



---

**County of San Luis Obispo, California  
Comprehensive Annual Financial Report  
Fiscal Year Ended June 30, 2003**

---

**Prepared under the direction of Gere W. Sibbach, CPA, Auditor-Controller**



---

**INDEX**

---



**COUNTY OF SAN LUIS OBISPO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2003**

**TABLE OF CONTENTS**

<b>SECTION</b>	<b>PAGE</b>
<b><u>INTRODUCTORY SECTION</u></b>	
Letter of Transmittal .....	1
Certificate of Achievement for Excellence in Financial Reporting .....	6
Directory of County Officials .....	7
Administrative Organization Chart .....	8
<b><u>FINANCIAL SECTION</u></b>	
Independent Auditors' Report .....	11
Management's Discussion and Analysis.....	15
<b><u>Basic Financial Statements</u></b>	
<b>Government-wide Financial Statements:</b>	
Statement of Net Assets .....	31
Statement of Activities.....	32
<b>Fund Financial Statements:</b>	
<b><u>Governmental Funds:</u></b>	
Balance Sheet.....	38
Reconciliation of the Balance Sheet - Governmental Funds to the Government-wide Statement of Net Assets .....	39
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	40
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-wide Statement of Activities.....	41
<b><u>Proprietary Funds:</u></b>	
Statement of Net Assets .....	42
Statement of Revenues, Expenses, and Changes in Fund Net Assets .....	46
Statement of Cash Flows .....	48
<b><u>Fiduciary Funds:</u></b>	
Statement of Fiduciary Net Assets .....	52
Statement of Changes in Fiduciary Net Assets.....	53
<b>Notes to the Basic Financial Statements .....</b>	<b>57</b>
<b>Required Supplementary Information:</b>	
Schedule of Funding Progress – Defined Benefit Plan .....	90
Budgetary Comparison Schedule – General Fund.....	91

**TABLE OF CONTENTS (continued)**

<b>SECTION</b>	<b>PAGE</b>
<b>Combining and Individual Fund Statements and Schedules:</b>	
<u>Non-major Governmental Funds:</u>	
Combining Balance Sheet .....	100
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	101
Debt Service Funds:	
Combining Balance Sheet .....	102
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	103
Special Revenue Funds:	
Combining Balance Sheet .....	104
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	110
Special Revenue - Special District Funds:	
Combining Balance Sheet .....	115
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	116
Budgetary Comparison Schedules:	
Capital Projects Fund .....	119
Special Revenue – Non Special District Funds .....	120
Special Revenue – Special District Funds .....	138
<u>Non-major Enterprise Funds:</u>	
Combining Statement of Net Assets .....	146
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets .....	148
Combining Statement of Cash Flows .....	150
<u>Internal Service Funds:</u>	
Combining Statement of Net Assets .....	156
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets .....	158
Combining Statement of Cash Flows .....	160
Internal Service Funds – Insurance Funds	
Combining Statement of Net Assets .....	162
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets .....	164
Combining Statement of Cash Flows .....	166
<u>Fiduciary Funds:</u>	
Agency Funds:	
Combining Statement of Fiduciary Net Assets .....	172
Combining Statement of Changes in Assets and Liabilities .....	173
Investment Trust Funds:	
Combining Statement of Fiduciary Net Assets – Investment Trust Funds .....	174
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets .....	176
<b>Detail Budget Schedules:</b>	
General Fund .....	181
Special Revenue - Non Special District Funds .....	197
Special Revenue - Special District Funds .....	203

**TABLE OF CONTENTS (continued)**

<b>SECTION</b>	<b>PAGE</b>
<b>STATISTICAL SECTION (unaudited)</b>	
General and Special Revenue Funds Revenues by Source .....	211
General and Special Revenue Funds Expenditures by Function .....	212
General and Special Revenue Funds Revenues vs. Expenditures - Bar Graph.....	213
Property Tax Levies from County and State Assessment - Line Graph .....	213
Current Secured Property Tax Levies, Collections, and Delinquencies .....	214
Assessed Valuations .....	215
Principal Taxpayers .....	216
Property Tax Rates for County and Major Overlapping Governments .....	217
Assessed Valuation and Legal Debt Margin .....	218
Direct and Overlapping Bonded Debt.....	219
County Bonded Debt as Percentage of Net Assessed Value .....	220
Ratio of Annual Debt Service Expenditures.....	221
Revenue Bond Coverage.....	222
Demographic Statistics .....	223
Property Values, Construction, and Bank Deposits.....	224
Top Ten Employers .....	225
Miscellaneous Statistical Data.....	226



---

**INTRODUCTORY SECTION**

---



**County of San Luis Obispo**  
**Office of the Auditor-Controller**  
Room 300 County Government Center  
San Luis Obispo, California 93408  
(805) 781-5040 FAX (805) 781-1220



**GERE W. SIBBACH, CPA**  
**Auditor-Controller**  
**BILL ESTRADA**  
*Assistant*

November 3, 2003

Honorable Board of Supervisors  
County of San Luis Obispo  
Room 370, County Government Center  
San Luis Obispo, California 93408

Your Honorable Board:

The Comprehensive Annual Financial Report (CAFR) of the County of San Luis Obispo for the fiscal year ended June 30, 2003, is hereby submitted as mandated by Sections 25250 and 25253 of the Government Code of the State of California. These statutes require that the County publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the County of San Luis Obispo. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County of San Luis Obispo has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County of San Luis Obispo's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County of San Luis Obispo's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County of San Luis Obispo's financial statements have been audited by Bartig, Basler & Ray, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County of San Luis Obispo for the fiscal year ended June 30, 2003, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County of San Luis Obispo's financial statements for the fiscal year ended June 30, 2003, are fairly presented and in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County of San Luis Obispo County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal

Honorable Board of Supervisors  
November 3, 2003

grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County of San Luis Obispo's separately issued Single Audit Report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County of San Luis Obispo's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Government**

The County of San Luis Obispo, incorporated in 1850, is located on the central coast of the State of California, midway between Los Angeles and San Francisco. The County of San Luis Obispo currently occupies a land area of 3,326 square miles and serves a population of 256,300 residents. Approximately 42% of the population resides in the unincorporated area. The seven cities of the County are Arroyo Grande, Atascadero, Grover Beach, Morro Bay, Paso Robles, Pismo Beach and San Luis Obispo.

A five-member County Board of Supervisors is the legislative authority and governance for the County. Each supervisor is elected to a four-year term in nonpartisan districts. The terms are staggered with two supervisors being elected then three supervisors being elected in alternating election years. The Board is responsible among other things, for establishing ordinances, adopting the budget, appointing committees, and hiring the County Administrator and non-elected department heads. The County Administrator is responsible for carrying out the policies and ordinances of the Board and for overseeing the day-to-day operations of the County. The County has six elected department heads responsible for the offices of the County Clerk-Recorder, Assessor, Treasurer-Tax Collector-Public Administrator, Auditor-Controller, District Attorney, and Sheriff-Coroner.

The County of San Luis Obispo provides a full range of services, including police and fire protection; construction and maintenance of highways, streets, and other infrastructure; health and social programs that promote the well-being of the community; and recreational activities and cultural events.

The annual budget serves as the foundation for the County of San Luis Obispo's financial planning and control. The County Budget Act, as presented in California Government Code section 29000 and 30200, provides the general provisions and requirements for preparing and approving the County budget. All County departments are required to submit budget requests to the County Administrator on or before June 10<sup>th</sup> of each year. The budgets are then reviewed by the County Administrator, and compiled into a proposed budget with a County Administrator's recommendation. Public hearings are set in the month of June, with the Board of Supervisors adopting the final budget before the start of the next fiscal year. The proposed budget is prepared by fund, function (e.g., public safety), and department or budget unit (e.g., Sheriff). During the year, department heads may make transfers of appropriations within a budget unit with the approval of the County Administrator and Auditor-Controller. Transfers of appropriations between

Honorable Board of Supervisors  
November 3, 2003

departments or increases in the budget from new revenue sources, reserves and/or contingencies require Board of Supervisors approval. Monthly estimates for both revenues and expenditures are used to assist departments with budgetary control and quarterly reports are submitted by each department to the County Administrator and the Board on the status of their budgets.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as part of the required supplementary information immediately following the notes to the financial statements. For other governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of the statements.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County of San Luis Obispo operates.

**Local economy** - The County of San Luis Obispo currently enjoys a favorable economic environment and local indicators point to continued stability. Unemployment in the County is 3.2%, which is much lower than the state (6.6%) and national average (6.1%). The County's lower unemployment is attributable to the stability of its major employers including state, county and local government. The state has a major presence in this area with a correctional facility, state mental hospital and state university, making it the largest employer in the County.

The major revenue indicators continue to perform favorably with an increase in property tax revenues of 4.5% over last year (after adjusting for a one time adjustment for recognition of Teeter revenues in 2001/2002). This was coupled with an increase in assessed values of \$3.7 billion. This growth along with people's desire to live in the area is reflected in a median home price of \$369,390, a jump of 18.8% within the last year. Other economic indicators, such as sales tax and transient occupancy tax, experienced similar growth of 8.6% and 2.6%, respectively over the last year and are expected to continue this trend.

