,460 |
| Total Expenditures | 26,647,671 | 3,811,153 | 143,982 | 132,724 | 2,927,866 | 137,284 | 4,096,500 | 37,897,180 |
| Excess (deficiency) of revenues over (under) expenditures | 608,079 | 1,572,099 | (16,557) | (132,724) | (499,768) | 150,339 | (486,299) | 1,195,169 |
| Other financing sources (uses): | | | | | | | | |
| Operating transfers in | 2,718,143 | | | | | | 601,231 | 3,319,374 |
| Operating transfers out | (859,227) | (399,000) | | | | | (1,284,447) | (2,542,674) |
| Proceeds from capital leases | 499,020 | | | | | | | 499,020 |
| Total Other Financing Sources (Uses) | 2,357,936 | (399,000) | | | | | (683,216) | 1,275,720 |
| Net Change in Fund Balances | 2,966,015 | 1,173,099 | (16,557) | (132,724) | (499,768) | 150,339 | (1,169,515) | 2,470,889 |
| Fund Balances - July 1 | 13,451,078 | 7,506,058 | 16,066,901 | (10,177,586) | 6,733,408 | (1,699,441) | 8,949,891 | 40,830,309 |
| Fund Balances - June 30 | $ 16,417,093 | $ 8,679,157 | $ 16,050,344 | $ (10,310,310) | $ 6,233,640 | $ (1,549,102) | $ 7,780,376 | $ 43,301,198 |

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
to the Statement of Activities
For the Fiscal Year Ended June 30, 2013

| | | |
|---|---|---|
| Net change in fund balances - total governmental funds | | $ 2,470,889 |
| Amounts reported for governmental acitivities 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 | $ 8,712,460 | |
| Depreciation | (5,693,957) | |
| Loss on disposal of capital assets | (16,569) | |
| | | 3,001,934 |
| 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. | | (139,541) |
| 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: | | (75,283) |
| 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 $166,050. | | (166,050) |
| In the statement of activities, the asset and liability 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. | | (281,788) |
| 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 position. | | 1,870,437 |

CITY OF EL PASO DE ROBLES
GOVERNMENTAL FUNDS
Reconciliation of the Net Change in Fund Balances
to the Statement of Activities
For the Fiscal Year Ended June 30, 2013

| | |
|---|---|
| In government 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 proceeds from capital leases. | (499,020) |
| In the governmental funds, the repayment of the PERS side fund debt is reported as a retirement expense. In the government-wide statements, repayments are reported as a decrease in the long-term liabilities. | 114,987 |
| Increase in Oak Park Public Housing loans receivable | 613,495 |
| Landfill closure/postclosure reported in the statement of actvities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds | (162,734) |
| 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 basis used in the government-wide statements. | (105,236) |
| Change in net position of governmental activities | $ 6,642,090 |

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 FUND NET POSITION
JUNE 30, 2013

| | Business-type Activities - Enterprise Funds | | | | |
|---|---|---|---|---|---|
| | Water Operations | Sewer Operations | Airport Operations | Transit Operations | Totals |
| **ASSETS** | | | | | |
| Current Assets: | | | | | |
| Cash and investments | $ 17,962,003 | $ 5,771,998 | $ 1,833,968 | $ 169,560 | $ 25,737,529 |
| Accounts receivable | 1,186,611 | 695,974 | 24,147 | 341,837 | 2,248,569 |
| Loans receivable - current portion | 5,160 | | | | 5,160 |
| Prepaid expenses | 2,790 | | | | 2,790 |
| Inventory | 184,384 | | | | 184,384 |
| Total Current Assets | 19,340,948 | 6,467,972 | 1,858,115 | 511,397 | 28,178,432 |
| Capital Assets: | | | | | |
| Plant, property and equipment | 46,948,454 | 64,469,863 | 21,678,521 | 2,074,813 | 135,171,651 |
| Less accumulated depreciation | 20,488,650 | 25,712,589 | 8,561,254 | 1,085,726 | 55,848,219 |
| Net Book Value | 26,459,804 | 38,757,274 | 13,117,267 | 989,087 | 79,323,432 |
| Long-term Assets: | | | | | |
| Unamortized bond discount and issue costs | | 182,316 | | | 182,316 |
| Advances receivable | | 1,778,619 | | | 1,778,619 |
| Deposit | 1,507,780 | | | | 1,507,780 |
| Total Long-term Assets | 1,507,780 | 1,960,935 | | | 3,468,715 |
| Total Assets | $ 47,308,532 | $ 47,186,181 | $ 14,975,382 | $ 1,500,484 | $ 110,970,579 |

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

CITY OF EL PASO DE ROBLES
PROPRIETARY FUNDS
STATEMENT OF FUND NET POSITION
JUNE 30, 2013

| | Business-type Activities - Enterprise Funds | | | | |
|---|---|---|---|---|---|
| | Water Operations | Sewer Operations | Airport Operations | Transit Operations | Totals |
| **LIABILITIES** | | | | | |
| Current Liabilities: | | | | | |
| Accounts payable | $ 440,735 | $ 859,590 | $ 5,379 | $ 81,628 | $ 1,387,332 |
| Accrued payroll expenses | 41,202 | 34,587 | 3,875 | 2,240 | 81,904 |
| Accrued interest expense | | 20,102 | | | 20,102 |
| Lease contract payable - current portion | 14,016 | 125,337 | 4,672 | | 144,025 |
| Customer deposits | 160,723 | 4,233 | | | 164,956 |
| Bond principal payable - current portion | | 225,000 | | | 225,000 |
| Total Current Liabilities | 656,676 | 1,268,849 | 13,926 | 83,868 | 2,023,319 |
| Long-term Liabilities: | | | | | |
| Compensated absences | 173,537 | 194,845 | 19,503 | 6,301 | 394,186 |
| Lease contracts payable, net - less current portion | 10,856 | 97,070 | 3,619 | | 111,545 |
| Loan contracts payable | | 3,723,444 | | | 3,723,444 |
| Premium on refunding bonds | | 470,246 | | | 470,246 |
| Bond principal payable, net - less current portion | | 5,935,000 | | | 5,935,000 |
| Total Long-term Liabilities | 184,393 | 10,420,605 | 23,122 | 6,301 | 10,634,421 |
| **NET POSITION** | | | | | |
| Net investment in capital assets | 26,434,932 | 32,086,937 | 13,108,976 | 989,087 | 72,619,932 |
| Unrestricted | 20,032,531 | 3,409,790 | 1,829,358 | 421,228 | 25,692,907 |
| Total Net Position | $ 46,467,463 | $ 35,496,727 | $ 14,938,334 | $ 1,410,315 | $ 98,312,839 |

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 NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| | Business-type Activities - Enterprise Funds | | | | |
|---|---|---|---|---|---|
| | Water Operations | Sewer Operations | Airport Operations | Transit Operations | Totals |
| **Operating Revenues:** | | | | | |
| Charges for current services | $ 7,912,716 | $ 6,049,960 | $ 78,874 | $ 173,765 | $ 14,215,315 |
| Rents and leases | | | 513,667 | | 513,667 |
| Other revenue | 13,761 | 4,586 | 3,972 | 240 | 22,559 |
| **Total operating revenues** | 7,926,477 | 6,054,546 | 596,513 | 174,005 | 14,751,541 |
| **Operating expenses:** | | | | | |
| Maintenance, operations, and administration | 9,793,529 | 3,994,888 | 372,266 | 703,993 | 14,864,676 |
| Depreciation and amortization | 1,238,539 | 1,626,436 | 353,944 | 144,962 | 3,363,881 |
| **Total operating expenses** | 11,032,068 | 5,621,324 | 726,210 | 848,955 | 18,228,557 |
| Operating income (loss) | (3,105,591) | 433,222 | (129,697) | (674,950) | (3,477,016) |
| Non-operating revenues (expenses): | | | | | |
| Taxes | | | 46,284 | | 46,284 |
| Revenues from other agencies | | | | 1,479,256 | 1,479,256 |
| Interest revenue | (41,191) | (20,620) | (5,267) | 1,341 | (65,737) |
| Gain/(loss) on disposal of capital assets | 1,000 | (102,880) | | 2,550 | (99,330) |
| Contributions to other agencies | | | | (258,817) | (258,817) |
| Interest expense | (1,231) | (279,401) | (410) | | (281,042) |
| Total non-operating revenues (expenses) | (41,422) | (402,901) | 40,607 | 1,224,330 | 820,614 |
| Income before transfers and capital contributions | (3,147,013) | 30,321 | (89,090) | 549,380 | (2,656,402) |
| Transfers out | (127,000) | (649,700) | | | (776,700) |
| Capital contributions | 1,897,132 | 574,363 | | | 2,471,495 |
| Change in net position | (1,376,881) | (45,016) | (89,090) | 549,380 | (961,607) |
| Total net position - July 1 | 47,844,344 | 35,541,743 | 15,027,424 | 860,935 | 99,274,446 |
| Total net position - June 30 | $ 46,467,463 | $ 35,496,727 | $ 14,938,334 | $ 1,410,315 | $ 98,312,839 |

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, 2013

| | Business-type Activities - Enterprise Funds | | | | |
|---|---|---|---|---|---|
| | Water Operations | Sewer Operations | Airport Operations | Transit Operations | Totals |
| Cash Flows from Operating Activities: | | | | | |
| Receipts from customers and users | $ 7,691,600 | $ 6,709,537 | $ 623,078 | $ 174,005 | $ 15,198,220 |
| Payments to suppliers | (7,491,458) | (1,451,820) | (333,003) | (345,629) | (9,621,910) |
| Payments to employees | (2,163,574) | (1,744,300) | (206,044) | (113,776) | (4,227,694) |
| Net cash provided (used) by operating activities | (1,963,432) | 3,513,417 | 84,031 | (285,400) | 1,348,616 |
| Cash Flows from Capital and Related Financing Activities: | | | | | |
| Revenues from other agencies | | | | 1,451,631 | 1,451,631 |
| Acquisitions of capital assets | (1,180,747) | (4,315,549) | (69,096) | (875,550) | (6,440,942) |
| Loan/lease principal paid | | (195,000) | | | (195,000) |
| Interest paid on long term debt | (1,233) | (283,724) | (410) | | (285,367) |
| Deposit | (1,507,780) | | | | (1,507,780) |
| Lease contract paid | (13,511) | (120,816) | (4,504) | | (138,831) |
| Contributed capital received | 1,897,132 | 574,363 | | | 2,471,495 |
| Loan proceeds state revolving fund | | 3,723,444 | | | 3,723,444 |
| Proceeds (loss) on disposal of capital assets | 1,000 | 2,054 | | 2,550 | 5,604 |
| Net cash provided (used) by capital and related financing activities | (805,139) | (615,228) | (74,010) | 578,631 | (915,746) |
| Cash Flows from Non-capital and Related Financing Activities: | | | | | |
| Operating transfers in/(out) | (127,000) | (649,700) | | | (776,700) |
| Taxes | | | 46,284 | | 46,284 |
| Contributions to others | | | | (258,817) | (258,817) |
| Net cash provided (used) by non-capital financing sources | (127,000) | (649,700) | 46,284 | (258,817) | (989,233) |
| Cash Flows from Investing Activities: | | | | | |
| Interest on investments | (41,191) | (20,620) | (5,267) | 1,341 | (65,737) |
| Net cash provided by investing financing activities | (41,191) | (20,620) | (5,267) | 1,341 | (65,737) |
| Net increase (decrease) in cash and cash equivalents | (2,936,763) | 2,227,869 | 51,038 | 35,755 | (622,101) |
| Cash and cash equivalents at beginning of year | 20,898,766 | 3,544,129 | 1,782,930 | 133,805 | 26,359,630 |
| Cash and cash equivalents at end of year | $ 17,962,003 | $ 5,771,998 | $ 1,833,968 | $ 169,560 | $ 25,737,529 |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) in Operating Activities: | | | | | |
| Operating income (loss) | $ (3,105,591) | $ 433,222 | $ (129,697) | $ (674,950) | $ (3,477,016) |
| Adjustments to reconcile net operating income (loss) | | | | | |
| Add depreciation and amortization | 1,238,539 | 1,626,436 | 353,944 | 362,958 | 3,581,877 |
| Change in operating assets and liabilities: | | | | | |
| (Increase) decrease in accounts receivable | (238,557) | (219,504) | 26,565 | | (431,496) |
| (Increase) decrease in inventory | (25,083) | | | | (25,083) |
| Increase (decrease) in accounts payable | 151,868 | 768,270 | (167,166) | 26,957 | 779,929 |
| Increase (decrease) in accrued payroll expenses | (1,573) | 1,052 | (210) | (626) | (1,357) |
| Increase (decrease) in compensated absences | 13,285 | 29,446 | 595 | 261 | 43,587 |
| Increase (decrease) in customer deposits | 3,680 | | | | 3,680 |
| Increase (decrease) in loan contracts receivable | | 874,495 | | | 874,495 |
| Net cash provided (used) by operating activities | $ (1,963,432) | $ 3,513,417 | $ 84,031 | $ (285,400) | $ 1,348,616 |

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
STATEMENT OF FIDUCIARY NET POSTION
JUNE 30, 2013

| | | Private-Purpose Trust Fund | |
|---|---|---|---|
| | Agency Funds | Successor Agency to the Former Redevelopment Agency | Totals |
| **Assets** | | | |
| Cash and investments | $ 993,337 | $ 5,518,268 | $ 6,511,605 |
| Accounts receivable | 67,707 | 42 | 67,749 |
| Work in process | | 2,756,785 | 2,756,785 |
| Bond issuance costs | | 356,632 | 356,632 |
| Long term loan receivables | | 1,243,782 | 1,243,782 |
| Total Assets | $ 1,061,044 | 9,875,509 | 10,936,553 |
| **Liabilities** | | | |
| Accounts payable | $ 68,504 | 2,109,232 | 2,177,736 |
| Accrued salaries and benefits payable | 302 | | 302 |
| Interest payable | | 413,429 | 413,429 |
| Customer deposits | 573,133 | | 573,133 |
| Due to others | 419,105 | | 419,105 |
| Bonds payable | | 14,465,000 | 14,465,000 |
| Due to the City of El Paso de Robles | | 6,894,395 | 6,894,395 |
| Total Liabilities | $ 1,061,044 | 23,882,056 | 24,943,100 |
| **Net Position** | | | |
| Net position | | | |
| Unrestricted | | (14,006,547) | (14,006,547) |
| Total net position | | $ (14,006,547) | $ (14,006,547) |

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

CITY OF EL PASO DE ROBLES
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For The Fiscal Year Ended June 30, 2013

PRIVATE-PURPOSE TRUST FUND
SUCCESSOR AGENCY TO THE FORMER
REDEVELOPMENT AGENCY

| | | |
|---|---|---|
| Additions | | |
| Property taxes | $ | 1,952,103 |
| Use of money and property | | 11,265 |
| Miscellaneous | | 3 |
| Total Additions | | 1,963,371 |
| Deletions | | |
| Professional services | | 36,963 |
| Special projects | | 2,289,224 |
| Bond issuance, amortization, principal retirement, fiscal agreement payments, agent charges and interest expense | | 1,371,439 |
| Total Deletions | | 3,697,626 |
| Net change in net position | | (1,734,255) |
| Net position - July 1, 2012 | | (12,272,292) |
| Net position - June 30, 2013 | $ | (14,006,547) |

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

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## 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 unit the El Paso de Robles Public Financing Authority (Authority). The financial activities of the foregoing entity has been aggregated and merged (termed "blending") with those of the City in the accompanying financial statements, as it meets the criteria for inclusion as set forth in Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statements No. 39 and No. 61.

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 Authority and, as such, this entity is presented as a blended component unit. 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.

### 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.

<u>Government-Wide Financial Statements</u>: The Statement of Net Position 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 Position. The Statement of Activities presents changes in net position. 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 Position 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.

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.

Specific Plans Fund is to account for collection from the payment of development impact fees as identified in the Borkey, Union/46, Chandler Ranch and Olsen Beechwood specific plans for public facilities and infrastructure.

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.

The City also reports the following fund types:

Fiduciary Funds - Fiduciary Funds Financial Statements include a Statement of Net Position. 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. The Successor Agency to the Former Redevelopment Agency is a private-purpose trust fund to account for the financial activities of the dissolved RDA. Private-purpose trust funds are used to report all trust arrangements (other than pension and investment trust funds) "under which principal and income benefit individuals, private organizations, or other governments."

## 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 position 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.

## 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.

### G. Cash and Investments

In accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market valuation data provided by Union Bank is used as fair value for those securities for which market quotations are readily available. The City's investments with fiscal agents required by bond indentures are stated at cost, which approximate fair value.