**Long-term financial planning.** The County took a conservative and responsible approach in developing the County's budget for the 2003-2004 fiscal year due to the dire financial position of the State's finances. For 2003-2004 the Board adopted a "status quo" budget, which generally maintains a continuation of all existing resources. The budget does contain some program and staffing cuts primarily as a result of reduction in the Governor's budget as well as leveling off of sales tax revenues allocated for certain health and human service programs. A small amount of reserves was used to balance the budget but overall reserves and designation were restricted to one-time expenditures in accordance with Board policy. This policy keeps operational needs in check with current available financing and recognizes the need to use reserves as a resource for future commitments.

Each year a 5-year Capital Improvement Program (CIP) is compiled. The CIP is a plan for short range and long range capital acquisition and development. It also includes plans to improve or rehabilitate County-owned roads and facilities. The plan provides the mechanism for estimating capital requirements; setting priorities; monitoring and evaluating the progress of capital projects; and informing the public of projected capital improvements and unfunded needs. While the CIP covers a five-year planning period, it is updated each year to reflect ongoing changes as new

projects are added, existing projects modified, and completed projects deleted from the plan document. The five-year CIP does not appropriate funds, rather it serves as a budgeting tool, identifying those Capital Project appropriations to be made through the adoption of the County's annual budget.

**Cash management policies and practices.** The County Treasurer adheres to a Board of Supervisors adopted investment policy in addition to the investment requirements specified by state statutes. The Auditor-Controller routinely reviews the investments to determine compliance with the investment policy and the Government Code, and submits the results to the Board of Supervisors and the County Treasury Oversight Committee for review. The maturities of the investments range from 1 day to 3 years, with a weighted average maturity of 228 days. The net earned yield on investments was 2.15% during fiscal year 2002-03. At June 30, 2003, the County had \$466.1 million in Treasury cash and investments. Deposits were either insured by Federal depository insurance or collateralized. All collateral on deposits were held by the County, or its agent of the financial institution trust department in the County's name.

Under the pooled money concept, the County invests idle cash in various securities with maturities planned to coincide with projected needs while attempting to maximize yield and to minimize risk. Various funds within the county Treasury earn interest based on their average daily cash balance.

**Risk management.** The County of San Luis Obispo is self-insured for general liability, workers' compensation, unemployment insurance, and dental coverage. Various other insurance and excess insurance policies, as described in the notes to the financial statements, are carried to provide complete coverage. The insurance internal service funds are experiencing reductions in reserves primarily due to mandated benefit changes and high dollar one-time case settlements. Plans to increase rates and initiate cost containment measures are underway.

The County's Risk Management Division administers claims for the various programs, provides loss prevention services, such as safety training, and minimizes risk through various risk control strategies, such as developing job-related medical standards for employees.

**Defined Benefit Pension Plan.** The County has a single-employer defined benefit pension plan with mandatory participation for all full time permanent employees. The administration of the Plan is under a Board of Trustees. The Board of Supervisors is responsible for amending plan provisions. The Plan permits retirement for all employees at age 50 with 5 or more years of service credit. Participants are required to contribute to the Plan at rates for the current year ranging from 4.56% to 16.44% of their adjusted base salary as defined in the Plan document. Such contributions, together with the County's contributions, are currently invested in corporate notes, bonds, collateralized mortgage obligations, equity mutual funds, commingled real estate, real estate investment trusts and other short-term investments. As of December 31, 2002, the Plan had 34.8% of its net assets invested in the Mellon Bank US equity Market Fund.

The Pension Plan uses the calendar year for financial reporting purposes. The Plan's most recent actuarial calculation, dated January 1, 2002, identified the actuarial required contribution (ARC) as \$17.6 million, with contributions of \$14.63 million, and a funding percentage of ARC at 83.3%. The calendar year-end net pension obligation was \$9.3 million.

Honorable Board of Supervisors  
November 3, 2003

The actuary for the Pension Trust provided information estimating the Unfunded Actuarial Accrued Liability (UAAL) to be approximately \$135 million as of June 30, 2003. To fund the UAAL, on July 2, 2003 the County sold \$137.2 million in pension obligation bonds. Debt service payments are expected to be funded by County payroll benefits.

Additional information on the County of San Luis Obispo's Pension Plan's actuarial information and Plan provisions can be found in the notes to the financial statements.

**Awards.** The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of San Luis Obispo for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2002. This was the seventeenth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR). This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

**Acknowledgements.** The preparation of the Comprehensive Annual Financial Report would not have been possible without the efficient and dedicated services of the entire staff of the Auditor-Controller's Office. We would like to acknowledge the special efforts of our Internal Audit Division and our independent auditors, Bartig, Basler and Ray, for their assistance in the report preparation. We would also like to express our appreciation to all County departments who assisted in this process and to the Board of Supervisors for its leadership responsibility and unfailing support to ensure the continued general fiscal health and integrity of the County.

Respectfully submitted,



Gere W. Sibbach, CPA  
Auditor-Controller

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of San Luis  
Obispo, California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*William Patrick Bate*

President

*Jeffrey R. Emery*

Executive Director

**COUNTY OF SAN LUIS OBISPO**

**LIST OF ELECTED AND APPOINTED OFFICIALS**

**JUNE 30, 2003**

**Elected Officials**

Board of Supervisors

District #1 ..... Harry L. Ovitt  
District #2 ..... Shirley Bianchi  
District #3 ..... Peg Pinard  
District #4 ..... K.H. "Katcho" Achadjian  
District #5 ..... Michael P. Ryan

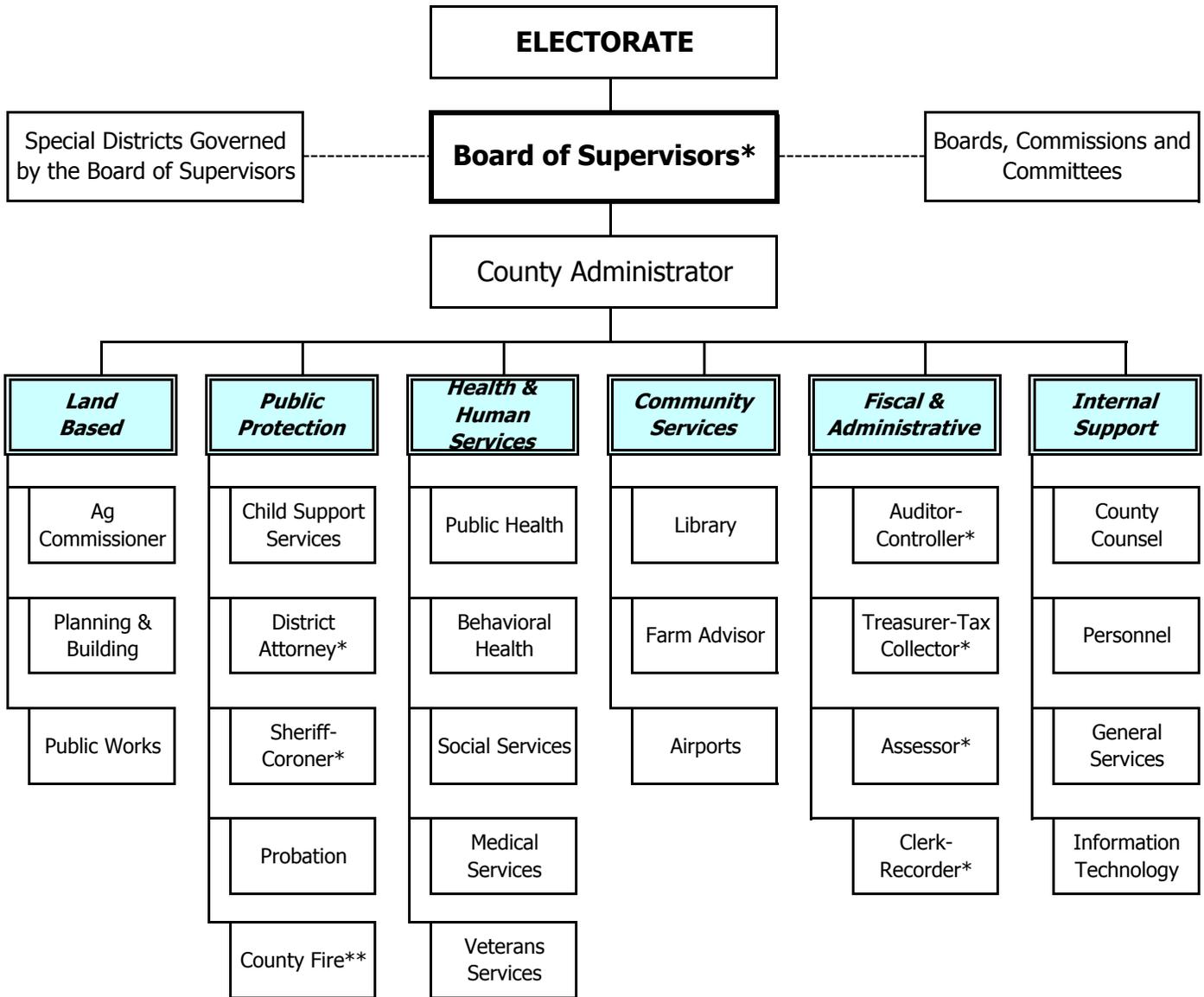
Other Elected Officials

Assessor ..... Tom J. Bordonaro Jr.  
Auditor-Controller ..... Gere W. Sibbach  
Clerk-Recorder ..... Julie L. Rodewald  
District Attorney ..... Gerald Shea  
Sheriff-Coroner ..... J. Patrick Hedges  
Treasurer/Tax Collector/Public Administrator ..... Frank L. Freitas

**Appointed Officials**

Agricultural Commissioner ..... Robert E. Lilley  
County Administrator ..... David Edge  
County Counsel ..... James B. Lindholm, Jr.  
Director of Drug and Alcohol Services ..... Paul E. Hyman  
Director of General Services ..... Duane P. Leib  
Director of Behavioral Health Services ..... Dale R. Wolff, Ph.D.  
Director of Social Services ..... Lee Collins  
Director of Information Technology ..... Janette Pell  
Farm Advisor ..... Shirley Peterson  
Public Health Director/Public Guardian ..... Gregory W. Thomas, M.D.  
Library Director ..... Brian Reynolds  
Personnel Director ..... Richard Greek  
Planning Director ..... Victor Holanda  
Probation Officer ..... Kim Barrett  
Public Works Director ..... Noel King  
Veterans Services Officer ..... William E. Simpson

# County of San Luis Obispo Organizational Chart



Functional Area

\* Elected Officials

\*\*Contract

---

**FINANCIAL SECTION**

---



---

# Bartig, Basler & Ray

A Professional Corporation

---

Certified Public Accountants and Management Consultants

---

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

---

Curtis A. Orgill  
M. Elba Zúñiga

## INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Supervisors  
County of San Luis Obispo, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of San Luis Obispo, California (County), as of and for the year ended June 30, 2003, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of San Luis Obispo, California, as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages 15 through 28 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

1520 Eureka Road, Suite 100, Roseville, CA 95661 • www.bbr.net • (916) 784-7800 • FAX (916) 784-7850  
1885 South Arlington Avenue, Suite 105, Reno, NV 89509-3370 • (775) 323-7122 • FAX (775) 323-1174

The Honorable Board of Supervisors  
County of San Luis Obispo, California

In accordance with *Government Auditing Standards*, we have also issued a report dated October 2, 2003 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

BARTIG, BASLER & RAY, CPAs, INC.

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

October 2, 2003  
Roseville, California

---

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

---



**COUNTY OF SAN LUIS OBISPO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2003**

As management of the County of San Luis Obispo, (the County), we offer readers the County's financial statements, this narrative overview, and analysis of the financial activities of the County for the fiscal year ended June 30, 2003. We encourage readers to consider the information presented here in conjunction with the transmittal letter at the front of this report and the County's financial statements, which begins on page 31. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

**FINANCIAL HIGHLIGHTS**

- ❖ The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$1,257,658 (*net assets*). Of this amount \$137,641 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors, \$66,890 is restricted for specific purposes (*restricted net assets*), and \$1,053,127 is invested in capital assets, net of related debt. (Table A)
- ❖ The County's net assets increased by \$3,488 during the current fiscal year. The increase in restricted and unrestricted net assets represents the degree to which increases in ongoing revenues exceeded increases in ongoing expenses. The increase in capital assets net of related debt represents capital acquisitions during the year reduced by depreciation and increased by retirement of long-term debt. (Table B)
- ❖ As of June 30, 2003, the County's governmental funds reported combined ending net assets of \$1,134,934, a increase of \$510 in comparison with the prior year. Approximately 10.2% of the combined fund balances, or \$116,055 is available for spending at the County's discretion for current and future needs (*unreserved fund balance*). (Table A)
- ❖ Business-type activities posted a net loss of \$8,455 before general revenues, contributions and transfers from other funds. This was due mainly to the operating loss of \$9,584 experienced by the Medical Services department. The inpatient facility of the Medical Services department was closed on June 19, 2003.
- ❖ The County's total long-term liabilities increased by \$24,462 or nearly 25.9%. Of this, \$21,690 represented the issuance of a COP to finance the cost of a new government building.
- ❖ At the end of the fiscal year, unreserved fund balance of the general fund was \$70,147, or 28% of total general fund expenditures.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

### Government-wide financial statements

The *Government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *Statement of Net Assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused employee vacation balances).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (*business-type activities*). The governmental activities of the County include public protection, public ways and facilities, health and sanitation, public assistance, education, recreational and cultural services and general government. The main business-type activities of the County include the airports, golf courses, medical services (County General Hospital), flood control districts, and county services areas.

Component units are included in our basic financial statements and consist of legally separate entities for which the County is financially accountable and that have substantially the same board as the County or provide services entirely to the County. They include county service areas, transit districts, flood control districts, waterworks districts, lighting maintenance districts, and the San Luis Obispo County Public Facilities Corporation and San Luis Obispo County Financing Authority.

The government-wide financial statements can be found on pages 31 to 33 of this report.

### Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statement, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains thirty individual governmental funds organized according to their type: *general*, *special revenue*, *debt service*, and *capital projects*. Information is presented separately in the governmental

## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the capital projects fund, which are considered to be major funds. Data from the remaining twenty-eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual budget for all of its governmental funds. A budgetary comparison statement has been provided for the general fund and any major special revenue fund to demonstrate compliance with this budget. Individual budgetary data for each of the non-major governmental funds is provided elsewhere in this report.

The basic governmental fund financial statements can be found on pages 38 to 41 of this report.

Proprietary funds - The County maintains two different types of proprietary funds, *enterprise* and *internal service funds*. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses *enterprise funds* to account for the airport, golf course, medical services (Hospital), transit districts, flood control districts, waterworks districts and county service areas. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its reprographic services, vehicle operations and maintenance, public works services, and self-insurance programs. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the governmental-wide financial statements.

Proprietary funds provide the same type of information as the *government-wide financial statement*, only in more detail. The airport, golf courses, medical services (County General Hospital), State Water Project, and Lopez flood control districts are considered to be major funds of the County and are presented separately in the *proprietary fund financial statements*. All other enterprise funds have been combined into a single column for presentation. The seven internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service and enterprise funds is provided in the form of *combining statements* found elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 42 to 51 of this report.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 52 to 53 of this report.

Notes to the Basic 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.

The notes to the financial statements can be found on pages 57 to 86 of this report.

Required Supplementary Information - The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

The required supplementary information can be found on pages 89 to 91 of this report.

Other Supplementary Information - In addition to the basic financial statements, accompanying notes, and required supplementary information this report also presents certain *other supplementary information* concerning the County's general fund and special revenue funds budgetary schedules and combining and individual fund statements.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

*Detail Budgetary schedules* demonstrating legal level of compliance with budgetary control are presented as other supplementary information. Detail budget information can be found on pages 179 to 207 of this report.

*Combining and individual fund statements and schedules* – The combining and individual fund statements and schedules referred to earlier provide information for non-major governmental funds, enterprise, internal service funds, and fiduciary funds and are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 97 to 177 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

In accordance with changes in governmental accounting standards, the County applied Governmental Accounting Standards Board (GASB) Statement No. 34 to these financial statements.

As stated earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$1,257,658.

**Table A**  
**Statement of Net Assets**  
**June 30, 2003**  
(in thousands)

	June 30, 2003			June 30, 2002			2002-2003
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government	Total % Chg
<b>Assets:</b>							
Current assets	\$ 248,756	\$ 35,740	\$ 284,496	\$ 241,822	\$ 34,550	\$ 276,372	2.9%
Other long-term assets	15,617	705	16,322	1,270	18,262	19,532	16.4%
Capital assets	965,135	144,801	1,109,936	955,648	124,854	1,080,502	2.7%
Total assets	<u>1,229,508</u>	<u>181,246</u>	<u>1,410,754</u>	<u>1,198,740</u>	<u>177,666</u>	<u>1,376,406</u>	<u>2.5%</u>
<b>Liabilities:</b>							
Long term liabilities	77,866	41,009	118,875	52,120	42,293	94,413	25.9%
Other liabilities	22,333	11,888	34,221	17,571	10,252	27,823	23.0%
Internal balances	(5,625)	5,625	-	(5,375)	5,375		
Total liabilities	<u>94,574</u>	<u>58,522</u>	<u>153,096</u>	<u>64,316</u>	<u>57,920</u>	<u>122,236</u>	<u>25.2%</u>
<b>Net assets:</b>							
Invested in capital assets, net of debt	951,989	101,138	1,053,127	950,432	99,047	1,049,479	0.3%
Restricted	66,890	-	66,890	54,090		54,090	23.7%
Unrestricted	116,055	21,586	137,641	129,902	20,699	150,601	(8.6)%
Total net assets	<u>\$ 1,134,934</u>	<u>\$ 122,724</u>	<u>\$ 1,257,658</u>	<u>\$ 1,134,424</u>	<u>\$ 119,746</u>	<u>\$ 1,254,170</u>	<u>0.3%</u>

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

### **Analysis of Net Assets**

Approximately 11%, or \$137,641 of the County's net assets represents unrestricted net assets, which may be used to meet the County's ongoing obligations to citizens and creditors.