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

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. Capital Assets

Capital assets are defined as property, plant, equipment, and infrastructure assets (roads, sidewalks, bridges, drainage systems lighting systems, etc.). Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. These assets are valued at historical cost of estimated historical cost if purchased or constructed. Donated capital assets are valued at their estimated fair value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of assets are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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.

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. See Note 3.

## I. 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.

## J. 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, 1st installment, March 1, 2nd installment |
| Collection Date - Secured Taxes | December 10, 1st installment, April 10, 2nd 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.

## K. 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.

## L. 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.

## M. Use of Restricted/Unrestricted Net Position

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

## N. New Accounting Pronouncements

Governmental Accounting Standards Board Statement No. 60

For the fiscal year ended June 30, 2013, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements." This Statement is effective for periods beginning after December 15, 2011. The objective of this Statement is to improve financial reporting by addressing issues related to Service Concession Arrangements. This Statement improves consistency in reporting and enhances the comparability of the accounting and financial reporting of Service Concession Arrangements among state and local governments. Implementation of the GASB Statement No. 60 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2013.

Governmental Accounting Standards Board Statement No. 61

For the fiscal year ended June 30, 2013, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 61, "The Financial Reporting Entity: Omnibus." This Statement is effective for periods beginning after June 15, 2012. The objective of this Statement is to improve financial reporting for component units. The Statement modifies certain requirements for inclusion of component units in the financial reporting entity and clarifies the reporting of equity interests in legally separate organizations.

Implementation of the GASB Statement No. 61 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2013.

Governmental Accounting Standards Board Statement No. 62

For the fiscal year ended June 30, 2013, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." This Statement is effective for periods beginning after December 15, 2011. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the FASB and AICPA pronouncements issued on or before November 30, 1989. This Statement specifically identifies and consolidates the accounting and financial reporting provisions that apply to the state and local governments. Implementation of the GASB Statement No. 62 did not have an impact on the City's financial statements for the fiscal year ended June 30, 2013.

Governmental Accounting Standards Board Statement No. 63

For the fiscal year ended June 30, 2013, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." This Statement is effective for periods beginning after December 15, 2011. The objective of this Statement is to establish guidance for reporting deferred outflows or resources, deferred inflows of resources, and net position in a statement of financial position. This Statement sets forth framework that specifies where deferred outflows of resources and deferred inflows of

resources, as well as assets and liabilities should be displayed. This Statement also specifies how net position, no longer referred to as net assets, should be displayed. Implementation of the GASB Statement No. 63 and the impact of the City's financial statements are explained in Note 16 Net Position.

## 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.

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 2013 was 0.241% while the apportioned rate for the quarter ending June 30, 2013 was 0.24%. For the month ended June 30, 2013, the City recognized a weighted average daily rate of return of 1.175%. At no time during the fiscal year did the City borrow funds through the use of reverse purchase agreements.

Investment of debt proceeds held by bond trustees are governed by the provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

| Investment Types Authorized by Law | Maximum Maturity | Maximum % of Portfolio | Maximum in One Issuer |
|---|---|---|---|
| Money Market Mutual Funds | N/A | None | None |

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.

| Investment Types Authorized by Law | Maximum Maturity | Maximum % of Portfolio | Maximum in One Issuer |
|---|---|---|---|
| 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 |
| Money Market | None | None | None |

**Only 15% of the aggregate total 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 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, 2013.

## 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 and all investments are shown at fair value.

| | Total | 12 Months Or Less | 13 to 24 Months | 25 to 60 Months |
|---|---|---|---|---|
| U.S. Agency Notes | $ 42,243,160 | $ - | $ - | $ 42,243,160 |
| U.S. Agency Mortgaged Backed Securities | 70,377 | 5,059 | 65,318 | |
| Corporate Notes | 6,094,460 | | | 6,094,460 |
| Certificates of Deposit | 2,094,000 | 1,606,000 | 488,000 | |
| Local Agency Investment Fund (LAIF) | 12,803,497 | 12,803,497 | | |
| Money Market Funds | 3,001,270 | 3,001,270 | | |
| Held by Bond Trustee: | | | | |
| Money Market Funds | 2,664,750 | 2,664,750 | | |
| | $ 68,971,514 | $ 20,080,576 | $ 553,318 | $ 48,337,620 |

## 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 other 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 each investment type.

| | Total | Legal rating | AAA | AA | Not Rated |
|---|---|---|---|---|---|
| U.S. Agency Notes | $ 42,243,160 | N/A | $ 42,243,160 | $ - | $ - |
| U.S. Agency Mortgaged Backed Securities | 70,377 | N/A | 70,377 | | |
| Corporate Notes | 6,094,460 | A | | 6,094,460 | |
| Certificates of Deposit | 2,094,000 | N/A | | | 2,094,000 |
| Local Agency Investment Fund (LAIF) | 12,803,497 | N/A | | | 12,803,497 |
| Money Market Funds | 3,001,270 | | | | 3,001,270 |
| Held by Bond Trustee: | | | | | |
| Money Market Funds | 2,664,750 | | | | 2,664,750 |
| | $ 68,971,514 | | $ 42,313,537 | $ 6,094,460 | $ 20,563,517 |

## 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:

| | |
|---|---|
| Federal Home Loan Bank | $ 7,821,060 |
| Federal Home Loan Mortgage Corporation | 13,841,807 |
| Federal National Mortgage Association | 20,650,670 |
| Federal Farm Credit Bank | - |

## 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 of June 30, 2013, the City did not have any deposits that exceeded the FDIC insured limit of $250,000.

## H. Cash and Investments

The carrying amount of the City's cash and deposits was $1,721,908 at June 30, 2013. Cash on hand and in the revolving account was $29,900 and bank balances, before reconciling items, were $2,165,256 at June 30, 2013. At June 30, 2013, 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 | $38,474,188 |
| Business activities | 25,737,529 |
| Fiduciary funds | 6,511,605 |
| Total Cash and Investments | $70,723,322 |

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 | $61,546,967 |
| With fiscal agent | 2,664,750 |
| Fiduciary funds | 6,511,605 |
| Total Cash and Investments | $70,723,322 |

## 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.

## 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.

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, 2013. 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 |

Capital Assets of the City for the fiscal year ended June 30, 2013, consisted of the following:

| | Balance 6/30/2012 | Increases | Decreases | Balance 6/30/2013 |
|---|---|---|---|---|
| **Governmental Activities:** | | | | |
| Land | $ 18,076,458 | $ - | $ - | $ 18,076,458 |
| Buildings and improvements | 54,276,929 | 943,129 | | 55,220,058 |
| Equipment | 7,657,747 | 224,875 | 307,985 | 7,574,637 |
| Infrastructure | 152,455,039 | 268,341 | | 152,723,380 |
| CIP Infrastructure | 6,904,896 | 6,852,232 | 190,266 | 13,566,862 |
| Construction in progress | 162,077 | 614,149 | | 776,226 |
| Less accumulated depreciation | (69,777,157) | (5,693,957) | (291,416) | (75,179,698) |
| **Governmental activity capital assets, net** | $ 169,755,989 | $ 3,208,769 | $ 206,835 | $ 172,757,923 |

| | Balance 6/30/2012 | Increases | Decreases | Balance 6/30/2013 |
|---|---|---|---|---|
| **Business-type Activities:** | | | | |
| **Water** | | | | |
| Buildings | $ 817,782 | $ - | $ - | $ 817,782 |
| Improvements other than buildings | 39,639,626 | | 25,357 | 39,614,269 |
| Equipment | 2,452,105 | 161,434 | | 2,613,539 |
| Construction in progress | 2,883,551 | 1,019,313 | | 3,902,864 |
| Less accumulated depreciation | (19,275,470) | (1,213,180) | | (20,488,650) |
| **Water activities capital assets, net** | $ 26,517,594 | $ (32,433) | $ 25,357 | $ 26,459,804 |
| **Sewer** | | | | |
| Land | $ 559,050 | $ - | $ - | $ 559,050 |
| Buildings | 688,338 | | 33,684 | 654,654 |
| Improvements other than buildings | 52,188,317 | 983,760 | 182,306 | 52,989,771 |
| Equipment | 2,093,892 | | | 2,093,892 |
| Construction in progress | 4,840,707 | 3,749,350 | 417,561 | 8,172,496 |
| Less accumulated depreciation | (24,182,312) | (1,641,333) | (111,056) | (25,712,589) |
| **Sewer activities capital assets, net** | $ 36,187,992 | $ 3,091,777 | $ 522,495 | $ 38,757,274 |
| **Airport** | | | | |
| Land | $ 7,830,415 | $ - | $ - | $ 7,830,415 |
| Buildings | 1,956,948 | | | 1,956,948 |
| Improvements other than buildings | 11,215,172 | 475,783 | | 11,690,955 |
| Equipment | 184,142 | 16,061 | | 200,203 |
| Construction in progress | 422,748 | | 422,748 | |
| Less accumulated depreciation | (8,207,310) | (353,944) | | (8,561,254) |
| **Airport activities capital assets, net** | $ 13,402,115 | $ 137,900 | $ 422,748 | $ 13,117,267 |
| **Transit** | | | | |
| Equipment | $ 1,348,024 | $ 944,400 | $ 217,996 | $ 2,074,428 |
| Construction in progress | 69,235 | 385 | 69,235 | 385 |
| Less accumulated depreciation | (940,764) | (362,958) | (217,996) | (1,085,726) |
| **Transit activities capital assets, net** | $ 476,495 | $ 581,827 | $ 69,235 | $ 989,087 |
| **Business-type activity capital assets, net** | $ 76,584,196 | $ 3,779,071 | $ 1,039,835 | $ 79,323,432 |
| **Net capital assets, total government** | $ 245,086,762 | $ 6,987,840 | $ 1,246,670 | $ 252,081,355 |

For the fiscal year ended June 30, 2013, depreciation expense on capital assets was charged to the governmental functions as follows:

| | | |
|---|---|---|
| General Government | $ | 472,985 |
| Public Safety | | 582,849 |
| Public Works | | 4,234,481 |
| Library and Recreation Services | | 396,684 |
| Community Development | | 6,958 |
| Total Depreciation Expense | $ | 5,693,957 |

### Construction Commitments

As of June 30, 2013, the City had a number of construction projects in progress. The governmental activity projects had a total work in progress amount of $776,226 and infrastructure WIP of $13,566,862. The business-type activity projects included various water, sewer, and airport infrastructure improvements totaling $12,075,745.

## NOTE 4 – INTERFUND TRANSACTIONS

### A. Advances

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, which was dissolved on January 31, 2012 and the established Successor Agency is now the debt holder. 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.

| | Advances Receivable | Advances Payable |
|---|---|---|
| **Major Funds:** | | |
| General Fund | $ 2,403,673 | $ - |
| Traffic Mitigation Development Fund | 10,310,310 | 1,778,619 |
| Highway 101/46 West Community Facilities District Fund | | 10,310,310 |
| Specific Plan Fund | | 2,215,941 |
| Sewer Enterpise Fund | 1,778,619 | |
| **Non-Major Fund:** | | |
| Airport Road PSR Fund | | 187,732 |
| **Totals** | $ 14,492,602 | $ 14,492,602 |

## 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:

| | Transfers In | Transfers Out |
|---|---|---|
| **Major Funds:** | | |
| General Fund | $ 2,718,143 | $ 859,227 |
| Traffic Mitigation Fund | | 399,000 |
| **Non-Major Funds:** | | |
| Gas Tax Fund | | 916,173 |
| CDF Fund | | 73,274 |
| Storm Drainage Development Fund | | 235,000 |
| Solid Waste Operations Fund | 223,327 | |
| Parkway and Median Development Fund | 60,000 | |
| Bike & Pedestrian Path Fund | | 60,000 |
| 1993 Public Facilities Debt Service Fund | 317,904 | |
| **Enterprise Funds:** | | |
| Sewer Fund | | 649,700 |
| Water Fund | | 127,000 |
| **Totals** | $ 3,319,374 | $ 3,319,374 |

## 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 121 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 any claims over $2 million are paid under a reinsurance policy. 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 2012 actuarial study indicated that the City had a fund balance of $562,146. This amount does not include $190,400 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 2012.

## 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 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 arepayable from ad valorem taxes levied against all taxable real property in the City (with the exception of certain classes of personal property).

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 from4.9% 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

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 $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 $285,292 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 $62,172.

## B. Changes in Long-Term Debt

| | Governmental Activities | | | | | |
|---|---|---|---|---|---|---|
| | Balance June 30, 2012 | Prior Period Adjustment | Incurred or Issued | Satisfied or Matured | Balance June 30, 2013 | Current Portion |
| **Governmental Activities:** | | | | | | |
| Capital Leases Payable | $ 1,131,903 | $ - | $ 499,020 | $ (152,996) | $ 1,477,927 | $ 202,888 |
| Certificates of Participation | 3,080,000 | | | (200,000) | 2,880,000 | 205,000 |
| General Obligation Bonds | 30,123,261 | | | (1,517,441) | 28,605,820 | 1,547,502 |
| Compensated Absences | 1,941,076 | | 1,456,784 | (1,290,734) | 2,107,126 | 50,000 |
| OPEB Liability | 568,979 | | 678,636 | (396,848) | 850,767 | |
| Closure/Postclosure Liability | 2,060,879 | | 162,734 | | 2,223,613 | |
| PERS side fund | | 2,389,632 | 168,773 | (283,760) | 2,274,645 | 291,126 |
| **Total Governmental Activities** | $ 38,906,098 | $ 2,389,632 | $ 2,965,947 | $ (3,841,779) | $ 40,419,898 | $2,296,516 |

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

The annual requirements to amortize all debt outstanding (excluding compensated absences, OPEB, PERS side fund and closure/postclosure liability) as of June 30, 2013 are as follows:

| Governmental Activities | | |
|---|---|---|
| Year End June 30 | Principal | Interest |
| 2014 | $ 1,955,390 | $ 1,541,530 |
| 2015 | 1,988,748 | 1,491,454 |
| 2016 | 1,996,785 | 1,439,458 |
| 2017 | 2,046,766 | 1,382,562 |
| 2018 | 2,107,952 | 1,321,604 |
| 2019-2023 | 11,227,203 | 5,534,972 |
| 2024-2028 | 11,640,903 | 3,309,890 |
| | $ 32,963,747 | $ 16,021,470 |

### D. Bond Requirements

At June 30, 2013, 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, 2013.

## NOTE 7 – BUSINESS-TYPE ACTIVITIES LONG-TERM DEBT

### A. Description

Sewer Installment Sale Revenue Bonds – On April 24, 2012, the City of El Paso de Robles issued $6,355,000 of Wastewater Revenue Refunding Bonds with interest rates ranging from 2.000% to 5.000% to current refund prior Wastewater Revenue Bonds with interest rates ranging from 3.500% to 5.000% and a par value of $6,895,00. The prior Wastewater Revenue Bonds matureannually on June 1 between 2012 and 2032. The prior Wastewater Revenue Bonds were called on April 30, 2012. The current Wastewater Revenue Refunding Bonds were issued at a premium of $494,996 and, after paying issuance costs of $123,631 and underwriters' discount of $68,538, the net proceeds were $6,657,827. The net proceeds from the issuance of the Wastewater

Revenue Bonds were deposited into an irrevocable trust with an escrow agent which called the bonds on April 30, 2012. The current refunding met the requirements of an in-substance defeasance and the Wastewater Revenue Bonds were removed from the City's government-wide financial statements. As a result of the current refunding, the City of El Paso de Robles reduced its total debt service requirements by $1,172,865.36, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of $837,029.32.

Lease Purchase Obligations - The City entered into a $695,093 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 $151,478.

.

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

Loan Payable - The City entered into an agreement dated March 12, 2013 with California State Water Resources Board, Clean Water State Revolving Fund for the Wastewater Treatment Plant upgrade project. Loan proceeds totaled $3,723,444 as of June 30, 2013. Principal and interest payments are due annually beginning September 1, 2016, with the last payment due September 1, 2035.

## B. Changes in Long-Term Debt

As of June 30, 2013, the City had the following long-term obligations outstanding including the current portion:

| | Business Activities | | | | |
|---|---|---|---|---|---|
| | Balance June 30, 2012 | Incurred or Issued | Satisfied or Matured | Balance June 30, 2013 | Current Portion |
| **Business-type Activities:** | | | | | |
| Compensated Absences | $ 350,600 | $ 237,070 | $ (193,484) | $ 394,186 | $ - |
| Leases Payable | 394,400 | | (138,830) | 255,570 | 144,025 |
| Loan Payable ** | | 3,723,444 | | 3,723,444 | |
| Revenue Bonds | 6,355,000 | | (195,000) | 6,160,000 | 225,000 |
| **Total Business-type Activities** | $ 7,100,000 | $ 3,960,514 | $ (527,314) | $ 10,533,200 | $ 369,025 |

** State revolving fund; still drawing on loan.

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

The annual requirements to amortize all debts outstanding (excluding compensated absences) as of June 30, 2013 are as follows:

| Business Activities | | |
|---|---|---|
| Year End June 30 | Principal | Interest |
| 2014 | $ 369,025 | $ 248,678 |
| 2015 | 341,545 | 238,789 |
| 2016 | 392,877 | 293,124 |
| 2017 | 400,560 | 283,390 |
| 2018 | 413,289 | 271,060 |
| 2019-2023 | 2,299,041 | 1,144,306 |
| 2024-2028 | 2,769,585 | 696,563 |
| 2029-2033 | 2,721,773 | 256,651 |
| 2034-2035 | 431,319 | 3,443,588 |
| | $ 10,139,014 | $ 3,443,588 |

### D. Bond Requirements-

At June 30, 2013, 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, 2013.