The most significant portion of the County's net assets, \$1,053,127 or 83.7%, reflects its investment in capital assets net of accumulated depreciation (e.g. land and easements, structures and improvements, infrastructure, and equipment), less any outstanding related debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its 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.

The remaining balance of the County's net assets of \$66,890, or 5.3%, represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the County reported positive balances in all three categories of net assets, both for the County as a whole, as well as for its separate governmental activities and business-type activities. The same situation was true for the prior fiscal year.

During the current fiscal year the County's net assets increased by \$3,488. The increase in restricted and unrestricted net assets represents the degree to which increases in ongoing revenues exceeded increases in ongoing expenses. Net assets invested in capital assets net of related debt increased by \$3,648. This represents capital acquisitions during the year of \$36,696, less depreciation of \$7,262, less the increase in related long term debt of \$20,052, less decrease in cash with fiscal agent of \$3,377, less increase in airport advances of \$1,362, less decrease in deferred charges and other assets of \$995. Refer to Tables F and G and the corresponding discussions on capital assets and long-term debt for more details.

### **Governmental and Business-type Activities**

#### **Governmental Activities**

Governmental activities accounted for an increase of \$510 in net assets after transfers, representing 14.6% of the total increase net assets. Key contributing factors for the increase are as follows:

The downturn in the economy had a mixed effect on the County. Falling interest rates contributed to a \$2.9 million decrease in interest and investment income while revenue from vehicle license fees rose \$1.2 million and sales tax increased \$462.

The large decrease in property tax revenue was primarily attributable to a one-time adjustment of \$12.7 million in the prior year to recognize revenues under the "Teeter" method of tax distribution. In fiscal year 2002/2003 County assessed valuations rose \$4.4 billion.

#### **Business-type activities**

Business-type activities accounted for an increase in net assets of \$2,978. The increase was mainly attributable to the Airport and the State Water Project. The Airport received \$2.7 million in federal aid for construction projects and the State Water project received \$1.3 million in non-operating revenue consisting of interest, taxes, and DWR refunds. Medical Services sustained a \$9.7 million operating loss that was offset by \$9.8 million in general fund support. It is anticipated that the closure of County General Hospital could result in a savings of as much as \$1.4 million in future years.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The following table indicates the changes in net assets for governmental and business-type activities:

**Table B**  
**Statement of Activities**  
**For the Year Ended June 30, 2003**  
(in thousands)

	June 30, 2003			June 30, 2002			2002- 2003
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government	Total % Chg
<b>Revenues:</b>							
<b>Program revenues:</b>							
Charges for services	\$ 52,519	\$ 34,343	\$ 86,862	\$ 53,154	\$ 33,145	\$ 86,299	0.7%
Operating grants and contributions	141,716	947	142,663	142,741	764	143,505	(0.6%)
Capital grants and contributions	3,109	2,493	5,602	1,782	5,214	6,996	(19.9%)
<b>General revenues:</b>							
Property taxes	70,002	2,823	72,845	78,802	2,369	81,171	(10.3%)
Other taxes	12,739	4	12,743	11,828	-	11,828	7.7%
Interest and investment income	5,026	872	5,898	10,969	2,186	13,155	(55.2%)
Grants not restricted to specific programs	19,839	-	19,839	21,721	-	21,721	(8.7%)
Other revenues	-	16	16	-	421	421	(96.2%)
<b>Total revenues</b>	<b>304,970</b>	<b>41,498</b>	<b>346,468</b>	<b>320,997</b>	<b>44,099</b>	<b>365,096</b>	<b>(5.1%)</b>
<b>Expenses:</b>							
General government	31,990	-	31,990	32,670	-	32,670	(2.4%)
Public protection	98,816	-	98,816	92,131	-	92,131	7.3%
Public ways and facilities	23,328	-	23,328	24,161	-	24,161	(3.5%)
Health sanitation	48,961	-	48,961	43,912	-	43,912	11.5%
Public assistance	78,524	-	78,524	78,006	-	78,006	0.7%
Education	7,323	-	7,323	7,437	-	7,437	(1.5%)
Recreational and cultural services	5,003	-	5,003	4,793	-	4,793	4.4%
Interest on Long-term debt	2,797	-	2,797	3,119	-	3,119	(10.3%)
Airport	-	3,046	3,046	-	2,405	2,405	26.7%
Golf	-	1,613	1,613	-	2,585	2,585	(37.6%)
Hospital	-	28,170	28,170	-	26,154	26,154	7.7%
State water contract	-	5,384	5,384	-	5,813	5,813	(7.4%)
Lopez dam	-	2,274	2,274	-	1,950	1,950	16.6%
Non major special districts	-	5,751	5,751	-	5,576	5,576	3.1%
<b>Total expenses</b>	<b>296,742</b>	<b>46,238</b>	<b>342,980</b>	<b>286,229</b>	<b>44,483</b>	<b>330,712</b>	<b>3.7%</b>
Excess before transfers	8,228	(4,740)	3,488	34,768	(384)	34,384	(89.9%)
Transfers	(7,718)	7,718	-	(6,059)	6,059	-	
<b>Change in net assets</b>	<b>510</b>	<b>2,978</b>	<b>3,488</b>	<b>28,709</b>	<b>5,675</b>	<b>34,384</b>	<b>(89.9%)</b>
Net assets at beginning of year	1,134,424	119,746	1,254,170	1,105,715	114,071	1,219,786	
<b>Net assets at end of year</b>	<b>\$ 1,134,934</b>	<b>\$ 122,724</b>	<b>\$ 1,257,658</b>	<b>\$ 1,134,424</b>	<b>\$ 119,746</b>	<b>\$ 1,254,170</b>	<b>(0.3%)</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

### FUND FINANCIAL STATEMENT ANALYSIS

#### FINANCIAL ANALYSIS OF COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### Governmental Funds

The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$212,269, an increase of \$20,361, in comparison with the prior year. Approximately 59.4% of the combined fund balances, or \$126,043, constitutes unreserved fund balance, which is available to meet the County's current and future needs. The remainder of fund balance, \$86,226, is reserved for the following reasons: 1) liquidate contracts and purchase orders of the prior period (\$41,138); 2) amounts reserved by outside agencies or legislation to pay for specific programs or specific use (\$36,487); 3) amounts due from other funds or governments that are long-term in nature and do not represent available spendable resources (\$5,779); 4) to pay debt service of (\$2,464); and 5) other restricted purposes (\$358).

#### General Fund

The general fund is the chief operating fund of the County. As of the end of the current fiscal year, unreserved fund balance of the general fund was \$70,147 while total fund balance reached \$91,919. As a measure of the general fund's liquidity, it is useful to compare both unreserved fund balance and total fund balance to total fund expenditures of \$247,135. Unreserved fund balance represents 28.4% of the total fund expenditure, while fund balance represents 37.2% of the same amount.

During the current fiscal year the *general fund* balance increased by \$4,971. The following provides an explanation for the increase in net assets.

- ❖ Total revenues exceeded total expenditures by \$21,237 even though general fund revenues fell \$8.8 million from the prior year and total expenditures were \$9.8 million higher.
- ❖ *Revenue from the use of money and property* decreased \$4.3 million. This decrease is attributable to falling interest rates and a one-time prior year adjustment that recognized \$3 million in interest earned on the County's "Teeter" funds.
- ❖ *Other revenues* decreased \$6.9 million. This figure is somewhat misleading since \$3 million of the decrease is due to a reclassification to other revenue accounts and \$2.7 million is due to the one time recognition of deferred revenue received from the Airport in the prior year.

#### Capital Projects

The *capital projects fund* was determined to be a major fund this year. This fund handles construction projects for the County. The fund has a total fund balance of \$42,808 of which \$25,691 is reserved for prior year's contract commitments. The net increase in the fund balance for the current year was \$6,704. This increase is primarily due to activity related to construction of the new general government center. The County received \$21,690 in loan proceeds to fund construction of the government center. Funding of specific projects comes from transfers from special revenue funds, public facilities fees, issuance of long term debt, aid from other government agencies, and from the County's general fund.

#### Governmental Fund Revenues

Revenues for governmental funds combined totaled \$320,832 in the current fiscal year, which represents a decrease of approximately 3.6% from the prior fiscal year revenues of \$332,882.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year displayed.