## 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 PublicEmployees' 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. 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, 2013, 2012, and 2011 were $3,394,518, $3,510,635, and $3,880,547 respectively, and equal 100% of the required contributions for each fiscal year.

The plans' provisions, benefits and contribution rates in effect at June 30, 2013 are summarized as follows:

| | Miscellaneous Classic | Police Classic | Fire Classic |
|---|---|---|---|
| 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 | 55 |
| Monthly benefits, as % of annual salary | 2.5% | 3.0% | 3.0% |
| Compensation calculation | single highest | single highest | single highest |
| Required employee contribution rate-ER paid | 8% | 9% | 9% |
| Required employer contribution rate-EE paid | 18.774% | 32.628% | 25.178% |
| Total current covered payroll | $ 7,482,009 | $ 2,665,694 | $ 2,236,046 |
| Required employee contributions made | $ 596,202 | $ 250,458 | $ 201,247 |
| Required employer contributions rate made | $ 1,404,672 | $ 830,652 | $ 562,992 |

| | MISC 2nd Tier | Police 2nd Tier | Fire 2nd Tier |
|---|---|---|---|
| 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 | 60 | 55 | 55 |
| Monthly benefits, as % of annual salary | 2.0% | 3.0% | 3.0% |
| Compensation calculation | 3-yr avg | 3-yr avg | 3-yr avg |
| Required employee contribution rate | 7% | 9% | 9% |
| Required employer contribution rate | 18.774% | 20.057% | 20.057% |

| | MISC PEPRA | Police PEPRA | Fire PEPRA |
|---|---|---|---|
| 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 | 62 | 57 | 57 |
| Monthly benefits, as % of annual salary | 2.0% | 2.7% | 2.7% |
| Compensation calculation | 3-yr avg | 3-yr avg | 3-yr avg |
| Required employee contribution rate | 6.25% | 11.5% | 11.5% |
| Required employer contribution rate | 18.774% | 11.5% | 11.5% |

Total current payroll for covered employees for the year ended June 30, 2013 was $12,487,534 and the total payroll for all employees was $13,293,931.

Audited annual financial statements and ten-year trend information for the fiscal year ended June 30, 2013, 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. Management employees hired after January 1, 2012 will not receive this benefit. 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:

| Fiscal Year Ended | Annual OPEB Cost | Actual Contribution | ICMA Trust Balance | Net OPEB Asset/ (Liability) | % of Annual OPEB Cost Contributed |
|---|---|---|---|---|---|
| 6/30/2009 | $ 590,737 | $ 419,851 | $ 838,806 | $ 248,069 | 71% |
| 6/30/2010 | $ 590,737 | $ 477,396 | $1,208,840 | $ 27,366 | 81% |
| 6/30/2011 | $ 636,687 | $ 477,399 | $1,675,786 | $ (142,375) | 75% |
| 6/30/2012 | $ 636,687 | $ 477,399 | $1,885,869 | $ (568,979) | 75% |
| 6/30/2013 | $ 678,636 | $ 477,399 ** | $2,282,717 | $ (850,767) | 70% |

** Difference between actual contribution and OPEB liability satisfied is due to gain/(loss) on investment.

The funded status of the plan is as follows:

| Valuation Date | Entry Age Actuarial Accrued Liability (AAL) | Actuarial Asset Value | Unfunded Liability (Excess Assets) | Funded Ratio | Annual Covered Payroll | UAAL as a % of Payroll |
|---|---|---|---|---|---|---|
| 6/30/2012 | $ 7,538,166 | $ 1,885,869 | $ 5,652,297 | 25% | $ 12,624,001 | 45% |

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, 2012, actuarial valuation, the Projected Unit 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 match up to $2,500 in additional contributions for executive managers. 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. For the fiscal year ended June 30, 2013, the total City contribution on behalf of eligible employees was $169,663.

### 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 $2,500 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 January 1 and ends December 31. 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 $2,057,126 for governmental activities and $394,186 for business-type activities at June 30, 2013, 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 – FUND BALANCES

### A. Fund Balances

The fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid items) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the City's governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance - represents amounts which the City intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official, City Manager or Administrative Services Director, or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the City.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

As of June 30, 2013, the following funds had deficit fund balances:

| | |
|---|---|
| **Major Fund:** | |
| Highway 101/46 West Community Facilities District Fund | $ 10,310,310 |
| Specific Plans Fund | 1,549,102 |
| **Non-Major Fund:** | |
| Airport Road PSR Fund | 187,732 |

## NOTE 10 – FUNDS WITH EXPENDITURES EXCEEDING APPROPRIATONS

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

| | | |
|---|---|---|
| **Major Fund:** | | |
| Highway 101/46 West Community Facilities District Fund | $ | 132,724 |
| **Non-Major Funds:** | | |
| Police Grants Fund | | 4,108 |
| Youth Scholarship Fund | | 15,136 |
| Community Facilities District Operations Fund | | 4,330 |
| Measure F12 Supplemental 1/2% Sales Tax | | 140,163 |
| Landscape and Lighting District Fund | | 54,707 |

## 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 cannot 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:

| Nacimiento Water Project | |
|---|---|
| Year End June 30 | Net Annual Debt Service |
| 2014 | $ 4,226,839 |
| 2015 | 4,225,989 |
| 2016 | 4,226,789 |
| 2017 | 4,228,814 |
| 2018 | 4,226,439 |
| 2019-2023 | 21,135,196 |
| 2024-2028 | 21,122,446 |
| 2029-2033 | 21,119,071 |
| 2034-2038 | 21,126,798 |
| 2039-2040 | 8,351,442 |
| | $ 113,989,823 |

## NOTE 13 – SUCCESSOR AGENCY TRUST FOR ASSETS OF THE FORMER REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill IX 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government.

On January 17, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City Resolution Number 12-005.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of

the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

Notes Receivable

In 1991 and 1992 a Façade Improvement program was implemented. Over $96,000 was spent to improve the façade of downtown businesses within the redevelopment area. This successful program was approved again in 1999 with a $25,000 loan. These loans are payable when a property sells or transfers. The balance at June 30, 2013 is $40,282.

In 2007, a long-term, zero-interest loan, forgivable loan for $1.2 million was given to the Chet Dotter Senior Housing. This was for a 40 unit senior housing project within the project area. The balance at June 30, 2013 is $1.2 million.

The former Agency loaned $3,500 to one local family to rehabilitate their home in the project area. The terms of the agreement specify that the family does not have to make payments on the loan. If the family moves or transfers the property, the loan balance becomes immediately payable to the Agency. The balance at June 30, 2013 is $3,500.

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.

The future minimum payment obligation for the tax allocation bonds payable is as follows:

| Fiscal Year Ending June 30 | Principal | Interest | Total |
|---|---|---|---|
| 2014 | $ 425,000 | $ 818,078 | $ 1,243,078 |
| 2015 | 440,000 | 799,269 | 1,239,269 |
| 2016 | 445,000 | 778,159 | 1,223,159 |
| 2017 | 450,000 | 754,939 | 1,204,939 |
| 2018 | 460,000 | 729,933 | 1,189,933 |
| 2019-2023 | 2,405,000 | 3,278,575 | 5,683,575 |
| 2024-2028 | 4,340,000 | 2,377,143 | 6,717,143 |
| 2029-2033 | 2,175,000 | 1,435,541 | 3,610,541 |
| 2034-2039 | 3,325,000 | 659,906 | 3,984,906 |
| Total | $14,465,000 | $11,631,543 | $26,096,543 |

## NOTE 14 – RELATED PARTY TRANSACTIONS

Assistant City Manager Meg Williamson is the spouse of Hugh Williamson, the Service Manager for Paso Robles Ford. During the fiscal year 2012-2013 Paso Robles Ford provided $40,931 worth of automotive parts and service to the City.

## NOTE 15 – PUBLIC EMPLOYEES RETIREMENT SYSTEM SIDE FUND

At the time the City joined the Public Employees Retirement System (PERS) risk Pool, a side fund was required to be created to account for the difference between the funded status of the pool and the funded status of the City's plan, in addition to the existing plans unfunded liability. The side fund will be credited, on an annual basis, with the actuarial investment return assumption which was 7.75% prior to July 1, 2012 and 7.5% after that date. A side fund liability will cause the city's required PERS employer contribution rate to be increased by the amortization of the side fund. The side fund liability for the City's plan as of June 30, 2013 was $2,274,645.

## NOTE 16 – NET POSITION

GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position that is *net investment in capital assets* consist of capital assets, net accumulated depreciation, and reduced by the outstanding principal of related debt. *Restricted net position* is the portion of net position that has external constraints placed on it by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. *Unrestricted net position* consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

## NOTE 17 – PRIOR PERIOD ADJUSTMENTS

A prior period adjustment of $(2,389,632) was made which affects the government-wide statement of activities. In prior years, the City did not record the PERS side fund liability.

## NOTE 18 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available for issuance which is January 22, 2014.

# CITY OF EL PASO DE ROBLES

# REQUIRED SUPPLEMENTAL INFORMATION

CITY OF EL PASO DE ROBLES
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget Positive/(Negative) |
| Revenues: | | | | |
| Taxes | $ 21,416,000 | $ 21,416,000 | $ 22,416,501 | $ 1,000,501 |
| Licenses and permits | 923,000 | 923,000 | 1,019,087 | 96,087 |
| Fines and forfeitures | 271,000 | 271,000 | 175,187 | (95,813) |
| Uses of money and property | 448,000 | 448,000 | (34,484) | (482,484) |
| From other agencies | 242,000 | 1,235,000 | 1,272,777 | 37,777 |
| Charges for current services | 833,000 | 833,000 | 1,074,105 | 241,105 |
| Other | 1,004,000 | 1,004,000 | 1,332,577 | 328,577 |
| Total Revenues | 25,137,000 | 26,130,000 | 27,255,750 | 1,125,750 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 2,688,300 | 2,751,702 | 1,517,915 | 1,233,787 |
| Public safety | 14,973,600 | 15,015,800 | 13,575,368 | 1,440,432 |
| Public works | 4,091,500 | 4,656,000 | 4,117,529 | 538,471 |
| Library & recreation services | 3,607,100 | 3,649,700 | 3,307,724 | 341,976 |
| Community development | 1,381,200 | 1,386,900 | 1,246,735 | 140,165 |
| Debt service | 187,500 | 187,500 | 200,770 | (13,270) |
| Capital outlay | 2,536,500 | 6,092,200 | 2,681,630 | 3,410,570 |
| Total Expenditures | 29,465,700 | 33,739,802 | 26,647,671 | 7,092,131 |
| Excess (deficiency) of revenues over (under) expenditures | (4,328,700) | (7,609,802) | 608,079 | 8,217,881 |
| Other financing sources (uses): | | | | |
| Operating transfers in | 750,700 | 750,700 | 2,718,143 | 1,967,443 |
| Operating transfers out | (574,000) | (792,000) | (859,227) | (67,227) |
| Proceeds from capital lease | | | 499,020 | 499,020 |
| Total other financing sources (uses) | 176,700 | (41,300) | 2,357,936 | 2,399,236 |
| Excess (deficiency) of revenues and other sources over (under) expenditures and other uses | (4,152,000) | (7,651,102) | 2,966,015 | 10,617,117 |
| Fund Balance - July 1 | 13,451,078 | 13,451,078 | 13,451,078 | |
| Fund Balance - June 30 | $ 9,299,078 | $ 5,799,976 | $ 16,417,093 | $ 10,617,117 |

Postemployment Healthcare Schedule of Funding Progress:

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

| Valuation Date | Entry Age Actuarial Accrued Liability (AAL) | Actuarial Asset Value | Unfunded Liability (Excess Assets) | Funded Ratio | Annual Covered Payroll | UAAL as a % of Payroll |
|---|---|---|---|---|---|---|
| 6/30/2012 | $ 7,538,166 | $ 1,885,869 | $ 5,652,297 | 25% | $ 12,624,001 | 45% |

# CITY OF EL PASO DE ROBLES

# SUPPLEMENTAL INFORMATION

# NON-MAJOR GOVERNMENTAL FUNDS

## SPECIAL REVENUE FUNDS

Supplemental 1/2 Cent Sales Tax - to account for the funds collected from the citizen-approved transaction/use tax. Approved in November 2012 and collections beginning in April 2013. Funds may be used for any general City operation.

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 mediums and parkways, etc.

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

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 Closure/Postclosure 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.

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.

# NON-MAJOR GOVERNMENTAL FUNDS

## SPECIAL REVENUE FUNDS - continued

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

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.

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
## June 30, 2013

| | SPECIAL REVENUE FUNDS | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Measure F12 Supplemental 1/2% Sales Tax | 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 | Building Department Special Fees |
| **ASSETS** | | | | | | | | | | | |
| Cash and investments | $ 39,783 | $ 39,314 | $ 116,876 | $ - | $ 1,005,029 | $ 62,266 | $ 252,747 | $ 19,143 | $ 671,326 | $ 2,151,396 | $ 516,053 |
| Cash and investments with fiscal agent | | | | | | | | | | | |
| Accounts receivable | 404,600 | | 24,250 | 2,326 | 64,014 | | | | 37,297 | | |
| Due from private-purpose trust fund | | | | | | | | | | | |
| Loan contracts receivable | | | | | | | 778,233 | | | | 2,384 |
| Total Assets | $ 444,383 | $ 39,314 | $ 141,126 | $ 2,326 | $ 1,069,043 | $ 62,266 | $ 1,030,980 | $ 19,143 | $ 708,623 | $ 2,151,396 | $ 518,437 |
| **LIABILITIES AND FUND BALANCES** | | | | | | | | | | | |
| Accounts payable | $ 5,710 | $ - | $ 8,988 | $ - | $ 101,243 | $ - | $ 7 | $ - | $ 7,563 | $ - | $ - |
| Accrued payroll expenses | | | | | | | 513 | | 2,719 | | |
| Unearned revenue | | | | | | | 778,233 | | | | 2,384 |
| Advances payable | | | | | | | | | | | |
| Total Liabilities | 5,710 | | 8,988 | | 101,243 | | 778,753 | | 10,282 | | 2,384 |
| Fund balances: | | | | | | | | | | | |
| Restricted for: | | | | | | | | | | | |
| Debt service | | | | | | | | | | | |
| Community development | | | | | | | 252,227 | | | | |
| Capital projects | 438,673 | 39,314 | | | 967,800 | 62,266 | | | | 2,151,396 | |
| Public safety | | | 132,138 | 2,326 | | | | | | | |
| Library and recrecation | | | | | | | | 19,143 | | | |
| Public works | | | | | | | | | 698,341 | | 516,053 |
| Assigned to capital projects | | | | | | | | | | | |
| Unassigned | | | | | | | | | | | |
| Total Fund Balances | 438,673 | 39,314 | 132,138 | 2,326 | 967,800 | 62,266 | 252,227 | 19,143 | 698,341 | 2,151,396 | 516,053 |
| Total Liabilities and Fund Balances | $ 444,383 | $ 39,314 | $ 141,126 | $ 2,326 | $ 1,069,043 | $ 62,266 | $ 1,030,980 | $ 19,143 | $ 708,623 | $ 2,151,396 | $ 518,437 |