**Table C**  
**Revenues Classified by Source**  
**Governmental Funds**  
**Fund Financial Statements**  
**For the Year Ended June 30, 2003**  
**(in thousands)**

	<u>2002/2003</u>		<u>2001/2002</u>		<u>Increase/(Decrease)</u>	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Revenues by Source:						
Taxes	\$ 83,404	25.8%	\$ 85,472	25.7%	\$ (2,068)	(2.4%)
Licenses, Permits, Franchises	8,700	2.7%	7,849	2.4%	851	10.8%
Fines, Forfeits, and Penalties	5,988	1.9%	7,861	2.4%	(1,873)	(23.8%)
Revenues from Use of Money and Property	4,839	1.5%	10,439	3.1%	(5,600)	(53.6%)
Aid from Governmental Agencies	164,625	51.3%	164,435	49.4%	190	0.1%
Charges for Current Services	48,961	15.3%	46,664	14.0%	2,297	4.9%
Other Revenues	4,315	1.3%	10,162	3.1%	(5,847)	(57.5%)
<b>Total</b>	<u>\$ 320,832</u>		<u>\$ 332,882</u>		<u>\$ (12,050)</u>	(3.6%)

The following provides an explanation of revenues by source that changed significantly over the prior year in the governmental funds.

- ❖ *Fines, forfeitures and penalties* decreased \$1.9 million or 23.8%. This decrease is the result of a prior year one-time adjustment of trial court revenue.
- ❖ *Revenues from the Use of Money and Property* decreased \$5.6 million or 53.6%. This decrease is due to a one-time \$3 million adjustment to the *general fund* to recognize interest earned on the County's "Teeter" funds posted in the prior year. The actual operating decrease of approximately \$2.6 million is due to interest rates dropping to the lowest levels seen in many years.
- ❖ *Other revenues* decreased by \$5.8 million or 57.5%. This large decrease is due to a reclassification of *other revenue* to *charges for current services*. The remainder of the decrease in *other revenues* is due to the one-time recognition of deferred revenue from the Airport in the prior year. Conversely, *charges for current services* increased \$2.3 million as a result of the reclassification.

**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

The following table presents the amount of expenditures by function as well as increases or decreases from the prior year.

**Table D**  
**Expenditures By Function Including Capital Outlay**  
**Governmental Funds**  
**Fund Financial Statements**  
**For the Year Ended June 30, 2003**  
(in thousands)

	<u>2002/2003</u>		<u>2001/2002 *</u>		<u>Increase/(Decrease)</u>	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Expenditures by Function:						
General Government	\$ 39,896	12.8%	\$ 42,765	12.8%	\$ (2,869)	(6.7%)
Public Protection	95,815	30.7%	89,119	30.7%	6,696	7.5%
Public Ways and Facilities	20,741	6.7%	20,836	6.7%	(95)	(0.5%)
Health and Sanitation	47,822	15.3%	43,071	15.3%	4,751	11%
Public Assistance	77,449	24.9%	77,350	24.9%	99	0.1%
Education	6,972	2.2%	7,285	2.2%	(313)	(4.3%)
Recreational and Cultural Services	4,853	1.6%	4,800	1.6%	53	1.1%
Interest on Long-Term Debt	2,959	0.9%	3,121	.9%	(162)	(5.2%)
Capital outlay	15,147	4.9%	7,919	4.9%	7,228	91.3%
<b>Total</b>	<b>\$ 311,654</b>		<b>\$ 296,266</b>		<b>\$ 15,388</b>	<b>5.2%</b>

The following provides an explanation of the expenditures by function that changed significantly over the prior year.

- ❖ *General government* expenditures increased by a total of \$6.5 million or 14.1%. A majority of this increase, or \$6.7 million, is due to the continued construction of a new \$40 million General Government Facility. Expenditures on the project totaled \$10.5 million during the 2002/2003 fiscal year and \$3.8 million during the 2001/2002 fiscal year. The \$6.5 million increase is net of a \$3.9 million decrease due to the early redemption of a 1991 certificate of participation issue in the prior fiscal year.
- ❖ *Public Protection* expenditures increased by a total of \$4.9 million or 5.3%. This increase is due to an increase in labor costs. These costs were driven up by increased staffing and overtime in response to state and federal requirements related to Homeland Defense issues. In addition, \$2 million is attributable to negotiated salary and benefit increases.
- ❖ *Health and sanitation* expenditures increased by \$4.3 million or 10%. The majority of this is due to increases in salaries for cost of living adjustments. In addition, the Public Health Department added positions for grant funded bioterrorism programs.

**Proprietary Funds**

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The following table shows actual revenues, expenses and results of operations for the 2002/2003 fiscal year.

**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Table E**  
**Statement of Revenues, Expenses and Results of Operations**  
**Proprietary Funds**  
**Fund Financial Statements**  
**For the Year Ended June 30, 2003**  
(in thousands)

	Major Funds					Non Major Funds	Total
	Airport	Golf	Medical Services	State Water Project	Lopez Flood Control	Other Enterprise Funds	Total Enterprise
Operating Revenues	\$ 2,898	\$ 2,816	\$ 17,547	\$ 5,452	\$ 2,616	\$ 4,288	\$ 35,616
Operating expenses	<u>2,894</u>	<u>3,779</u>	<u>27,268</u>	<u>5,318</u>	<u>2,061</u>	<u>5,634</u>	<u>46,954</u>
Operating (loss)	<u>4</u>	<u>(963)</u>	<u>(9,721)</u>	<u>134</u>	<u>555</u>	<u>(1,346)</u>	<u>(11,337)</u>
Non-operating revenues (expenses), net	<u>2,692</u>	<u>89</u>	<u>137</u>	<u>1,289</u>	<u>77</u>	<u>1,903</u>	<u>6,187</u>
Net income (loss) before contributions and transfers	2,696	(874)	(9,584)	1,423	632	557	(5,150)
Contributions and transfers	<u>(29)</u>	<u>-</u>	<u>9,811</u>	<u>-</u>	<u>7</u>	<u>(295)</u>	<u>9,494</u>
Change in net assets	<u>\$ 2,667</u>	<u>\$ (874)</u>	<u>\$ 227</u>	<u>\$ 1,423</u>	<u>\$ 639</u>	<u>\$ 262</u>	<u>\$ 4,344</u>

All the enterprise funds, other than Medical Services (County General Hospital), are expected to continue to meet all ongoing cost of operations and in the long term be able to maintain sufficient reserves.

- ❖ The *Airport* shows operating income of \$4. Overall, the change in net assets is due to \$2.7 million in federal aid being received for construction projects at the airport. Design, engineering and construction at the airport continues, with projects to expand and improve taxiways, build a new terminal and car rental facility, and construct a new fire station. The majority of the construction costs are funded by federal aid and public facilities fees.
- ❖ The *Golf Course* sustained an operating loss of \$963. Actual revenue came in at 70% of the budgeted amount. The revenue shortfall is due to a 10% reduction in rounds played which is reflected in the overall golf industry. The golf course will be reducing expenses, holding positions vacant, and will consider increasing fees to avoid an operating loss in fiscal year 2003/2004.
- ❖ The *Medical Services* fund, which operated County General Hospital, sustained a loss of \$9,721 before contributions and transfers. The net income after transfers from the County was \$227 for the year. The County closed General Hospital's acute inpatient unit on June 19, 2003. These services were contracted out to area hospitals.
- ❖ The *Lopez Dam* fund is in the final stages of construction for its \$30 million seismic retrofit project. The project is expected to be completed during the 2003/2004 fiscal year. The debt is being repaid by user fees and by property taxes.

**MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The final amended budget for the general fund increased during the year by a total of \$18.6 million. This increase was funded by increases in budgeted revenues of \$10 million and the use of reserves and designations of \$8.6 million. The major increases were in the functional areas of the general government (\$8.8 million) and public protection (\$7.5 million).

Contingencies and reserves were used to increase net transfers totaling \$2.7 million to other funds. A total of \$2 million went to fund salary cost of living adjustments and negotiated benefits that traditionally are not included in the County's initial budget. Of the \$16 million increase in budgeted revenues, a majority of the increase was in health and sanitation and public protection. State aid and federal aid budgeted revenues received increases of \$7.5 million.

Adjusted appropriations of \$268 million exceeded actual expenditures on a budgetary basis by \$14.3 million. This amount when combined with unused *contingency* appropriations of \$6.2 million resulted in an increase of \$20.5 million in fund balance.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At June 30, 2003, the County had \$1,109,936 invested in a broad range of capital assets, including land, buildings and systems improvements, machinery and equipment, park facilities, golf courses, airport facilities, roads, bridges, dams, and water and sewer lines (see Table F below). This amount represents a net increase (including additions and deductions) of \$29,434 or 2.7% over last year.

**Table F**  
**Capital Assets**  
**June 30, 2003**  
(in thousands)

	Governmental Activities June 30, 2003	Governmental Activities July 1, 2002	Business Type June 30, 2003	Business Type July 1, 2002	Total Capital Assets June 30, 2003	Total Capital Assets July 1, 2002	Total Percent Change
Land	\$ 13,086	\$ 12,825	\$ 17,066	\$ 15,590	\$ 30,152	\$ 28,415	6.1%
Water Rights	-	-	31,568	30,496	31,568	30,496	3.5%
Infrastructure Non Depreciable	757,696	757,696	-	-	757,696	757,696	0%
Construction- in-progress	21,721	8,765	38,126	20,907	59,847	29,672	101.7%
Structures & Improvements	82,893	80,747	82,025	80,097	164,918	160,844	2.5%
Equipment	41,073	38,656	5,580	5,890	46,653	44,546	4.7%
Infrastructure Depreciable	<u>191,880</u>	<u>194,349</u>	<u>-</u>	<u>-</u>	<u>191,880</u>	<u>194,349</u>	<u>(1.3%)</u>
Subtotal	1,108,349	1,093,038	174,365	152,980	1,282,714	1,246,018	2.9%
Less Accumulated Depreciation	<u>(143,214)</u>	<u>(137,390)</u>	<u>(29,564)</u>	<u>(28,126)</u>	<u>(172,778)</u>	<u>(165,516)</u>	<u>4.4%</u>
Total	\$ <u>965,135</u>	\$ <u>955,648</u>	\$ <u>144,801</u>	\$ <u>124,854</u>	\$ <u>1,109,936</u>	\$ <u>1,080,502</u>	<u>2.7%</u>

## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

### Major additions and future commitments in capital assets - Governmental activities

The implementation of the Countywide Facilities Master Plan is well underway. Phase III for the construction of a new General Government Facility has a completion date of approximately one year. The goals for the project include reducing leasing costs, improving work areas, allowing for growth over the next 10 years, and providing better public access to government services. The new facility is located across the street from the current government center and will be occupied by administrative and internal service departments. As of June 30, 2003, the County has expended \$14,890, and has committed funds of \$24,762 to complete the project.

### Major additions and future commitments in capital assets - Business-type activities

The airport is near completion on a \$2.5 million taxiway improvement and starting a new \$2.8 million fire fighting facility.

In October 2001 the Lopez Dam Seismic Remediation Project was started. The purpose of the project is to make specific repairs and improvements to the Dam that are considered necessary for public safety. Customer water sales and property taxes will be used to pay off the debt associated with the cost of the project. As of June 30, 2003, total expended funds was \$28,586 and the County has committed funds of \$1,414.

More detailed information about the County's capital assets is presented in Notes 4 and 5 in the financial statements.

### Debt Administration

At the end of the current fiscal year, the County of San Luis Obispo had total notes and bonds payable of \$67,828. Of this amount, \$12,980 is backed by the full faith and credit of the County. The remainder of the County's debt consists of: \$51,140 in certificates of participation, which are repaid from a variety of revenues; and, \$3,003 in State loans and \$705 in revenue bonds which are repaid with water service revenue. Additionally, the County is liable for \$3,230 of special assessment debt in the event of default by the property owner subject to the assessment.

**Table G**  
**Outstanding Debt**  
**June 30, 2003**  
(in thousands)

	Governmental Activities June 30, 2003	Governmental Activities June 30, 2002	Business Type June 30, 2003	Business Type June 30, 2002	Total June 30, 2003	Total June 30, 2002	Total Percent Change
Certificates of participation	\$ 27,601	\$ 6,486	\$ 23,539	\$ 23,989	\$ 51,140	\$ 30,475	67.8%
State note	-	-	3,003	3,117	3,003	3,117	(3.7%)
Revenue bonds	-	-	705	984	705	984	(28.4%)
General obligation bonds	-	-	12,980	13,200	12,980	13,200	(1.7%)
	<u>\$ 27,601</u>	<u>\$ 6,486</u>	<u>\$ 40,227</u>	<u>\$ 41,290</u>	<u>\$ 67,828</u>	<u>\$ 47,776</u>	<u>42.0%</u>

The net increase over last year for all the County's notes and bonds payable was \$20,052, or 41.9%, a majority of the increase, or \$21,690, represents the issuance of a COP to finance the cost of a new government building.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The County's recent debt issues have maintained a "AAA" rating from Standard & Poor's and a "AAA" rating from Fitch. These issues were the 2002 series A certificates of participation.

State statutes limit the amount of general obligation debt a governmental entity may issue to 1.25% of its net assessed valuation. The current debt limitation for the County is \$343,188, which provides a significant cushion over the County's outstanding general obligation debt.

Additional information on the County's long-term debt can be found in Note 10 to the financial statements. Also see Note 21 to the financial statements for information on debt issued in July 2003.

Other liabilities include compensated absences (\$17.1 million), landfill post-closure costs (\$3.1 million), net pension obligation (\$9.3 million), rebatable arbitrage earnings (\$91 thousand) and self-insurance (\$21.5 million). More detailed information about the County's long-term liabilities are presented in Note 10 to the financial statements.

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

- ❖ The budget for 2003/2004 fiscal year is a "status quo" budget with a moderate 4.4% growth for the general fund.
- ❖ Service level and staff reductions are reflected in Health, Mental Health, Drug and Alcohol Services, and Child Support Services budgets.
- ❖ Full impacts of the state budget cuts and revenue shortfalls were absorbed by most operating budgets with some impacts to specialized programs in Health and Social services.
- ❖ Although the County still maintains a stable economic environment since the major employers in the County are government and utilities, the downturn in the national and state economies is gradually slowing the economy of San Luis Obispo County.
- ❖ The County's unemployment rate is at 3.5%, considerably lower than the state rate of 6.7% and the national rate of 6.1%.
- ❖ The major sources of revenues stimulated by the economy have held steady or had modest increases:
  - County assessed property tax valuations grew \$4.1 billion.
  - The average price of homes in San Luis Obispo County rose to \$390,000 within the last year.
  - Transit occupancy tax grew by 2.6% last year and is expected to maintain that pace.
  - Sales tax is budgeted consistent with last year, which experienced an 8.6% increase.
- ❖ The Board of Supervisors adopted the 2003-2004 budget on June 10, 2003, with a \$38.5 million fund balance in the general fund of which \$15 million was appropriated to finance the current year's expenditures including contingencies, \$8 million was placed in general reserves, and \$9.5 million was earmarked for designations. The County budget also includes community-wide results and indicators as well as department goals and performance measures that gauge how departments are meeting the needs of the community.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the County Auditor-Controller, San Luis Obispo County Government Center, Room 300, San Luis Obispo, California 93408.

---

**BASIC FINANCIAL STATEMENTS  
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

---



COUNTY OF SAN LUIS OBISPO  
STATEMENT OF NET ASSETS  
JUNE 30, 2003 (in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 216,817	\$ 32,382	\$ 249,199
Accounts receivable, net	8	2,709	2,717
Property taxes receivable	5,535	-	5,535
Other receivables	7,845	54	7,899
Due from other governments	17,826	44	17,870
Deposits with others	-	13	13
Inventories	367	535	902
Prepaid items	358	3	361
Total current assets	248,756	35,740	284,496
Loans receivable	1,162	-	1,162
Restricted cash with fiscal agent	14,455	652	15,107
Capital assets:			
Nondepreciable	792,503	86,760	879,263
Depreciable, net	172,632	58,041	230,673
Deferred issuance and bond discount		53	53
Total non-current assets	980,752	145,506	1,126,258
Total assets	1,229,508	181,246	1,410,754
<u>Liabilities</u>			
Salaries and benefits payable	3,819	197	4,016
Accounts payable	10,182	6,412	16,594
Trust deposits	442	-	442
Internal balances	(5,625)	5,625	-
Deposits from others	962	2,776	3,738
Deferred revenue	5,388	2,029	7,417
Other current liabilities	1,540	474	2,014
Long Term Liabilities:			
Portion due or payable within one year:			
Bonds and notes payable	1,114	1,452	2,566
Compensated absences	11,841	691	12,532
Landfill closure/postclosure costs	217	-	217
Self insurance payable	6,533	-	6,533
Portion due or payable after one year:			
Bonds and notes payable	26,487	38,775	65,262
Compensated absences	4,569	-	4,569
Landfill closure/postclosure costs	2,876	-	2,876
Self-insurance payable	14,926	-	14,926
Net pension obligation	9,303	-	9,303
Other long term debt	-	91	91
Total liabilities	94,574	58,522	153,096
<u>Net Assets</u>			
Invested in capital assets, net of related debt	951,989	101,138	1,053,127
Restricted	66,890	-	66,890
Unrestricted	116,055	21,586	137,641
Total net assets	\$ 1,134,934	\$ 122,724	\$ 1,257,658