# NON-MAJOR GOVERNMENTAL FUNDS
## Combining Balance Sheet
## June 30, 2013

| | | CAPITAL PROJECTS FUNDS | | | | DEBT SVC FUND | |
|---|---|---|---|---|---|---|---|
| | Other Funds* | Park Development | Storm Drain Development | Airport Road PSR | Bike and Pedestrian Path | 1993 Public Facilities Debt Service | Total Non-Major Governmental Funds |
| **ASSETS** | | | | | | | |
| Cash and investments | $ 924,319 | $ 1,236,132 | $ 84,887 | $ - | $ 9,997 | $ 10,684 | $ 7,139,952 |
| Cash and investments with fiscal agent | | | | | | 417,588 | 417,588 |
| Accounts receivable | 582 | 54,425 | | | | | 587,494 |
| Due from private-purpose trust fund | | 157,972 | | | 21,336 | | 179,308 |
| Loan contracts receivable | 393,900 | 144,573 | 38,805 | | 19,539 | | 1,377,434 |
| Total Assets | $ 1,318,801 | $ 1,593,102 | $ 123,692 | $ - | $ 50,872 | $ 428,272 | $ 9,701,776 |
| **LIABILITIES AND FUND BALANCES** | | | | | | | |
| Accounts payable | $ 2 | $ 50,181 | $ - | $ - | $ - | $ - | $ 173,694 |
| Accrued payroll expenses | | | | | | | 3,232 |
| Unearned revenue | 393,900 | 302,545 | 38,805 | | 40,875 | | 1,556,742 |
| Advances payable | | | | 187,732 | | | 187,732 |
| Total Liabilities | 393,902 | 352,726 | 38,805 | 187,732 | 40,875 | | 1,921,400 |
| Fund balances: | | | | | | | |
| Restricted for: | | | | | | | |
| Debt service | | | | | | 428,272 | 428,272 |
| Community development | 96,376 | | | | | | 348,603 |
| Capital projects | 677,594 | 1,240,376 | 84,887 | | 9,997 | | 5,672,303 |
| Public safety | | | | | | | 134,464 |
| Library and recreation | | | | | | | 19,143 |
| Public works | 10,950 | | | | | | 1,225,344 |
| Assigned to capital projects | 139,979 | | | | | | 139,979 |
| Unassigned | | | | (187,732) | | | (187,732) |
| Total Fund Balances | 924,899 | 1,240,376 | 84,887 | (187,732) | 9,997 | 428,272 | 7,780,376 |
| Total Liabilities and Fund Balances | $ 1,318,801 | $ 1,593,102 | $ 123,692 | $ - | $ 50,872 | $ 428,272 | $ 9,701,776 |

*Other Funds includes City Facility Repair, 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
## For the Fiscal Year Ended June 30, 2013

| | SPECIAL REVENUE FUNDS | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Measure F12 Supplemental 1/2% Sales Tax | 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 | Building Department Special Fees |
| Revenues: | | | | | | | | | | | |
| Taxes | $ 578,836 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 1,490,085 | $ - | $ - |
| Uses of money and property | | 4,894 | (416) | | (4,079) | (224) | | 16 | (2,651) | (5,787) | (1,323) |
| From other agencies | | | 100,000 | 6,434 | 713,347 | 22,153 | 165,500 | | | | |
| Charges for current services | | | | | | | | | | | 70,900 |
| Other | | | | | 14,000 | | | 8,713 | | | |
| Total Revenues | 578,836 | 4,894 | 99,584 | 6,434 | 723,268 | 21,929 | 165,500 | 8,729 | 1,487,434 | (5,787) | 69,577 |
| Expenditures: | | | | | | | | | | | |
| Public safety | | | 69,884 | 4,108 | | | | | | | |
| Public works | | | | | | | | | 1,444,707 | | 21,836 |
| Library & recreation services | | | | | | | | 15,136 | | | |
| Community development | | | | | | | 106,356 | | | | |
| Debt service | | | | | | | | | | | |
| Capital outlay | 140,163 | | | | 189,746 | | 130,945 | | | | |
| Total Expenditures | 140,163 | | 69,884 | 4,108 | 189,746 | | 237,301 | 15,136 | 1,444,707 | | 21,836 |
| Excess (deficiency) of revenues over (under) expenditures | 438,673 | 4,894 | 29,700 | 2,326 | 533,522 | 21,929 | (71,801) | (6,407) | 42,727 | (5,787) | 47,741 |
| Other financing sources (uses): | | | | | | | | | | | |
| Operating transfers in | | | | | | | | | | 223,327 | |
| Operating transfers out | | | | | (916,173) | | | | | | |
| Total other financing sources (uses) | | | | | (916,173) | | | | | 223,327 | |
| Excess (deficiency) of revenues and other sources over (under) expenditures and other uses | 438,673 | 4,894 | 29,700 | 2,326 | (382,651) | 21,929 | (71,801) | (6,407) | 42,727 | 217,540 | 47,741 |
| Fund Balances - July 1 | | 34,420 | 102,438 | | 1,350,451 | 40,337 | 324,028 | 25,550 | 655,614 | 1,933,856 | 468,312 |
| Fund Balances - June 30 | $ 438,673 | $ 39,314 | $ 132,138 | $ 2,326 | $ 967,800 | $ 62,266 | $ 252,227 | $ 19,143 | $ 698,341 | $ 2,151,396 | $ 516,053 |

# NON-MAJOR GOVERNMENTAL FUNDS
## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
## For the Fiscal Year Ended June 30, 2013

| | | CAPITAL PROJECTS FUNDS | | | | DEBT SVC FUND | |
|---|---|---|---|---|---|---|---|
| | Other Funds* | Park Development | Storm Drain Development | Airport Road PSR | Bike and Pedestrian Path | 1993 Public Facilities Debt Service Fund | Total Non-Major Governmental Funds |
| Revenues: | | | | | | | |
| Taxes | $ 76,310 | $ - | $ - | $ - | $ - | $ - | $ 2,145,231 |
| Uses of money and property | 1,733 | 3,234 | (238) | | 590 | (8) | (4,259) |
| From other agencies | | 285,288 | | | | | 1,292,722 |
| Charges for current services | 7,621 | 54,591 | 6,747 | | 6,264 | | 146,123 |
| Other | 7,671 | | | | | | 30,384 |
| Total Revenues | 93,335 | 343,113 | 6,509 | | 6,854 | (8) | 3,610,201 |
| Expenditures: | | | | | | | |
| Public safety | | | | | | | 73,992 |
| Public works | | | | | | | 1,466,543 |
| Library & recreation services | | | | | | | 15,136 |
| Community development | 4,330 | | | | | | 110,686 |
| Debt service | | | | 2,418 | | 316,630 | 319,048 |
| Capital outlay | 590,000 | 1,060,241 | | | | | 2,111,095 |
| Total Expenditures | 594,330 | 1,060,241 | | 2,418 | | 316,630 | 4,096,500 |
| Excess (deficiency) of revenues over (under) expenditures | (500,995) | (717,128) | 6,509 | (2,418) | 6,854 | (316,638) | (486,299) |
| Other financing sources (uses): | | | | | | | |
| Operating transfers in | | 60,000 | | | | 317,904 | 601,231 |
| Operating transfers out | (73,274) | | (235,000) | | (60,000) | | (1,284,447) |
| Total other financing sources (uses) | (73,274) | 60,000 | (235,000) | | (60,000) | 317,904 | (683,216) |
| Excess (deficiency) of revenues and other sources over (under) expenditures and other uses | (574,269) | (657,128) | (228,491) | (2,418) | (53,146) | 1,266 | (1,169,515) |
| Fund Balances - July 1 | 1,499,168 | 1,897,504 | 313,378 | (185,314) | 63,143 | 427,006 | 8,949,891 |
| Fund Balances - June 30 | $ 924,899 | $ 1,240,376 | $ 84,887 | $ (187,732) | $ 9,997 | $ 428,272 | $ 7,780,376 |

*Other Funds includes City Facility Repair, 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, 2013

| | Measure F12 Supplemental 1/2% Sales Tax | | |
|---|---|---|---|
| | Final Budget | Actual | Variance positive (negative) |
| Revenues: | | | |
| Taxes | $ - | $ 578,836 | $ 578,836 |
| Total Revenues | | 578,836 | 578,836 |
| Expenditures: | | | |
| Capital outlay | | 140,163 | (140,163) |
| Total Expenditures | | 140,163 | (140,163) |
| Excess (deficiency) of revenues over (under) expenditures | | 438,673 | 438,673 |
| Other financing sources (uses): | | | |
| Operating transfers out | (454,300) | | 454,300 |
| Total other financing sources (uses) | (454,300) | | 454,300 |
| Excess (deficiency) of revenues and other sources over (under) expenditures and other uses | (454,300) | 438,673 | 892,973 |
| Fund Balance - July 1 | | | |
| Fund Balance - June 30 | $ (454,300) | $ 438,673 | $ 892,973 |

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, 2013

| | City/School Facility Improvement Fund | | |
|---|---|---|---|
| | Final Budget | Actual | Variance positive (negative) |
| Revenues: | | | |
| Uses of money and property | $ 5,500 | $ 4,894 | $ (606) |
| Total Revenues | 5,500 | 4,894 | (606) |
| Excess (deficiency) of revenues over (under) expenditures | 5,500 | 4,894 | (606) |
| Fund Balance - July 1 | 34,420 | 34,420 | |
| Fund Balance - June 30 | $ 39,920 | $ 39,314 | $ (606) |

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, 2013

| | Citizens Option Public Safety Fund | | |
|---|---|---|---|
| | Final Budget | Actual | Variance positive (negative) |
| Revenues: | | | |
| Uses of money and property | $ 2,200 | $ (416) | $ (2,616) |
| From other agencies | 100,000 | 100,000 | |
| Total Revenues | 102,200 | 99,584 | (2,616) |
| Expenditures: | | | |
| Public safety | 100,000 | 69,884 | 30,116 |
| Total Expenditures | 100,000 | 69,884 | 30,116 |
| Excess (deficiency) of revenues over (under) expenditures | 2,200 | 29,700 | 27,500 |
| Fund Balance - July 1 | 102,438 | 102,438 | |
| Fund Balance - June 30 | $ 104,638 | $ 132,138 | $ 27,500 |

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, 2013

| | Police Grants Fund | | |
|---|---|---|---|
| | Final Budget | Actual | Variance positive (negative) |
| Revenues: | | | |
| From other agencies | $ - | $ 6,434 | $ 6,434 |
| Total Revenues | | 6,434 | 6,434 |
| Expenditures: | | | |
| Public safety | | 4,108 | (4,108) |
| Total Expenditures | | 4,108 | (4,108) |
| Excess (deficiency) of revenues over (under) expenditures | | 2,326 | 2,326 |
| Fund Balance - July 1 | | | |
| Fund Balance - June 30 | $ - | $ 2,326 | $ 2,326 |

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, 2013

| | State Gas Tax Fund | | |
|---|---|---|---|
| | Final Budget | Actual | Variance positive (negative) |
| Revenues: | | | |
| Uses of money and property | $ 11,000 | $ (4,079) | $ (15,079) |
| From other agencies | 511,000 | 713,347 | 202,347 |
| Other | | 14,000 | 14,000 |
| Total Revenues | 522,000 | 723,268 | 201,268 |
| Expenditures: | | | |
| Public works | 35,000 | | 35,000 |
| Capital outlay | 1,127,000 | 189,746 | 937,254 |
| Total Expenditures | 1,162,000 | 189,746 | 972,254 |
| Excess (deficiency) of revenues over (under) expenditures | (640,000) | 533,522 | 1,173,522 |
| Other financing sources (uses): | | | |
| Operating transfers out | (767,500) | (916,173) | (148,673) |
| Total other financing sources (uses) | (767,500) | (916,173) | (148,673) |
| Excess (deficiency) of revenues and other sources over (under) expenditures and other uses | (1,407,500) | (382,651) | 1,024,849 |
| Fund Balance - July 1 | 1,350,451 | 1,350,451 | |
| Fund Balance - June 30 | $ (57,049) | $ 967,800 | $ 1,024,849 |

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, 2013

| | Transportation Development Act Fund | | |
|---|---|---|---|
| | Final Budget | Actual | Variance positive (negative) |
| Revenues: | | | |
| Uses of money and property | $ - | $ (224) | $ (224) |
| From other agencies | | 22,153 | 22,153 |
| Total Revenues | | 21,929 | 21,929 |
| Excess (deficiency) revenues over (under) expenditures | | 21,929 | 21,929 |
| Fund Balance - July 1 | 40,337 | 40,337 | |
| Fund Balance - June 30 | $ 40,337 | $ 62,266 | $ 21,929 |

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, 2013

| | Community Development Block Grant Fund | | |
|---|---|---|---|
| | Final Budget | Actual | Variance positive (negative) |
| Revenues: | | | |
| From other agencies | $ 250,000 | $ 165,500 | $ (84,500) |
| Other | 2,500 | | (2,500) |
| Total Revenues | 252,500 | 165,500 | (87,000) |
| Expenditures: | | | |
| Community development | 171,700 | 106,356 | 65,344 |
| Capital outlay | 301,000 | 130,945 | 170,055 |
| Total Expenditures | 472,700 | 237,301 | 235,399 |
| Excess (deficiency) of revenues over (under) expenditures | (220,200) | (71,801) | 148,399 |
| Other financing sources (uses): | | | |
| Operating transfers in | 120,000 | | (120,000) |
| Total other financing sources (uses) | 120,000 | | (120,000) |
| Excess (deficiency) of revenues and other sources over (under) expenditures and other uses | (100,200) | (71,801) | 28,399 |
| Fund Balance - July 1 | 324,028 | 324,028 | |
| Fund Balance - June 30 | $ 223,828 | $ 252,227 | $ 28,399 |

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, 2013

| | Youth Scholarship Fund | | |
|---|---|---|---|
| | Final Budget | Actual | Variance positive (negative) |
| Revenues: | | | |
| Uses of money and property | $ 1,000 | $ 16 | $ (984) |
| Other | 8,000 | 8,713 | 713 |
| Total Revenues | 9,000 | 8,729 | (271) |
| Expenditures: | | | |
| Library & recreation services | | 15,136 | (15,136) |
| Total Expenditures | | 15,136 | (15,136) |
| Excess (deficiency) of revenues over (under) expenditures | 9,000 | (6,407) | (15,407) |
| Fund Balance - July 1 | 25,550 | 25,550 | |
| Fund Balance - June 30 | $ 34,550 | $ 19,143 | $ (15,407) |

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, 2013

| | Landscape and Lighting District Fund | | |
|---|---|---|---|
| | Final Budget | Actual | Variance positive (negative) |
| Revenues: | | | |
| Taxes | $ 1,400,000 | $ 1,490,085 | $ 90,085 |
| Uses of money and property | 300 | (2,651) | (2,951) |
| Total Revenues | 1,400,300 | 1,487,434 | 87,134 |
| Expenditures: | | | |
| Public works | 1,390,000 | 1,444,707 | (54,707) |
| Total Expenditures | 1,390,000 | 1,444,707 | (54,707) |
| Excess (deficiency) of revenues over (under) expenditures | 10,300 | 42,727 | 32,427 |
| Fund Balance - July 1 | 655,614 | 655,614 | |
| Fund Balance - June 30 | $ 665,914 | $ 698,341 | $ 32,427 |

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, 2013

| | Landfill Closure/Postclosure Fund | | |
|---|---|---|---|
| | Final Budget | Actual | Variance positive (negative) |
| Revenues: | | | |
| Uses of money and property | $ 36,000 | $ (5,787) | $ (41,787) |
| Total Revenues | 36,000 | (5,787) | (41,787) |
| Excess (deficiency) of revenues over (under) expenditures | 36,000 | (5,787) | (41,787) |
| Other financing sources (uses): | | | |
| Operating transfers in | 73,200 | 223,327 | 150,127 |
| Total other financing sources (uses) | 73,200 | 223,327 | 150,127 |
| Excess (deficiency) of revenues and other sources over (under) expenditures and other uses | 109,200 | 217,540 | 108,340 |
| Fund Balance - July 1 | 1,933,856 | 1,933,856 | |
| Fund Balance - June 30 | $ 2,043,056 | $ 2,151,396 | $ 108,340 |

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, 2013

| | Building Department Special Fees Fund | | |
|---|---|---|---|
| | Final Budget | Actual | Variance positive (negative) |
| Revenues: | | | |
| Uses of money and property | $ 8,000 | $ (1,323) | $ (9,323) |
| Charges for current services | 26,500 | 70,900 | 44,400 |
| Total Revenues | 34,500 | 69,577 | 35,077 |
| Expenditures: | | | |
| Public works | 30,000 | 21,836 | 8,164 |
| Total Expenditures | 30,000 | 21,836 | 8,164 |
| Excess (deficiency) of revenues over (under) expenditures | 4,500 | 47,741 | 43,241 |
| Fund Balance - July 1 | 468,312 | 468,312 | |
| Fund Balance - June 30 | $ 472,812 | $ 516,053 | $ 43,241 |

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, 2013

| | City Facility Repair Fund | | |
|---|---|---|---|
| | Final Budget | Actual | Variance positive (negative) |
| Revenues: | | | |
| Uses of money and property | $ 12,000 | $ (401) | $ (12,401) |
| Charges for current services | 6,500 | 7,621 | 1,121 |
| Other | | 7,271 | 7,271 |
| Total Revenues | 18,500 | 14,491 | (4,009) |
| Excess (deficiency) of revenues over (under) expenditures | 18,500 | 14,491 | (4,009) |
| Fund Balance - July 1 | 125,089 | 125,089 | |
| Fund Balance - June 30 | $ 143,589 | $ 139,580 | $ (4,009) |