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

COUNTY OF SAN LUIS OBISPO  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

Functions / Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 31,990	\$ 23,236	\$ 1,604	\$ -
Public protection	98,816	7,139	30,141	150
Public ways and facilities	23,328	6,179	8,927	2,959
Health and sanitation	48,961	8,754	36,907	-
Public assistance	78,524	2,455	63,543	-
Education	7,323	1,567	541	-
Recreational and cultural services	5,003	3,189	53	-
Interest on long-term debt	2,797			-
Total governmental activities	<u>296,742</u>	<u>52,519</u>	<u>141,716</u>	<u>3,109</u>
Business-type activities:				
Airport	3,046	2,913	175	2,493
Golf	1,613	2,823	-	-
Hospital	28,170	15,824	-	-
State Water Contract	5,384	5,845	8	-
Lopez Dam	2,274	2,668	17	-
Other Special Districts	5,751	4,270	747	-
Total business-type activities	<u>46,238</u>	<u>34,343</u>	<u>947</u>	<u>2,493</u>
Total primary government	<u>\$ 342,980</u>	<u>\$ 86,862</u>	<u>\$ 142,663</u>	<u>\$ 5,602</u>

General revenues:  
 Taxes  
   Property taxes  
   Sales taxes  
   Transient Occupancy Tax  
   Other taxes  
 Grants not restricted to specific programs  
 Interest earning not restricted to specific programs  
 Other Revenues  
 Transfers  
     Total general revenues and transfers  
     Change in net assets  
 Net assets - beginning of year  
  
 Net assets - end of year

*Continued on next page*

COUNTY OF SAN LUIS OBISPO  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

Net (Expenses) Revenues and Changes in Net Assets		
Primary Government		
Governmental Activities	Business- type Activities	Total
\$ (7,150)	\$ -	\$ (7,150)
(61,386)	-	(61,386)
(5,263)	-	(5,263)
(3,300)	-	(3,300)
(12,526)	-	(12,526)
(5,215)	-	(5,215)
(1,761)	-	(1,761)
(2,797)	-	(2,797)
<u>(99,398)</u>	<u>-</u>	<u>(99,398)</u>
-	2,535	2,535
-	1,210	1,210
-	(12,346)	(12,346)
-	469	469
-	411	411
-	(734)	(734)
<u>-</u>	<u>(8,455)</u>	<u>(8,455)</u>
<u>(99,398)</u>	<u>(8,455)</u>	<u>(107,853)</u>
70,022	2,823	72,845
5,855	-	5,855
4,520	-	4,520
2,364	4	2,368
19,839	-	19,839
5,026	872	5,898
-	16	16
<u>(7,718)</u>	<u>7,718</u>	<u>-</u>
<u>99,908</u>	<u>11,433</u>	<u>111,341</u>
510	2,978	3,488
<u>1,134,424</u>	<u>119,746</u>	<u>1,254,170</u>
<u>\$ 1,134,934</u>	<u>\$ 122,724</u>	<u>\$ 1,257,658</u>

Functions / Programs

Governmental activities:

General government  
Public protection  
Public ways and facilities  
Health and sanitation  
Public assistance  
Education  
Recreational and cultural services  
Interest on long-term debt  
Total governmental activities

Business-type activities:

Airport  
Golf  
Hospital  
State Water Contract  
Lopez Dam  
Other Special Districts  
Total business-type activities

Total primary government

General revenues:

Taxes

Property taxes  
Sales taxes  
Transient Occupancy Tax  
Other taxes

Grants not restricted to specific programs

Interest earning not restricted to specific programs

Other Revenues

Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning of year

Net assets - end of year

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



---

**BASIC FINANCIAL STATEMENTS  
FUND FINANCIAL STATEMENTS**

---





COUNTY OF SAN LUIS OBISPO  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2003 (in thousands)

	General Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 80,490	\$ 32,689	\$ 74,307	\$ 187,486
Accounts receivable, net	4	-	-	4
Accrued property taxes receivable	5,535	-	-	5,535
Loans receivable	47	-	-	47
Other receivables	6,658	715	471	7,844
Due from other governments	14,997	74	2,755	17,826
Prepaid items	307	-	51	358
Advances to other funds	5,083	-	696	5,779
Restricted cash with fiscal agent	-	10,069	4,386	14,455
Other assets	-	-	1,115	1,115
	<u>113,121</u>	<u>43,547</u>	<u>83,781</u>	<u>240,449</u>
<u>Liabilities and fund balances:</u>				
<u>Liabilities:</u>				
Salaries and benefits payable	2,950	-	193	3,143
Accounts payable	6,781	733	422	7,936
Trust deposits	84	-	358	442
Due to other county funds	13	-	28	41
Deposits from others	194	-	537	731
Deferred revenue	9,640	6	257	9,903
Other current liabilities	1,540	-	1,453	2,993
Advances from other county funds	-	-	2,991	2,991
Total liabilities	<u>21,202</u>	<u>739</u>	<u>6,239</u>	<u>28,180</u>
<u>Fund balances:</u>				
Reserved	21,772	25,691	38,763	86,226
Unreserved	70,147	17,117	-	87,264
Unreserved, reported in nonmajor:				
Special revenue funds			38,779	38,779
Total fund balance	<u>91,919</u>	<u>42,808</u>	<u>77,542</u>	<u>212,269</u>
Total liabilities and fund balances	<u>\$ 113,121</u>	<u>\$ 43,547</u>	<u>\$ 83,781</u>	<u>\$ 240,449</u>

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

COUNTY OF SAN LUIS OBISPO  
 RECONCILIATION OF THE BALANCE SHEET  
 GOVERNMENTAL FUNDS  
 TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS  
 JUNE 30, 2003 (in thousands)

	Amount
<u>Fund balances - total governmental funds</u>	\$ 212,269
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	954,305
Internal service funds are used by the County to charge the cost of vehicle fleet management, centralized reprographic services, comprehensive public works services, and operations of the County's workers' compensation, protected self-insurance, unemployment, and dental insurance programs to individual funds. The assets and liabilities are included in governmental activities in the statement of net assets.	14,921
Adjustment for Internal Service Funds are necessary to "close" those funds by charging additional amount to participation business-type activities to completely cover the Internal Service Funds' cost for the year.	2,843
Accrued Property tax revenues are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	4,515
Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the governmental funds.	(53,919)
	(53,919)
Net assets of governmental activities	\$ 1,134,934

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

COUNTY OF SAN LUIS OBISPO  
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	General Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>				
Taxes	\$ 76,417	\$ -	\$ 6,987	\$ 83,404
Licenses, permits, and franchises	8,697	-	3	8,700
Fines, forfeits, and penalties	4,902	201	885	5,988
Revenues from use of money and property	2,541	723	1,575	4,839
Aid from governmental agencies	143,811	222	20,592	164,625
Charges for current services	29,796	315	18,846	48,957
Other revenues	2,208	246	1,865	4,319
Total revenues	<u>268,372</u>	<u>1,707</u>	<u>50,753</u>	<u>320,832</u>
<u>Expenditures:</u>				
Current:				
General government	37,408	-	2,488	39,896
Public protection	94,277	-	1,538	95,815
Public ways and facilities	-	-	20,741	20,741
Health and sanitation	42,446	-	5,376	47,822
Public assistance	72,429	-	5,020	77,449
Education	280	-	6,692	6,972
Recreational and cultural services	-	-	4,853	4,853
Debt service:				
Principal payments	-	-	1,305	1,305
Interest and fiscal charges	295	-	2,664	2,959
Capital outlay	-	15,147	-	15,147
Total expenditures	<u>247,135</u>	<u>15,147</u>	<u>50,677</u>	<u>312,959</u>
Excess (deficiency) of revenues over (under) expenditures	<u>21,237</u>	<u>(13,440)</u>	<u>76</u>	<u>7,873</u>
<u>Other financing sources (uses):</u>				
Proceeds on long term debt	-	-	21,982	21,982
Transfers in	4,359	23,482	9,119	36,960
Transfers (out)	(20,625)	(3,338)	(22,491)	(46,454)
Total other financing sources and uses	<u>(16,266)</u>	<u>20,144</u>	<u>8,610</u>	<u>12,488</u>
Net change in fund balances	4,971	6,704	8,686	20,361
Fund balances - beginning	<u>86,948</u>	<u>36,104</u>	<u>68,856</u>	<u>191,908</u>
Fund balances - ending	<u>\$ 91,919</u>	<u>\$ 42,808</u>	<u>\$ 77,542</u>	<u>\$ 212,269</u>

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

COUNTY OF SAN LUIS OBISPO  
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
TO THE GOVERNMENTAL-WIDE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Amount
Net change in fund balances - total governmental funds	\$ 20,361
 Amounts reported for governmental activities in the statement of activities are different because:	
Property tax revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(643)
Governmental funds report capital outlays as expenditures. These expenditures have no effect on net assets.	22,579
In the statement of activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense.	(13,207)
The net effect of various miscellaneous transactions involving capital assets such as sales, trade-ins and donations is to decrease net assets.	(241)
Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net assets.	(21,305)
Expenses related to liability accruals are reported in the statement of activities but do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.	(4,236)
Internal service fund are used by the County to charge the costs of vehicle fleet management, centralized reprographic services, comprehensive engineering services, and operations of the County's worker's compensation , protected self insurance, unemployment, and dental insurance programs to individual funds. The net revenue or expenditure effect of internal service funds is reported with governmental activities.	(2,798)
Change in net assets of governmental activities	\$ 510