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, 2013

| | General Services Community Facilities District Fund | | |
|---|---|---|---|
| | Final Budget | Actual | Variance positive (negative) |
| Revenues: | | | |
| Taxes | $ 60,000 | $ 76,310 | $ 16,310 |
| Uses of money and property | 700 | (246) | (946) |
| Total Revenues | 60,700 | 76,064 | 15,364 |
| Expenditures: | | | |
| Community development | | 4,330 | (4,330) |
| Total Expenditures | | 4,330 | (4,330) |
| Excess (deficiency) of revenues over (under) expenditures | 60,700 | 71,734 | 11,034 |
| Other financing sources (uses): | | | |
| Operating transfers out | (50,000) | (73,274) | (23,274) |
| Total other financing sources (uses) | (50,000) | (73,274) | (23,274) |
| Excess (deficiency) of revenues and other sources over (under) expenditures and other uses | 10,700 | (1,540) | (12,240) |
| Fund Balance - July 1 | 1,939 | 1,939 | |
| Fund Balance - June 30 | $ 12,639 | $ 399 | $ (12,240) |

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, 2013

| | 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, 2013

| | Downtown Parking in Lieu Fee Fund | | |
|---|---|---|---|
| | Final Budget | Actual | Variance positive (negative) |
| Revenues: | | | |
| Uses of money and property | $ 12,000 | $ (1,300) | $ (13,300) |
| Other | 5,000 | | (5,000) |
| Total Revenues | 17,000 | (1,300) | (18,300) |
| Fund Balance - July 1 | 543,984 | 543,984 | |
| Fund Balance - June 30 | $ 560,984 | $ 542,684 | $ (18,300) |

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, 2013

| | Oak Tree Preservation Fund | | |
|---|---|---|---|
| | Final Budget | Actual | Variance positive (negative) |
| Revenues: | | | |
| Uses of money and property | $ 200 | $ (79) | $ (279) |
| Other | | 400 | 400 |
| Total Revenues | 200 | 321 | 121 |
| Fund Balance - July 1 | 9,985 | 9,985 | |
| Fund Balance - June 30 | $ 10,185 | $ 10,306 | $ 121 |

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, 2013

| | Cal Home Loan Program Fund | | |
|---|---|---|---|
| | Final Budget | Actual | Variance positive (negative) |
| Revenues: | | | |
| Uses of money and property | $ - | $ (231) | $ (231) |
| Total Revenues | | (231) | (231) |
| Fund Balance - July 1 | 96,606 | 96,606 | |
| Fund Balance - June 30 | $ 96,606 | $ 96,375 | $ (231) |

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, 2013

| | Public Works Grants Fund | | |
|---|---|---|---|
| | Final Budget | Actual | Variance positive (negative) |
| Revenues: | | | |
| Other | $ - | $ - | $ - |
| Total Revenues | | | |
| Fund Balance - July 1 | 644 | 644 | |
| Fund Balance - June 30 | $ 644 | $ 644 | $ - |

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, 2013

| | Prop 1B Public Transportation Fund | | |
|---|---|---|---|
| | Final Budget | Actual | Variance positive (negative) |
| Revenues: | | | |
| Uses of money and property | $ - | $ 3,990 | $ 3,990 |
| Total Revenues | | 3,990 | 3,990 |
| Expenditures: | | | |
| Capital outlay | 590,000 | 590,000 | |
| Total Expenditures | 590,000 | 590,000 | |
| Excess (deficiency) of revenues over (under) expenditures | (590,000) | (586,010) | 3,990 |
| Fund Balance - July 1 | 720,322 | 720,322 | |
| Fund Balance - June 30 | $ 130,322 | $ 134,312 | $ 3,990 |

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, 2013

| | Park Development Fund | | |
|---|---|---|---|
| | Final Budget | Actual | Variance positive (negative) |
| Revenues: | | | |
| Uses of money and property | $ 44,000 | $ 3,234 | $ (40,766) |
| From other agencies | | 285,288 | 285,288 |
| Charges for current services | 304,000 | 54,591 | (249,409) |
| Total Revenues | 348,000 | 343,113 | (4,887) |
| Expenditures: | | | |
| Capital outlay | 1,964,000 | 1,060,241 | 903,759 |
| Total Expenditures | 1,964,000 | 1,060,241 | 903,759 |
| Excess (deficiency) of revenues over (under) expenditures | (1,616,000) | (717,128) | 898,872 |
| Other financing sources (uses): | | | |
| Operating transfers in | 60,000 | 60,000 | |
| Total other financing sources (uses) | 60,000 | 60,000 | |
| Excess revenues and other sources over (under) expenditures and other uses | (1,556,000) | (657,128) | 898,872 |
| Fund Balance - July 1 | 1,897,504 | 1,897,504 | |
| Fund Balance - June 30 | $ 341,504 | $ 1,240,376 | $ 898,872 |

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, 2013

| | Storm Drain Development Fund | | |
|---|---|---|---|
| | Final Budget | Actual | Variance positive (negative) |
| Revenues: | | | |
| Uses of money and property | $ 5,000 | $ (238) | $ (5,238) |
| Charges for current services | 25,000 | 6,747 | (18,253) |
| Total Revenues | 30,000 | 6,509 | (23,491) |
| Excess (deficiency) of revenues over (under) expenditures | 30,000 | 6,509 | (23,491) |
| Other financing sources (uses): | | | |
| Operating transfers out | (235,000) | (235,000) | |
| Total other financing sources (uses) | (235,000) | (235,000) | |
| Excess revenues and other sources over (under) expenditures and other uses | (205,000) | (228,491) | (23,491) |
| Fund Balance - July 1 | 313,378 | 313,378 | |
| Fund Balance - June 30 | $ 108,378 | $ 84,887 | $ (23,491) |

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, 2013

| | Airport Road PSR Fund | | |
|---|---|---|---|
| | Final Budget | Actual | Variance positive (negative) |
| Expenditures: | | | |
| Debt service | $ - | $ 2,418 | $ (2,418) |
| Capital outlay | 58,000 | | 58,000 |
| Total Expenditures | 58,000 | 2,418 | 55,582 |
| Fund Balance - July 1 | (185,314) | (185,314) | |
| Fund Balance - June 30 | $ (243,314) | $ (187,732) | 55,582 |

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, 2013

| | Bike and Pedestrian Path Facilities Fund | | |
|---|---|---|---|
| | Final Budget | Actual | Variance positive (negative) |
| Revenues: | | | |
| Uses of money and property | $ 1,000 | $ 590 | $ (410) |
| Charges for current services | | 6,264 | 6,264 |
| Other | 41,000 | | (41,000) |
| Total Revenues | 42,000 | 6,854 | (35,146) |
| Excess (deficiency) of revenues over (under) expenditures | 42,000 | 6,854 | (35,146) |
| Other financing sources (uses): | | | |
| Operating transfers out | (60,000) | (60,000) | |
| Total other financing sources (uses) | (60,000) | (60,000) | |
| Excess revenues and other sources over (under) expenditures and other uses | (18,000) | (53,146) | (35,146) |
| Fund Balance - July 1 | 63,143 | 63,143 | |
| Fund Balance - June 30 | $ 45,143 | $ 9,997 | $ (35,146) |

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, 2013

| | 1993 Public Facilities Debt Service Fund | | |
|---|---|---|---|
| | Final Budget | Actual | Variance positive (negative) |
| Revenues: | | | |
| Uses of money and property | $ 500 | $ (8) | $ (508) |
| Total Revenues | 500 | (8) | (508) |
| Expenditures: | | | |
| Debt service: | | | |
| Principal | 200,000 | 200,000 | |
| Interest | 114,300 | 114,320 | (20) |
| Paying agent fees | 3,000 | 2,310 | 690 |
| Total Expenditures | 317,300 | 316,630 | 670 |
| Excess (deficiency) of revenues over (under) expenditures | (316,800) | (316,638) | 162 |
| Other financing sources (uses): | | | |
| Operating transfers in | 317,900 | 317,904 | 4 |
| Total other financing sources (uses) | 317,900 | 317,904 | 4 |
| Excess (deficiency) of revenues and other sources over (under) expenditures and other uses | 1,100 | 1,266 | 166 |
| Fund Balance - July 1 | 427,006 | 427,006 | |
| Fund Balance - June 30 | $ 428,106 | $ 428,272 | $ 166 |

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, 2013

| | TOTALS | | |
|---|---|---|---|
| | Final Budget | Actual | Variance positive (negative) |
| Revenues: | | | |
| Taxes | $ 1,460,000 | $ 2,145,231 | $ 685,231 |
| Uses of money and property | 139,400 | (4,259) | (143,659) |
| Charges for current services | 362,000 | 146,123 | (215,877) |
| From other agencies | 861,000 | 1,292,722 | 431,722 |
| Other | 56,500 | 30,384 | (26,116) |
| Total Revenues | 2,878,900 | 3,610,201 | 731,301 |
| Expenditures: | | | |
| Public safety | 100,000 | 73,992 | 26,008 |
| Public works | 1,455,000 | 1,466,543 | (11,543) |
| Library & recreation services | | 15,136 | (15,136) |
| Community development | 171,700 | 110,686 | 61,014 |
| Debt service | 317,300 | 319,048 | (1,748) |
| Capital outlay | 4,040,000 | 2,111,095 | 1,928,905 |
| Total Expenditures | 6,084,000 | 4,096,500 | 1,987,500 |
| Excess (deficiency) of revenues over (under) expenditures | (3,205,100) | (486,299) | 2,718,801 |
| Other financing sources (uses): | | | |
| Operating transfers in | 571,100 | 601,231 | 30,131 |
| Operating transfers out | (1,566,800) | (1,284,447) | 282,353 |
| Total other financing sources (uses) | (995,700) | (683,216) | 312,484 |
| Excess (deficiency) of revenues and other sources over (under) expenditures and other uses | (4,200,800) | (1,169,515) | 3,031,285 |
| Fund Balances - July 1 | 8,949,891 | 8,949,891 | |
| Fund Balances - June 30 | $ 4,749,091 | $ 7,780,376 | $ 3,031,285 |

## *MAJOR FUNDS*

### Traffic Mitigation Development Fund

This Capital Projects 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 Capital Projects 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 Capital Projects 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.

### Specific Plan Fund

This fund accounts for collection from the payment of development impact fees as identified in the Borkey, Union/46, Chandler Ranch and Olsen Beechwood specific plans for public facilities and infrastructure.

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, 2013

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget Positive/(Negative) |
| Revenues: | | | | |
| Uses of money and property | $ 58,000 | $ 58,000 | $ 8,574 | $ (49,426) |
| From other agencies | | 400,000 | 3,580,891 | 3,180,891 |
| Charges for current services | 354,000 | 354,000 | 1,793,787 | 1,439,787 |
| Total Revenues | 412,000 | 812,000 | 5,383,252 | 4,571,252 |
| Expenditures: | | | | |
| Capital outlay | 11,376,100 | 11,790,300 | 3,811,153 | 7,979,147 |
| Total Expenditures | 11,376,100 | 11,790,300 | 3,811,153 | 7,979,147 |
| Excess (deficiency) of revenues over (under) expenditures | (10,964,100) | (10,978,300) | 1,572,099 | 12,550,399 |
| Other financing sources (uses): | | | | |
| Transfers out | | (399,000) | (399,000) | |
| Total other financing sources (uses) | | (399,000) | (399,000) | |
| Excess (deficiency) of revenues and other sources over (under) expenditures and other uses | (10,964,100) | (11,377,300) | 1,173,099 | 12,550,399 |
| Fund Balance - July 1 | 7,506,058 | 7,506,058 | 7,506,058 | |
| Fund Balance - June 30 | $ (3,458,042) | $ (3,871,242) | $ 8,679,157 | $ 12,550,399 |

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, 2013

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget Positive/(Negative) |
| Revenues: | | | | |
| Uses of money and property | $ 106,500 | $ 106,500 | $ (15,942) | $ (122,442) |
| Charges for current services | 452,000 | 452,000 | 143,367 | (308,633) |
| Total Revenues | 558,500 | 558,500 | 127,425 | (431,075) |
| Expenditures: | | | | |
| General government | 100,000 | 172,400 | 143,982 | 28,418 |
| Total Expenditures | 100,000 | 172,400 | 143,982 | 28,418 |
| Excess (deficiency) of revenues over (under) expenditures | 458,500 | 386,100 | (16,557) | (402,657) |
| Fund Balance - July 1 | 16,066,901 | 16,066,901 | 16,066,901 | |
| Fund Balance - June 30 | $ 16,525,401 | $ 16,453,001 | $ 16,050,344 | $ (402,657) |

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, 2013

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget Positive/(Negative) |
| Expenditures: | | | | |
| Debt service: | | | | |
| Interest | $ - | $ - | $ 132,724 | $ (132,724) |
| Total Expenditures | | | 132,724 | (132,724) |
| Fund Balance - July 1 | (10,177,586) | (10,177,586) | (10,177,586) | |
| Fund Balance - June 30 | $ (10,177,586) | $ (10,177,586) | $ (10,310,310) | $ (132,724) |

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, 2013

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget Positive/(Negative) |
| Revenues: | | | | |
| Taxes | $ 3,140,000 | $ 3,140,000 | $ 2,426,922 | $ (713,078) |
| From other agencies | 5,000 | 5,000 | 25,929 | 20,929 |
| Uses of money and property | 140,000 | 140,000 | (24,753) | (164,753) |
| Total Revenues | 3,285,000 | 3,285,000 | 2,428,098 | (856,902) |
| Expenditures: | | | | |
| Debt service: | | | | |
| Interest | 1,409,100 | 1,409,100 | 1,409,071 | 29 |
| Principal | 1,517,400 | 1,517,400 | 1,517,441 | (41) |
| Paying agent fees | 5,000 | 5,000 | 1,354 | 3,646 |
| Total Expenditures | 2,931,500 | 2,931,500 | 2,927,866 | 3,634 |
| Excess (deficiency) of revenues over (under) expenditures | 353,500 | 353,500 | (499,768) | (853,268) |
| Fund Balance - July 1 | 6,733,408 | 6,733,408 | 6,733,408 | |
| Fund Balance - June 30 | $ 7,086,908 | $ 7,086,908 | $ 6,233,640 | $ (853,268) |

CITY OF EL PASO DE ROBLES
SPECIFIC PLANS FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For The Fiscal Year Ending June 30, 2013

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget Positive/(Negative) |
| Revenues: | | | | |
| Uses of money and property | $ 24,000 | $ 24,000 | $ (1,786) | $ (25,786) |
| From other agencies | | 533,500 | | (533,500) |
| Charges for current services | 8,500 | 8,500 | 279,817 | 271,317 |
| Miscellaneous | | | 9,592 | 9,592 |
| Total Revenues | 32,500 | 566,000 | 287,623 | (278,377) |
| Expenditures: | | | | |
| Community development | 4,500 | 4,500 | 398 | 4,102 |
| Debt service: | | | | |
| Interest | | | 28,304 | (28,304) |
| Capital outlay | 133,500 | 817,000 | 108,582 | 708,418 |
| Total Expenditures | 138,000 | 821,500 | 137,284 | 684,216 |
| Excess (deficiency) of revenues over (under) expenditures | (105,500) | (255,500) | 150,339 | 405,839 |
| Fund Balance - July 1 | (1,699,441) | (1,699,441) | (1,699,441) | |
| Fund Balance - June 30 | $ (1,804,941) | $ (1,954,941) | $ (1,549,102) | $ 405,839 |

## *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
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES - ALL AGENCY FUNDS
For The Fiscal Year Ended June 30, 2013

| | Balance June 30, 2012 | Additions | Deletions | Balance June 30, 2013 |
|---|---|---|---|---|
| **SENIOR CITIZEN** | | | | |
| Assets: | | | | |
| Cash and investments | $ 201,868 | $ 5,555 | $ 21,553 | $ 185,870 |
| Total Assets | $ 201,868 | $ 5,555 | $ 21,553 | $ 185,870 |
| Liabilities: | | | | |
| Accrued salary & benefits payable | $ 285 | $ 302 | $ 285 | $ 302 |
| Due to others | 201,583 | 5,253 | 21,268 | 185,568 |
| Total Liabilities | $ 201,868 | $ 5,555 | $ 21,553 | $ 185,870 |
| **WAR MEMORIAL HOSPITAL SCHOLARSHIP** | | | | |
| Assets: | | | | |
| Cash and investments | $ 101,631 | $ 918 | $ 3,910 | $ 98,639 |
| Total Assets | $ 101,631 | $ 918 | $ 3,910 | $ 98,639 |
| Liabilities: | | | | |
| Accounts payable | $ - | $ 918 | $ 918 | $ - |
| Due to others | 101,631 | | 2,992 | 98,639 |
| Total Liabilities | $ 101,631 | $ 918 | $ 3,910 | $ 98,639 |

CITY OF EL PASO DE ROBLES
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES - ALL AGENCY FUNDS
For The Fiscal Year Ended June 30, 2013

| | Balance June 30, 2012 | Additions | Deletions | Balance June 30, 2013 |
|---|---|---|---|---|
| **CUSTOMER DEPOSITS** | | | | |
| Assets: | | | | |
| Cash and investments | $ 680,583 | $ 610,297 | $ 705,672 | $ 585,208 |
| Total Assets | $ 680,583 | $ 610,297 | $ 705,672 | $ 585,208 |
| Liabilities: | | | | |
| Accounts payable | $ 13,598 | $ 210,275 | $ 211,798 | $ 12,075 |
| Customer deposits | 666,985 | 400,022 | 493,874 | 573,133 |
| Total Liabilities | $ 680,583 | $ 610,297 | $ 705,672 | $ 585,208 |
| **TOURISM AND LODGING BID** | | | | |
| Assets: | | | | |
| Cash and investments | $ 64,643 | $ 660,462 | $ 601,485 | $ 123,620 |
| Accounts receivable | 61,573 | 67,707 | 61,573 | 67,707 |
| Total Assets | $ 126,216 | $ 728,169 | $ 663,058 | $ 191,327 |
| Liabilities: | | | | |
| Accounts payable | $ 41,053 | $ 615,499 | $ 600,123 | $ 56,429 |
| Due to others | 85,163 | 112,670 | 62,935 | 134,898 |
| Total Liabilities | $ 126,216 | $ 728,169 | $ 663,058 | $ 191,327 |
| **TOTAL - ALL AGENCY FUNDS** | | | | |
| Assets: | | | | |
| Cash and investments | $ 1,048,725 | $ 1,277,232 | $ 1,332,620 | $ 993,337 |
| Accounts receivable | 61,573 | 67,707 | 61,573 | 67,707 |
| Total Assets | $ 1,110,298 | $ 1,344,939 | $ 1,394,193 | $ 1,061,044 |
| Liabilities: | | | | |
| Accounts payable | $ 54,651 | $ 826,692 | $ 812,839 | $ 68,504 |
| Accrued salary & benefits payable | 285 | 302 | 285 | 302 |
| Customer deposits | 666,985 | 400,022 | 493,874 | 573,133 |
| Due to others | 388,377 | 117,923 | 87,195 | 419,105 |
| Total Liabilities | $ 1,110,298 | $ 1,344,939 | $ 1,394,193 | $ 1,061,044 |

# CITY OF EL PASO DE ROBLES

# STATISTICAL SECTION

CITY OF EL PASO DE ROBLES
NET POSITION BY COMPONENT
BY FISCAL YEAR

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | $ 75,824,763 | $ 92,243,219 | $ 107,693,936 | $ 122,168,978 | $123,267,038 | $126,146,832 | $119,279,344 | 122,187,153 | 137,374,401 | 141,608,211 |
| Restricted | 11,596,638 | 8,452,803 | 829,674 | 1,286,753 | 1,168,175 | 2,170,711 | 1,124,540 | 47,001,688 | 40,428,024 | 40,503,151 |
| Unrestricted | 26,363,208 | 27,295,006 | 30,782,721 | 26,014,158 | 25,740,998 | 26,732,780 | 34,942,358 | (11,754,149) | (2,800,764) | (2,857,243) |
| Total governmental activities net position | $ 113,784,609 | $ 127,991,028 | $ 139,306,331 | $ 149,469,889 | $150,176,211 | $155,050,323 | $155,346,242 | $157,434,692 | $175,001,661 | $179,254,119 |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | $ 43,913,708 | $ 45,491,265 | $ 54,373,577 | $ 54,078,917 | $ 57,702,782 | $ 67,486,229 | $ 68,996,920 | 70,131,072 | 69,531,969 | 72,619,932 |
| Restricted | 1,566,395 | 375,697 | 479 | | | | | | | |
| Unrestricted | 25,637,895 | 32,818,586 | 33,620,918 | 40,862,436 | 42,105,837 | 35,069,547 | 34,719,423 | 31,915,247 | 29,742,477 | 25,692,907 |
| Total business-type activities net position | $ 71,117,998 | $ 78,685,548 | $ 87,994,974 | $ 94,941,353 | $ 99,808,619 | $102,555,776 | $103,716,343 | $102,046,319 | $ 99,274,446 | $ 98,312,839 |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | $ 119,738,471 | $ 137,734,484 | $ 162,067,513 | $ 176,247,895 | $180,969,820 | $193,633,061 | $188,276,264 | 192,318,225 | 206,906,370 | 214,228,143 |
| Restricted | 13,163,033 | 8,828,500 | 830,153 | 1,286,753 | 1,168,175 | 2,170,711 | 1,124,540 | 47,001,688 | 40,428,024 | 40,503,151 |
| Unrestricted | 52,001,103 | 60,113,592 | 64,403,639 | 66,876,594 | 67,846,835 | 61,802,327 | 69,661,781 | 20,161,098 | 26,941,713 | 22,835,664 |
| Total primary government net position | $ 184,902,607 | $ 206,676,576 | $ 227,301,305 | $ 244,411,242 | $249,984,830 | $257,606,099 | $259,062,585 | $259,481,011 | $274,276,107 | $277,566,958 |

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

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Expenses** | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | $ 1,043,354 | $ 2,504,389 | $ 499,902 | $ 1,516,575 | $ 4,205,603 | $ 2,664,573 | $ 2,961,021 | $ 3,286,502 | $ 3,121,878 | $ 2,488,091 |
| Public safety | 9,152,876 | 9,691,844 | 11,715,883 | 13,846,830 | 13,825,505 | 14,644,352 | 13,758,631 | 13,499,438 | 12,885,818 | 14,212,732 |
| Public works | 6,584,703 | 7,014,786 | 8,347,720 | 9,922,306 | 10,665,983 | 10,372,489 | 11,747,078 | 9,540,795 | 8,897,707 | 9,976,319 |
| Library and recreation services | 4,749,506 | 4,345,380 | 4,560,785 | 4,960,652 | 4,455,244 | 4,380,035 | 2,711,980 | 4,291,096 | 3,510,015 | 3,739,742 |
| Community development | 3,861,638 | 3,664,177 | 7,124,605 | 4,600,339 | 4,752,684 | 3,812,797 | 8,811,192 | 4,371,661 | 2,015,586 | 1,368,899 |
| Interest on long-term debt | 1,300,508 | 828,825 | 1,709,387 | 2,265,878 | 2,588,398 | 2,389,710 | 2,548,696 | 2,683,223 | 2,425,788 | 1,949,435 |
| Total governmental activities expenses | 26,692,585 | 28,049,401 | 33,958,282 | 37,112,580 | 40,493,417 | 38,263,956 | 42,538,598 | 37,672,715 | 32,856,792 | 33,735,218 |
| Business-type activities: | | | | | | | | | | |
| Water operations | 3,426,900 | 3,142,803 | 3,734,082 | 4,113,070 | 4,399,286 | 5,482,678 | 5,860,310 | 7,664,671 | 10,209,691 | 11,032,299 |
| Sewer operations | 2,861,808 | 3,400,779 | 3,621,438 | 3,672,572 | 4,130,267 | 4,374,113 | 4,964,606 | 5,800,479 | 5,732,912 | 6,003,605 |
| Airport operations | 719,358 | 703,939 | 681,207 | 765,078 | 748,673 | 779,181 | 750,705 | 676,039 | 680,230 | 726,620 |
| Transit operations | 866,215 | 893,664 | 1,088,576 | 1,246,765 | 1,149,988 | 1,402,596 | 1,408,455 | 1,710,841 | 1,416,472 | 1,105,222 |
| Total business-type activities expenses | 7,874,281 | 8,141,185 | 9,125,303 | 9,797,485 | 10,428,214 | 12,038,568 | 12,984,076 | 15,852,030 | 18,039,305 | 18,867,746 |
| Total primary government expenses | $ 34,566,866 | $ 36,190,586 | $ 43,083,585 | $ 46,910,065 | $ 50,921,631 | $ 50,302,524 | $ 55,522,674 | $ 53,524,745 | $ 50,896,097 | $ 52,602,964 |
| **Program Revenues** | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | $ 44,514 | $ 42,525 | $ 43,872 | $ 46,693 | $ 45,877 | $ 39,648 | $ 34,819 | $ 42,696 | $ 104,148 | $ 146,967 |
| Public safety | 512,187 | 496,314 | 620,003 | 760,126 | 1,025,247 | 922,764 | 531,567 | 437,302 | 258,195 | 340,212 |
| Public works | 300,125 | 67,541 | 20,944 | 7,626 | 1,612 | 340,091 | 250,738 | 199 | 922,333 | 2,081,518 |
| Library and recreation services | 737,158 | 802,756 | 791,830 | 827,976 | 795,118 | 710,085 | 696,325 | 656,694 | 388,950 | 358,650 |
| Community development | 3,225,331 | 6,486,650 | 5,777,450 | 5,399,402 | 3,782,118 | 2,094,258 | 4,401,371 | 2,384,892 | 213,353 | 1,018,111 |
| Operating contributions and grants | 1,387,347 | 570,620 | | 300,000 | | | 2,009,355 | 2,430,437 | 2,676,760 | 2,521,901 |
| Capital contributions and grants | 10,128,972 | 4,877,944 | 7,129,023 | 3,634,416 | 4,765,465 | 2,581,818 | 3,008,669 | 1,085,061 | 2,811,156 | 3,580,891 |
| Total governmental activities program revenues | 16,335,634 | 13,344,350 | 14,383,122 | 10,976,239 | 10,415,437 | 6,688,664 | 10,932,844 | 7,037,281 | 7,374,895 | 10,048,250 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Water operations | 2,722,343 | 3,378,686 | 3,590,654 | 4,312,130 | 4,227,593 | 4,008,362 | 3,608,107 | 3,578,713 | 5,060,819 | 7,926,477 |
| Sewer operations | 3,027,386 | 3,554,971 | 3,864,353 | 4,059,804 | 4,367,772 | 4,495,292 | 4,535,599 | 4,680,024 | 4,657,489 | 6,054,546 |
| Airport operations | 22,306 | 18,932 | 18,544 | 20,935 | 53,839 | 121,382 | 34,550 | 57,812 | 71,294 | 82,846 |
| Transit operation | 107,967 | 115,973 | 132,078 | 160,685 | 156,103 | 149,782 | 154,382 | 168,026 | 175,308 | 174,005 |
| Operating contributions and grants | | | | | | | 2,051,606 | 1,735,664 | 2,024,355 | - |
| Capital contributions and grants | 5,901,199 | 6,912,363 | 7,313,475 | 4,571,395 | 3,548,974 | 2,977,958 | 2,675,879 | 3,412,948 | 2,592,755 | 3,950,751 |
| Total business-type activities program revenues | 11,781,201 | 13,980,925 | 14,919,104 | 13,124,949 | 12,354,281 | 11,752,776 | 13,060,123 | 13,633,187 | 14,582,020 | 18,188,625 |
| Total primary government program revenues | $ 28,116,835 | $ 27,325,275 | $ 29,302,226 | $ 24,101,188 | $ 22,769,718 | $ 18,441,440 | $ 23,992,967 | $ 20,670,468 | $ 21,956,915 | $ 28,236,875 |

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

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|
| Net (expense)/revenue | | | | | | | | | | |
| Governmental activities | $ (10,356,951) | $ (14,705,051) | $ (19,575,160) | $ (26,136,341) | $ (30,077,980) | $ (31,575,292) | $ (31,605,754) | $ (30,635,434) | $ (25,481,897) | $ (23,686,968) |
| Business-type activities | 3,906,920 | 5,839,740 | 5,793,801 | 3,327,464 | 1,926,067 | (285,792) | 76,047 | (2,218,843) | (3,457,285) | (679,121) |
| Total primary government net expense | $ (6,450,031) | $ (8,865,311) | $ (13,781,359) | $ (22,808,877) | $ (28,151,913) | $ (31,861,084) | $ (31,529,707) | $ (32,854,277) | $ (28,939,182) | $ (24,366,089) |
| **General Revenues and Other Changes in Net Position** | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property taxes | $ 9,951,429 | $ 13,203,987 | $ 13,966,390 | $ 15,450,804 | $ 17,795,597 | $ 18,423,566 | $ 17,723,203 | $17,045,729 | $13,986,519 | $14,376,085 |
| Sales taxes | 6,229,299 | 5,414,505 | 6,183,527 | 8,237,072 | 7,691,562 | 6,702,166 | 5,945,622 | 7,072,495 | 7,632,113 | 8,558,016 |
| Other taxes | 3,889,911 | 4,249,273 | 4,640,054 | 4,933,674 | 5,182,504 | 5,027,312 | 4,885,432 | 5,158,832 | 5,453,697 | 4,054,553 |
| From other agencies | 2,078,797 | 2,975,864 | 3,953,811 | 3,837,498 | 2,972,863 | 2,610,537 | 328,877 | 1,035,443 | 84,201 | 69,527 |
| Licenses and permits | 306,688 | 330,120 | 341,034 | 376,088 | 420,059 | 432,448 | 424,333 | 412,206 | 869,709 | 1,019,087 |
| Other | 846,476 | 944,947 | 911,550 | 1,273,805 | 1,582,640 | 1,255,776 | 1,398,201 | 1,276,238 | 1,135,740 | 1,547,740 |
| Uses of money and property | 729,466 | 488,853 | 875,397 | 2,521,193 | 2,573,339 | 1,870,103 | 1,092,676 | 640,141 | 860,479 | (72,650) |
| Transfers in/(out) | (186,642) | 1,303,921 | 18,700 | (330,235) | 102,396 | 127,496 | 103,329 | 82,800 | 82,800 | 776,700 |
| Asset impairment losses | (649,875) | | | | | | | | | |
| Total governmental activities | 23,195,549 | 28,911,470 | 30,890,463 | 36,299,899 | 38,320,960 | 36,449,404 | 31,901,673 | 32,723,884 | 30,105,258 | 30,329,058 |
| Business-type activities: | | | | | | | | | | |
| Taxes | 65,101 | 99,991 | 72,152 | 70,807 | 52,457 | 49,304 | 47,918 | 44,906 | 44,812 | 46,284 |
| From other agencies | 1,156,807 | 1,983,427 | 2,038,011 | 1,354,005 | 908,754 | 1,384,327 | | | | |
| Other | 533,181 | (113,931) | 54,746 | 8,148 | 82,961 | 90,646 | | | | |
| Uses of money and property | 618,684 | 1,062,244 | 1,369,416 | 1,855,720 | 1,999,423 | 1,636,168 | 1,139,931 | 586,713 | 723,400 | 447,930 |
| Transfers in/(out) | 186,642 | (1,303,921) | (18,700) | 330,235 | (102,396) | (127,496) | (103,329) | (82,800) | (82,800) | (776,700) |
| Total business-type activities | 2,560,415 | 1,727,810 | 3,515,625 | 3,618,915 | 2,941,199 | 3,032,949 | 1,084,520 | 548,819 | 685,412 | (282,486) |
| Total primary government | $ 25,755,964 | $ 30,639,280 | $ 34,406,088 | $ 39,918,814 | $ 41,262,159 | $ 39,482,353 | $ 32,986,193 | $ 33,272,703 | $ 30,790,670 | $ 30,046,572 |
| Extraordinary gain governmental activities | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $12,943,608 | $ - |
| **Change in Net Position** | | | | | | | | | | |
| Governmental activities | $ 12,838,598 | $ 14,206,419 | $ 11,315,303 | $ 10,163,558 | $ 8,242,980 | $ 4,874,112 | $ 295,919 | 2,088,450 | 17,566,969 | 6,642,090 |
| Business-type activities | 6,467,335 | 7,567,550 | 9,309,426 | 6,946,379 | 4,867,266 | 2,747,157 | 1,160,567 | (1,670,024) | (2,771,873) | (961,607) |
| Total primary government | $ 19,305,933 | $ 21,773,969 | $ 20,624,729 | $ 17,109,937 | $ 13,110,246 | $ 7,621,269 | $ 1,456,486 | $ 418,426 | $ 14,795,096 | $ 5,680,482 |

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

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|
| General fund | | | | | | | | | | |
| Reserved | $ - | $ 1,270,154 | $ 1,819,571 | $ 2,171,603 | $ 2,544,927 | $601,123 | $2,340,337 | $ - | $ - | $ - |
| Unreserved | 7,360,950 | 6,345,507 | 6,602,512 | 6,400,258 | 6,027,797 | | 4,559,268 | | | |
| Nonspendable: | | | | | | | | | | |
| Prepaid items | | | | | | | | 21,960 | 62,634 | 601,123 |
| Advances receivable | | | | | | | | | | 2,403,673 |
| Assigned to: | | | | | | | | | | |
| Capital projects | | | | | | | | 3,792,244 | 4,392,854 | 601,123 |
| Unassigned: | | | | | | | | 6,942,863 | 8,995,590 | 12,811,174 |
| Total general fund | $ 7,360,950 | $ 7,615,661 | $ 8,422,083 | $ 8,571,861 | $ 8,572,724 | $ 601,123 | $ 6,899,605 | $10,757,067 | $13,451,078 | $16,417,093 |
| | | | | | | | | | | |
| All other governmental funds | | | | | | | | | | |
| Reserved | $ 837,836 | $ 7,981,356 | $ 7,115,402 | $ 17,667,211 | $ 18,661,111 | $ (601,123) | $21,522,402 | $ - | $ - | $ - |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | 6,173,207 | 7,064,663 | 6,963,650 | 7,911,169 | 8,112,255 | 7,084,440 | 4,919,632 | | | |
| Capital projects funds | 18,785,975 | 15,870,891 | 10,521,780 | (3,977,038) | (4,618,045) | (4,308,354) | (3,204,741) | | | |
| Debt service funds | 5,700,898 | (48,628) | 1,474,597 | 33,930 | (309,871) | 1,015,232 | 7,789,940 | | | |
| Nonspendable: | | | | | | | | | | |
| Prepaid items | | | | | | | | 70,000 | | |
| Restricted for: | | | | | | | | | | |
| Debt service funds | | | | | | | | 15,620,479 | 7,160,414 | 6,661,912 |
| Community development | | | | | | | | 703,038 | 420,635 | 348,603 |
| Capital projects | | | | | | | | 28,840,189 | 30,470,953 | 30,401,804 |
| Other restrictions | | | | | | | | 1,026,113 | 1,262,543 | 1,378,951 |
| Assigned to: | | | | | | | | | | |
| Capital projects | | | | | | | | 116,873 | 127,027 | 139,979 |
| Unassigned: | | | | | | | | (20,188,846) | (12,062,341) | (12,047,144) |
| Total all other governmental funds | $ 31,497,916 | $ 30,868,282 | $ 26,075,429 | $ 21,635,272 | $ 21,845,450 | $ 3,190,195 | $ 31,027,233 | $26,187,846 | $27,379,231 | $26,884,105 |

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

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | | | |
| Taxes | $ 20,070,639 | $ 22,867,765 | $ 24,789,972 | $ 28,660,022 | $30,672,302 | $ 7,139,952 | $28,554,257 | $29,277,055 | $27,072,329 | $26,988,654 |
| Licenses and permits | 1,080,724 | 1,505,948 | 1,531,411 | 924,967 | 853,515 | 417,588 | 674,693 | 722,679 | 869,709 | 1,019,087 |
| Fines and forteitures | 281,908 | 271,611 | 307,138 | 321,533 | 379,876 | 587,494 | 268,484 | 235,076 | 213,947 | 175,187 |
| Uses of money and property | 900,877 | 1,207,993 | 1,193,603 | 2,690,477 | 1,882,106 | | 1,224,746 | 727,223 | 860,479 | (72,650) |
| From other agencies | 4,367,773 | 3,614,646 | 4,477,647 | 3,777,991 | 4,758,566 | 179,308 | 4,702,105 | 4,345,730 | 5,572,117 | 6,172,319 |
| Charges for current services | 4,135,363 | 6,981,779 | 6,441,726 | 6,103,246 | 4,598,357 | | 4,331,563 | 2,825,739 | 1,886,979 | 3,437,199 |
| Other | 846,476 | 681,691 | 911,549 | 1,273,806 | 1,581,564 | | 1,403,160 | 1,274,859 | 1,056,555 | 1,372,553 |
| Total revenues | 31,683,760 | 37,131,433 | 39,653,046 | 43,752,042 | 44,726,286 | 8,324,342 | 41,159,008 | 39,408,361 | 37,532,115 | 39,092,349 |
| **Expenditures** | | | | | | | | | | |
| General government | 950,344 | 1,788,934 | 194,652 | 1,271,921 | 2,294,079 | | 4,095,371 | 2,863,428 | 2,219,514 | 1,661,897 |
| Public safety | 8,893,918 | 9,316,491 | 11,625,058 | 13,105,217 | 13,106,157 | | 13,218,140 | 13,843,752 | 12,422,504 | 13,649,360 |
| Public works | 4,108,452 | 3,911,126 | 5,578,195 | 5,998,723 | 6,870,697 | | 5,652,991 | 5,155,004 | 4,803,282 | 5,584,072 |
| Library and recreation services | 4,187,143 | 3,962,880 | 4,173,170 | 4,554,183 | 4,053,268 | - | 3,860,779 | 3,918,655 | 3,057,688 | 3,322,860 |
| Community development | 3,170,312 | 3,035,274 | 4,837,054 | 3,549,712 | 3,551,725 | 173,694 | 3,201,403 | 2,231,242 | 1,331,908 | 1,357,819 |
| Interest | 1,297,379 | 1,501,775 | 1,687,136 | 2,238,598 | 2,588,398 | | 2,399,784 | 2,677,813 | 2,608,707 | 1,734,611 |
| Principal | 8,160,892 | 2,865,225 | 2,845,829 | 2,917,391 | 2,837,346 | | 2,157,373 | 2,135,975 | 2,138,759 | 1,870,437 |
| Paying agent fees | 9,709 | 6,801 | 8,267 | 7,019 | 7,440 | | 6,292 | 7,633 | 7,458 | 3,664 |
| Bond issurance costs | | 3,000 | | | | | 403,734 | | | |
| Capital outlay | 7,019,210 | 12,294,772 | 13,497,123 | 13,144,260 | 7,103,548 | - | 5,638,717 | 5,581,717 | 4,414,330 | 8,712,460 |
| Fiscal agreements payments | 681,614 | 522,797 | 918,079 | 1,112,911 | 1,215,983 | | 4,418,893 | 2,057,867 | 691,839 | |
| Total expenditures | 38,478,973 | 39,209,075 | 45,364,563 | 47,899,935 | 43,628,641 | 173,694 | 45,053,477 | 40,473,086 | 33,695,989 | 37,897,180 |
| Excess of revenues over (under) expenditures | (6,795,213) | (2,077,642) | (5,711,517) | (4,147,893) | 1,097,645 | 8,150,648 | (3,894,469) | (1,064,725) | 3,836,126 | 1,195,169 |
| Other financing sources (uses): | | | | | | | | | | |
| Operating transfers in | 2,345,621 | 18,898,369 | 12,983,207 | 6,639,069 | 3,665,614 | | 3,747,587 | 2,248,465 | 1,109,922 | 3,319,374 |
| Operating transfers out | (2,532,264) | (17,594,448) | (12,964,507) | (6,969,304) | (3,563,218) | | (3,644,258) | (2,165,665) | (1,027,122) | (2,542,674) |
| Capital leases/bond proceeds | 5,460,000 | 263,254 | 1,789,000 | | 31,435,000 | | 12,339,508 | | | 499,020 |
| Bond premium | | | | | 963,102 | | | | | |
| Payments to refunded debt | | | | | (33,387,102) | | (2,320,000) | | | |
| Proceeds from postclosure liability | 155,703 | 135,544 | 154,126 | 187,749 | | | | | | |
| Extraordinary loss | | | | | | | | | (33,530) | |
| Total other financing sources (uses) | 5,429,060 | 1,702,719 | 1,961,826 | (142,486) | (886,604) | | 10,122,837 | 82,800 | 49,270 | 1,275,720 |
| Net change in fund balances | (1,366,153) | (374,923) | (3,749,691) | (4,290,379) | 211,041 | 8,150,648 | 6,228,368 | (981,925) | 3,885,396 | 2,470,889 |
| Fund balances July 1 | 40,524,453 | 38,858,866 | 38,483,943 | 34,497,512 | 30,207,133 | 139,979 | 31,698,470 | 37,926,838 | 36,944,913 | 40,830,309 |
| Prior period adjustment | | | (236,740) | | | | | | | |
| Fund balances June 30 | $ 39,158,300 | $ 38,483,943 | $ 34,497,512 | $ 30,207,133 | $30,418,174 | $ 8,290,627 | $37,926,838 | $36,944,913 | $40,830,309 | $43,301,198 |

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

| Fiscal Year | Property [a] | Sales & Use [b] | Occupancy | Franchise | Property Transfer | Other | Total |
|---|---|---|---|---|---|---|---|
| 2004 | $ 3,513,445 | $ 6,229,299 | $ 1,296,972 | $ 2,020,347 | $ 239,085 | $ 6,725,850 | $ 20,024,998 |
| 2005 | 4,076,025 | 5,414,506 | 1,446,059 | 1,999,715 | 340,630 | 9,590,830 | 22,867,765 |
| 2006 | 4,952,372 | 6,183,527 | 1,614,347 | 2,197,861 | 332,074 | 9,509,791 | 24,789,972 |
| 2007 | 7,584,685 | 5,986,431 | 2,025,859 | 2,429,063 | 219,287 | 10,414,698 | 28,660,022 |
| 2008 | 8,638,732 | 5,723,861 | 2,549,065 | 2,185,058 | 146,972 | 7,928,053 | 27,171,741 |
| 2009 | 8,845,816 | 4,753,451 | 2,692,915 | 1,964,038 | 95,767 | 7,284,996 | 25,636,983 |
| 2010 | 8,385,861 | 4,841,765 | 2,735,664 | 1,794,918 | 105,999 | 4,977,296 | 22,841,503 |
| 2011 | 8,290,974 | 5,286,398 | 2,998,498 | 1,793,603 | 104,931 | 5,866,416 | 24,340,820 |
| 2012 | 8,008,588 | 5,768,849 | 3,229,875 | 1,771,089 | 132,246 | 4,948,138 | 23,858,785 |
| 2013 | 8,430,665 | 5,965,282 | 3,550,009 | 1,993,223 | 147,094 | 6,902,381 | 26,988,654 |
| Percentage Change 2004-2013 | 140.0% | -4.2% | 173.7% | -1.3% | -38.5% | 2.6% | 34.8% |

Notes:
[a] 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.
[b] 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

| Fiscal Year | Residential Property | Commercial Property | Industrial Property | Less: Tax-Exempt Property | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual Taxable Value | Taxable Assessed Value as a Percentage of Actual Taxable Value |
|---|---|---|---|---|---|---|---|---|
| 2004 | $ 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% |
| 2005 | 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% |
| 2006 | 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% |
| 2007 | 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% |
| 2008 | 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% |
| 2009 | 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% |
| 2010 | 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% |
| 2011 | 2,400,890,771 | 559,587,252 | 134,399,199 | (35,069,073) | 3,129,946,295 | 1.00000 | 3,595,053,216 | 87.06% |
| 2012 | 2,319,074,668 | 572,085,673 | 139,719,212 | (35,776,566) | 3,066,656,119 | 1.00000 | 3,500,381,961 | 87.61% |
| 2013 | 2,312,134,492 | 570,072,355 | 148,490,580 | (34,604,333) | 3,065,301,760 | 1.00000 | 3,521,053,824 | 87.06% |

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 [a] | Unsecured [b] | Homeowners Exempt [c] | Total Taxable Assessed Value | Total Direct Tax Rate |
|---|---|---|---|---|---|
| 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 |
| 2011 | 3,411,573,503 | 169,726,949 | (37,424,800) | 3,543,875,652 | 1.00000 |
| 2012 | 3,318,357,717 | 165,900,527 | (37,086,000) | 3,447,172,244 | 1.00000 |
| 2013 | 3,339,102,289 | 167,478,429 | (36,818,600) | 3,469,762,118 | 1.00000 |

Notes:
[a] Secured property is generally real property, defined as land, mines, minerals, timber and improvements such as buildings, structures, crops, trees, and vines.
[b] Unsecured property is generally personal property including machinery, equipment, office tools and supplies.
c Homeowners exemption

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

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

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|
| General Consumer Goods | $157,790,700 | $170,463,100 | $185,474,900 | $191,799,000 | $184,760,900 | $178,468,000 | $176,825,700 | $175,037,400 | $172,839,100 | $176,968,200 |
| Auto and Transportation | 130,783,000 | 138,936,500 | 158,172,000 | 151,434,500 | 120,267,100 | 92,053,800 | 85,848,800 | 97,557,400 | 110,860,400 | 116,409,100 |
| Fuel and Service Stations | 58,343,600 | 73,442,500 | 92,815,700 | 91,988,100 | 112,027,000 | 106,805,400 | 87,244,800 | 107,832,700 | 127,520,000 | 131,180,900 |
| Building and Construction | 60,726,600 | 75,787,100 | 81,811,200 | 79,867,200 | 60,632,400 | 45,084,400 | 48,919,700 | 60,252,400 | 66,518,400 | 77,194,500 |
| Restaurants and Hotels | 59,128,900 | 63,677,100 | 70,684,200 | 78,978,300 | 87,414,800 | 85,521,900 | 80,181,600 | 76,327,900 | 83,257,500 | 84,467,600 |
| Business and Industry | 54,294,600 | 64,153,200 | 83,545,900 | 95,576,400 | 80,075,000 | 70,764,900 | 67,797,200 | 73,454,200 | 81,000,900 | 92,035,100 |
| Food and Drugs | 36,130,900 | 38,995,100 | 39,610,200 | 41,126,700 | 39,921,200 | 40,841,000 | 39,864,500 | 39,088,500 | 39,403,100 | 40,808,900 |
| Total | $557,198,300 | $625,454,600 | $712,114,100 | $730,770,200 | $685,098,400 | $619,539,400 | $586,682,300 | $629,550,500 | $681,399,400 | $719,064,300 |
| 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: HdL companies
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

| | City Direct Rates | | | Overlapping Rates | |
|---|---|---|---|---|---|
| Fiscal Year | Basic Rate | General Obligation Debt Service | Total Direct Rate | SLO County Flood Control - State Water Project | Total Rate |
| 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 |
| 2011 | 1.00000 | 0.0748 | 1.0748 | 0.00290 | 1.07770 |
| 2012 | 1.00000 | 0.0697 | 1.0697 | 0.00300 | 1.07270 |
| 2013 | 1.00000 | 0.0696 | 1.0696 | 0.00400 | 1.07360 |

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

| Fiscal Year | City Direct Rate | San Luis Obispo County Rate | Total Rate |
|---|---|---|---|
| 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% | 6.25% | 7.25% |
| 2010 | 1.00% | 6.25% | 7.25% |
| 2011 | 1.00% | 6.25% | 7.25% |
| 2012 | 1.00% | 6.25% | 7.25% |
| 2013 | 1.50% | 6.50% | 8.00% |

Note: The sales tax rate was changed in January of 2013 and uniformly set at 7.50% county wide. Of the 7.50%, the City's share is 1%. The City increased the rate an additional .50% with approval of the electorate that became effective April 1 of 2013.

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

| Taxpayer | 2012/13 Taxable Assessed Value | 2012/13 Percentage of Total City Taxable Assessed Value | 2012/13 Rank | 2003/04 Taxable Assessed Value | 2003/04 Percentage of Total City Taxable Assessed Value | 2003/04 Rank |
|---|---|---|---|---|---|---|
| DS Paso Crossing LLC ETAL | $ 36,000,000 | 1.02% | 1 | | | |
| Paso Golden Hill LLC | 27,038,130 | 0.77% | 2 | | | |
| Dry Creek Apartments | 20,803,953 | 0.59% | 3 | $ 18,055,249 | 0.8721% | 2 |
| LP | 16,046,993 | 0.46% | 4 | | | |
| Pacific Coast Hotel Properties LLC | 14,109,459 | 0.40% | 5 | | | |
| Tri-W Enterprises Inc | 13,176,196 | 0.37% | 6 | 11,426,936 | 0.5519% | 5 |
| Paso Robles Investments LLC | 13,109,675 | 0.37% | 7 | | | |
| John Stephenson Trust | 13,000,185 | 0.37% | 8 | | | |
| Brendan Twigden LLC | 12,700,000 | 0.36% | 9 | | | |
| Firestone Walker LLC | 12,106,516 | 0.34% | 10 | | | |
| North American Jet Charter Inc | | | | 18,829,610 | 0.9095% | 1 |
| Paso Robles Ventures LLC | | | | 17,875,630 | 0.8634% | 3 |
| Weyrich Development Co Inc | | | | 15,349,536 | 0.7414% | 4 |
| Paris Sales Company Inc | | | | 11,278,795 | 0.5448% | 6 |
| Martin Hotel Resorts Inc | | | | 11,238,328 | 0.5428% | 7 |
| Health Care Reit Inc a De Corp | | | | 10,598,000 | 0.5119% | 8 |
| Estrella Communities LLC | | | | 10,575,873 | 0.5108% | 9 |
| Walmart Stores Inc Corp | | | | 9,961,399 | 0.4811% | 10 |
| Total Principal Taxpayers | 178,091,107 | 5.06% | | 135,189,356 | 6.53% | |
| All Other Taxpayers | 3,342,962,717 | 94.94% | | 1,935,190,901 | 93.47% | |
| Total Taxpayers | $ 3,521,053,824 | 100.00% | | $ 2,070,380,257 | 100.00% | |

Source: Hdl Coren & Cone, San Luis Obipso County Assessor 2012/13 Combined Tax Rolls and the SBE Non Unitary Tax Roll

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

| 2012/13 | 2003/04 |
|---|---|
| Tax Remitter | Tax Remitter |
| Albertson's | Albertsons |
| AM PM Mini Mart | ATV Agricultural |
| Arco AM PM | Bay Area Diablo Petroleum |
| Big Creek Lumber | Big Creek Lumber |
| Borjon Auto Center | Black Oak AM PM |
| Chevron | Borjon Auto Center |
| Chevron | Chevron |
| Golden Hill Mobil | GMC |
| Jaco Oil | Hayward Lumber |
| JB Dewar | Jack in the Box |
| Kohls | JB Dewar |
| Lowes | JC Penney |
| Orchard Supply Hardware | McDonalds |
| Paco AM PM | Michaels Arts & Crafts |
| Paso Robles C hevrolet Cadillac | Officemax |
| Paso Robles Ford Lincoln Mercury | Orchard Supply Hardware |
| Rite Aid | Paso Robles Ford Lincoln Mercury |
| Ross | Reneau Chrysler Dodge |
| San Luis Bay Suzuki Kia | Ross |
| Santa Cruz Biotechnology | San Luis Bay Suzuki Kia |
| Sky River | SLO Co Farm Supply |
| Target | Sky River |
| Valero Corner Store | Staples |
| Vons | Target |
| Wal Mart | Wal Mart |
| 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 |
| 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% |
| 2011 | 4,772,036 | 4,425,214 | 92.73% | 207,775 | 4,632,990 | 97.09% |
| 2012 | 4,696,011 | 4,405,557 | 93.81% | 158,668 | 4,564,226 | 97.19% |
| 2013 | 4,707,213 | 4,803,108 | 102.04% | (13,838) | 4,789,270 | 101.74% |

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

| | Governmental Activities | | | | | Business-type Activities | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Year | General Bonds | Bonds - RDA [c] | Certificates Participation | Leases | Internal Payable | Sewer Bonds | Internal Payable | Total Government | Percentage Value [a] | Capita [b] |
| 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 |
| 2011 | 2,932,613 | 1,235,184 | 314,920 | 67,452 | 15,365,068 | 527,319 | | 20,442,556 | 0.58% | 680 |
| 2012 | 2,925,013 | | 309,933 | 200,770 | 15,203,651 | 714,717 | | 19,354,084 | 0.56% | 640 |
| 2013 | 2,926,513 | | 314,320 | 200,770 | 14,492,602 | 465,318 | | 18,399,523 | 0.53% | 603 |

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

[a] See the "Assessed Value of Taxable Property" table for figures.
[b] See the "Demographic and Economic Statistics" table for population data.
[c] RDA was dissolved on 1/31/2012.
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 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| General bonded debt outstanding | | | | | | | | | | |
| General obligation bonds | $ 35,989,681 | $ 33,972,549 | $ 31,972,970 | $ 29,966,715 | $ 36,159,473 | $ 34,528,500 | $ 33,082,412 | $ 31,610,258 | $ 30,123,261 | $ 28,605,820 |
| Total | $ 35,989,681 | $ 33,972,549 | $ 31,972,970 | $ 29,966,715 | $ 36,159,473 | $ 34,528,500 | $ 33,082,412 | $ 31,610,258 | $ 30,123,261 | $ 28,605,820 |
| Percentage of estimated actual assessed value [a] | 1.79% | 1.48% | 1.19% | 0.95% | 1.02% | 0.92% | 0.92% | 0.89% | 0.87% | 0.82% |
| Per capita [b] | $ 1,322 | $ 1,215 | $ 1,104 | $ 1,015 | $ 1,208 | $ 1,189 | $ 1,103 | $ 1,051 | $ 997 | $ 938 |
| Less: Amounts set aside to repay general debt [c] | $ 3,910,516 | $ 5,785,833 | $ 6,465,576 | $ 7,128,829 | $ 6,277,461 | $ 6,699,648 | $ 7,152,832 | $ 7,058,529 | $ 6,657,765 | $ 6,192,956 |
| Total net debt applicable to debt limit | $ 32,079,165 | $ 28,186,716 | $ 25,507,394 | $ 22,837,886 | $ 29,882,012 | $ 27,828,852 | $ 25,929,580 | $ 24,551,729 | $ 23,465,496 | $ 22,412,864 |
| Legal debt limit [d] | $ 75,289,937 | $ 85,947,371 | $ 100,786,055 | $ 118,801,782 | $ 132,717,073 | $ 140,248,835 | $ 135,064,272 | $ 132,895,337 | $ 129,268,959 | $ 130,116,079 |
| Legal debt margin | $ 43,210,772 | $ 57,760,655 | $ 75,278,661 | $ 95,963,896 | $ 102,835,061 | $ 112,419,983 | $ 109,134,692 | $ 108,343,608 | $ 105,803,463 | $ 107,703,215 |
| Legal debt margin as a percentage of the debt limit | 57.4% | 67.2% | 74.7% | 80.8% | 77.5% | 80.2% | 80.8% | 81.5% | 81.8% | 82.8% |

[a] See the "Assessed Value of Taxable Property" table for figures.
[b] See the "Demographic and Economic Statistics" table for population data.
[c] City has established an internal reserve for debt repayment in case of economic downturn.
[d] 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, 2013

**2012-13 Assessed Valuation:** $ 3,520,923,499

| Direct and Overlapping Tax and Assessement Debt | Debt Outstanding | Percentage Applicable (1) | City's Share of Debt 6/30/13 |
|---|---|---|---|
| Paso Robles Joint Unified School District | $ 19,414,998 | 51.145% | $ 9,929,801 |
| City of Paso Robles | 28,605,820 | 100.000% | 28,605,820 |
| **Total Direct and Overlapping Tax and Assessment Debt** | | | $ 38,535,621 |
| **Direct and Overlapping Tax General Fund Debt** | | | |
| San Luis Obispo County Certificates of Participation | $ 30,985,000 | 8.982% | $ 2,783,073 |
| San Luis Obispo County Pension Obligations | 115,624,398 | 8.982% | 10,385,383 |
| San Luis Obispo Community College District Certificates of Participation | 20,350,000 | 8.946% | 1,820,511 |
| Paso Robles Joint Unified School District Certificates of Participation | 1,150,000 | 51.145% | 588,168 |
| City of Paso Robles Certificates of Particiaption | 2,880,000 | 100.000% | 2,880,000 |
| **Total Direct and Overlapping Tax General Fund Debt** | | | $ 18,457,135 |
| **OVERLAPPING TAX INCREMENT DEBT:** | $ 14,465,000 | 100.000% | $ 14,465,000 |
| **TOTAL DIRECT DEBT** | | | $ 31,485,820 |
| **TOTAL OVERLAPPING DEBT** | | | 39,971,936 |
| **Combined Total Debt** | | | $ 71,457,756 (2) |

| Ratios to Adjusted Assessed Valuation: | |
|---|---|
| **Direct Debt ($28,605,820)** | **0.81%** |
| Total Direct and Overlapping Tax and Assessment Debt | 1.09% |
| **Total Direct Debt ($31,485,820)** | **0.89%** |
| Combined Total Debt | 2.03% |
| Ratios to Redevelopment Incremental Valuation ($430,248,064): | |
| Total Overlapping Tax Increment Debt | 3.36% |

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.



Source: California Municipal Statistics

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

| Fiscal Year | | Tax Allocation Bonds | | | | Sewer Revenue Bonds | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Property Tax Increment[1] | Debt Service | | Coverage | Utility Service Charges | Less: Operating Expenses | Net Available Revenue | Debt Service | | Coverage |
| | | | Principal | Interest | | | | | Principal | Interest | |
| 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 | 140,000 | 548,209 | 3.27 | 4,535,599 | 3,247,229 | 1,288,370 | 195,000 | 328,364 | 2.46 |
| 2011 | | 2,139,438 | 380,000 | 855,184 | 1.73 | 4,680,024 | 3,390,689 | 1,289,335 | 205,000 | 322,319 | 2.45 |
| 2012 | ** | | | | | 4,657,489 | 3,443,584 | 1,213,905 | 540,000 | 174,717 | 1.70 |
| 2013 | ** | | | | | 6,054,546 | 3,994,888 | 2,059,658 | 195,000 | 270,318 | 4.43 |

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.**

[1] Net Tax Increment after deducting LMI set aside and fiscal agreement contributions
** Redevelopment Agency dissolved as of 1/31/12

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

| Calendar Year | Population | Est. Median Household Income | Per Capita Personal Income | Median Age | Total Employment, All Industries | K-12 School Enrollment | Median Home Price (thousands) | County Unemployment Rate |
|---|---|---|---|---|---|---|---|---|
| **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% |
| **2011** | 30,072 | 49,051 | 23,054 | 34 | N/A | 6,875 | 280.0 | 12.0% |
| **2012** | 30,225 | 52,372 | 24,615 | 34 | N/A | 6,794 | 271.5 | 11.0% |
| **2013** | 30,500 | 54,196 | 25,472 | 34.3 | N/A | 6,604 | 325.0 | 7.2% |

**Source:** HdL Coren & Cone, Demographic and Economic Statistics

CITY OF EL PASO DE ROBLES
PRINCIPAL EMPLOYERS
For Years 2009 and 2000

| | 2009 | | | 2000 | | |
|---|---|---|---|---|---|---|
| Employer | 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% |
| California 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% |
| **Total** | 5,253 | | 35.73% | 4,476 | | 36.44% |
| **Total City Employment** | 14,701 | | | 12,282 | | |

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

Please note that the Top Employer Report we debuted last year is not being offered this year.
The data proved to be unreliable. Because of complaints from customers last year, we've decided not to offer the statistic report going forward.

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

| | Full-time-Equivalent Employees as of June 30 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Function/Program | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| General government | | | | | | | | | | |
| City manager | 5 | 4 | 4 | 4 | 4 | 4 | 4 | 3 | 3 | 3 |
| Information technology | 2 | 2 | 4 | 4 | 6 | 6 | 5 | 5 | 5 | 5 |
| Human resources | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 3 |
| Administrative services | 9 | 9 | 10 | 11 | 11 | 11 | 10 | 9 | 10 | 11 |
| Police depatment | | | | | | | | | | |
| Officers | 37 | 37 | 40 | 41 | 43 | 45 | 45 | 27 | 29 | 31 |
| Others | 10 | 10 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 11 |
| Emergency services | | | | | | | | | | |
| Firefighters | 19 | 20 | 24 | 24 | 27 | 30 | 26 | 24 | 24 | 23 |
| Others | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Public works | | | | | | | | | | |
| Maintenance services | 32 | 32 | 36 | 33 | 36 | 38 | 29 | 21 | 21 | 19 |
| Airport | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Water | 8 | 8 | 9 | 9 | 11 | 12 | 12 | 13.5 | 13.5 | 12.5 |
| Wastewater | 9 | 9 | 9 | 9 | 12 | 15 | 12 | 13.5 | 13.5 | 13.5 |
| Building/Engineering | | | | 9 | 8 | 8 | 6 | 5 | 5 | 4.4 |
| Library and recreation services | | | | | | | | | | |
| Library services | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 4 | 4 | 4 |
| Recreation services | 11 | 11 | 11 | 11 | 10 | 10 | 10 | 5 | 5 | 5.6 |
| Community development | | | | | | | | | | |
| Planning | 3 | 3 | 3 | 3 | 4 | 4 | 4 | 4 | 4 | 3 |
| Housing | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | |
| Engineering | 2 | 2 | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 1 |
| Building | 8 | 8 | 9 | 2 | 2 | 2 | 2 | 0 | 0 | |
| Total | 165 | 165 | 184 | 185 | 199 | 210 | 189 | 151 | 154 | 152 |

Source: City Forecast 2012
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

| | Fiscal Years | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Function/Program | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| General government | | | | | | | | | | |
| Police depatment | | | | | | | | | | |
| Physical arrests | 1,443 | 1,486 | 1,673 | 1,694 | 1,575 | 1688 | 1662 | 1345 | 1296 | 1302 |
| Parking violations | | 1,160 | 963 | 1,124 | 1,019 | 953 | 573 | 505 | 648 | 276 |
| Traffic violations | 3,751 | 3,406 | 2,927 | 5,008 | 4,517 | 4165 | 3273 | 2718 | 1528 | 1838 |
| Emergency services | | | | | | | | | | |
| Emergency responses | 2,436 | 2,567 | 2679 | 2,803 | 2,821 | 3018 | 2918 | 2902 | 3075 | 3055 |
| Fires extinguished | 147 | 121 | 125 | 129 | 115 | 124 | 109 | 111 | 117 | 121 |
| Inspections | | | | N/A | 329 | 178 | 203 | 328 | 851 | 1205 |
| Public works | | | | | | | | | | |
| Water | | | | | | | | | | |
| New connections | N/A | N/A | 328 | 54 | 35 | N/A | N/A | 32 | 25 | 85 |
| Water main breaks | N/A | N/A | 7 | 2 | N/A | N/A | N/A | 5 | 4 | 3 |
| Average daily production (millions of gallons) | N/A | N/A | 7 | 7 | 7 | 6 | N/A | 5.64 | 5.83 | 6.68 |
| Peak daily production (millions of gallons) | N/A | N/A | 12.3 | 12.33 | N/A | N/A | N/A | 9.74 | 9.87 | 11.223 |
| Wastewater | | | | | | | | | | |
| Average daily sewage treatment (millions of gallons) | 2.8556 | 2.9590 | 2.7514 | 2.983 | 3.02 | 2.94 | 2.94 | 2.95 | 2.95 | 2.95 |
| Library and recreation services | | | | | | | | | | |
| Library services | | | | | | | | | | |
| Volumes in collection | 54,044 | 56,228 | 56,070 | 55,885 | 57,580 | 59,109 | 60,690 | 64,067 | 85,082 | 78,411 |
| Total volumes borrowed | 148,315 | 120,923 | 160,832 | 160,249 | 176,132 | 191,335 | 193,716 | 209,771 | 312,568 | 305,526 |
| Recreation services | | | | | | | | | | |
| Athletic field permits issued | 1,418 | 1,472 | 2,508 | 2,595 | 1,564 | 2,578 | 2,104 | 2,390 | 2,579 | 2,924 |
| Activity admissions | 24,050 | 24,501 | 23,953 | 25,325 | 26,060 | 36,921 | 50,365 | 36,500 | 25,827 | 27,704 |
| Community development | | | | | | | | | | |
| Building permits issued | 1,107 | 972 | 947 | 654 | 504 | 433 | 424 | 431 | 571 | TBD |
| Building inspections conducted | 8,387 | 8,603 | 7140 | 3,608 | 2563 | 2529 | 2451 | 3228 | 3756 | TBD |

Source: City Budget

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

| | Fiscal year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Function/Program | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| General government | | | | | | | | | | |
| Personal computers | 161 | 161 | 166 | 174 | 193 | 211 | 211 | 216 | 216 | 218 |
| Police depatment | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol units | 14 | 12 | 11 | 12 | 13 | 14 | 14 | 14 | 14 | 14 |
| Emergency services | | | | | | | | | | |
| Fire stations | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 |
| Public works | | | | | | | | | | |
| Streets (miles) | N/A | N/A | 140.0 | 160 | 173.5 | 173.5 | 173.5 | 173.5 | 173.5 | 173.5 |
| Traffic signals | N/A | N/A | 20 | 24 | 25 | 26 | 26 | 26 | 26 | 26 |
| Bridges | N/A | N/A | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Airport | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Water | | | | | | | | | | |
| Fire hydrants | 890 | 900 | 900 | 900 | 1087 | 1087 | 1087 | 1728 | 1785 | 1804 |
| Storage tanks | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Storage capacity (millions of gallons) | 12.1 | 12.1 | 12.1 | 12.1 | 12.1 | 12.1 | 12.1 | 12.1 | 12.1 | 12.1 |
| Water Mains (miles) | 120 | 125 | 125 | 125 | 164 | 164 | 164 | 172.4 | 173 | 173 |
| Wastewater | | | | | | | | | | |
| Sanitary sewers (miles) | N/A | N/A | 137.07 | 137.07 | 137.07 | 140 | 140 | 140 | 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 | 101.095 | 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 | 14 | 14 | 13 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Baseball/softball diamonds | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 11 |
| Soccer/football fields | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Community centers | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 2 |

Source: City Budget