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

COUNTY OF SAN LUIS OBISPO  
STATEMENT OF FUND NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2003 (in thousands)

	Business-type Activities - Enterprise Funds			
	Airport	Golf	Medical Services	State Water Project
<u>Assets</u>				
Current Assets:				
Cash and cash equivalents	\$ 873	\$ 962	\$ 2,155	\$ 10,533
Accounts receivable, net	-	-	1,920	475
Other receivables	6	32	-	-
Due from other county funds	-	-	-	6
Due from other governments	44	-	-	-
Deposits with others	-	-	-	-
Inventory	-	-	535	-
Prepaid items	-	-	3	-
Advances to other funds	-	549	-	-
Total current assets	<u>923</u>	<u>1,543</u>	<u>4,613</u>	<u>11,014</u>
Noncurrent assets:				
Restricted cash with fiscal agent	-	5	-	-
Capital assets:				
Nondepreciable:				
Land	13,154	1,333	267	-
Construction in progress	2,498	-	-	13
Water rights	-	-	-	29,642
Depreciable:				
Structures & improvements, net	18,013	12,837	1,127	8,910
Equipment, net	22	178	583	107
Other capital assets	-	-	-	-
Deferred charges and other assets	-	-	53	-
Total noncurrent assets	<u>33,687</u>	<u>14,353</u>	<u>2,030</u>	<u>38,672</u>
Total assets	<u>34,610</u>	<u>15,896</u>	<u>6,643</u>	<u>49,686</u>

*Continued on next page*

COUNTY OF SAN LUIS OBISPO  
STATEMENT OF FUND NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2003 (in thousands)

Business-type Activities - Enterprise Funds			Governmental Activities
Lopez Flood Control	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 7,809	\$ 10,050	\$ 32,382	\$ 29,331
32	282	2,709	4
-	16	54	1
-	534	540	50
-	-	44	-
-	13	13	-
-	-	535	367
-	-	3	-
1,052	-	1,601	-
<u>8,893</u>	<u>10,895</u>	<u>37,881</u>	<u>29,753</u>
647	-	652	-
2,096	216	17,066	-
29,491	6,124	38,126	-
1,926	-	31,568	-
8,342	7,592	56,821	562
41	289	1,220	10,268
-	-	-	-
-	-	53	-
<u>42,543</u>	<u>14,221</u>	<u>145,506</u>	<u>10,830</u>
<u>51,436</u>	<u>25,116</u>	<u>183,387</u>	<u>40,583</u>

Assets

Current Assets:

Cash and cash equivalents
Accounts receivable, net
Other receivables
Due from other county funds
Due from other governments
Deposits with others
Inventory
Prepaid items
Advances to other funds
Total current assets

Noncurrent assets:

Restricted cash with fiscal agent
Capital assets:
Nondepreciable:
Land
Construction in progress
Water rights
Depreciable:
Structures & improvements, net
Equipment, net
Other capital assets
Deferred charges and other assets
Total noncurrent assets

Total assets

*Continued on next page*

COUNTY OF SAN LUIS OBISPO  
STATEMENT OF FUND NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2003 (in thousands)

	Business-type Activities - Enterprise Funds			
	Airport	Golf	Medical Services	State Water Project
<u>Liabilities</u>				
Current liabilities:				
Salaries and benefits payable	19	28	150	-
Accounts payable	33	165	1,460	3,068
Patient refunds	-	-	72	-
Interest payable	-	-	66	-
Self insurance payable	-	-	-	-
Deposits from others	-	-	-	2,638
Due to other county funds	-	-	-	-
Accrued vacation - current	46	146	499	-
Accrued Hospital Closure costs	-	-	474	-
Deferred revenue	65	-	-	865
Notes and bonds payable - current	-	-	-	-
Leases payable - current	-	200	-	-
Other short term debt	-	-	-	-
Total current liabilities	<u>163</u>	<u>539</u>	<u>2,721</u>	<u>6,571</u>
Noncurrent liabilities:				
Self insurance liability	-	-	-	-
Advances from other funds	4,050	148	-	-
Notes and bonds payable	-	-	-	-
Leases payable	-	7,894	-	-
Accrued vacation and sick leave	-	-	-	-
Other long-term debt	-	-	-	-
Total noncurrent liabilities	<u>4,050</u>	<u>8,042</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>4,213</u>	<u>8,581</u>	<u>2,721</u>	<u>6,571</u>
<u>Net assets</u>				
Invested in capital assets, net of related debt	29,637	6,259	2,030	38,672
Unrestricted	760	1,056	1,892	4,443
Total net assets	<u>\$ 30,397</u>	<u>\$ 7,315</u>	<u>\$ 3,922</u>	<u>\$ 43,115</u>

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

COUNTY OF SAN LUIS OBISPO  
STATEMENT OF FUND NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2003 (in thousands)

Business-type Activities - Enterprise Funds			Governmental Activities	
Lopez Flood Control	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds	
-	-	197	338	<u>Liabilities</u>
912	19	5,657	2,246	Current liabilities:
-	-	72	-	Salaries and benefits payable
617	-	683	-	Accounts payable
-	-	-	6,533	Patient refunds
-	138	2,776	231	Interest payable
3	531	534	15	Self insurance payable
-	-	691	1,083	Deposits from others
1,016	83	2,029	-	Due to other county funds
630	121	751	-	Accrued vacation - current
501	-	701	-	Accrued Hospital Closure costs
-	-	-	-	Deferred revenue
3,679	892	14,565	10,446	Notes and bonds payable - current
-	-	-	14,926	Leases payable - current
-	191	4,389	-	Other short term debt
-	2,957	2,957	-	Total current liabilities
27,924	-	35,818	290	Noncurrent liabilities:
-	-	-	-	Self insurance liability
91	-	91	-	Advances from other funds
28,015	3,148	43,255	15,216	Notes and bonds payable
31,694	4,040	57,820	25,662	Leases payable
13,397	11,143	101,138	10,830	Accrued vacation and sick leave
6,345	9,933	24,429	4,091	Other long-term debt
\$ 19,742	\$ 21,076	\$ 125,567	\$ 14,921	Total noncurrent liabilities
				Total liabilities
				<u>Net assets</u>
				Invested in capital assets, net of related debt
				Unrestricted
				Total net assets

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

COUNTY OF SAN LUIS OBISPO  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Business-type Activities - Enterprise Funds			
	Airport	Golf	Medical Services	State Water Project
<u>Operating revenues:</u>				
Charges for current services	\$ 2,898	\$ 2,816	\$ 17,547	\$ 5,452
Total operating revenues	<u>2,898</u>	<u>2,816</u>	<u>17,547</u>	<u>5,452</u>
<u>Operating expenses</u>				
Salaries and benefits	699	1,264	11,443	-
Services and supplies	1,717	1,242	13,699	-
Other charges	-	874	635	5,100
Insurance benefit payments	-	-	-	-
Insurance premiums	-	-	319	-
Depreciation	478	399	333	218
Countywide cost allocation	-	-	839	-
Total operating expenses	<u>2,894</u>	<u>3,779</u>	<u>27,268</u>	<u>5,318</u>
Operating income (loss)	<u>4</u>	<u>(963)</u>	<u>(9,721)</u>	<u>134</u>
<u>Nonoperating revenues:</u>				
Property taxes	-	-	-	687
Interest income	9	82	6	201
Aid from governmental agencies	2,668	-	-	8
Other nonoperating revenues	15	7	181	393
Total nonoperating revenue	<u>2,692</u>	<u>89</u>	<u>187</u>	<u>1,289</u>
<u>Nonoperating expenses:</u>				
Fiscal charges	-	-	-	-
Loss on sale of assets	-	-	50	-
Interest expense	-	-	-	-
Other nonoperating expenses	-	-	-	-
Total nonoperating expense	<u>-</u>	<u>-</u>	<u>50</u>	<u>-</u>
Income (loss) before contribution and transfers	<u>2,696</u>	<u>(874)</u>	<u>(9,584)</u>	<u>1,423</u>
Transfers in	4	-	9,811	-
Transfers (out)	(33)	-	-	-
Change in net assets	<u>2,667</u>	<u>(874)</u>	<u>227</u>	<u>1,423</u>
Net assets - beginning	<u>27,730</u>	<u>8,189</u>	<u>3,695</u>	<u>41,692</u>
Total net assets - ending	<u>\$ 30,397</u>	<u>\$ 7,315</u>	<u>\$ 3,922</u>	<u>\$ 43,115</u>

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

COUNTY OF SAN LUIS OBISPO  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

Business-type Activities - Enterprise Funds			Governmental Funds	
Lopez Flood Control	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds	
\$ 2,616	\$ 4,288	\$ 35,617	\$ 62,793	<u>Operating revenues:</u>
<u>2,616</u>	<u>4,288</u>	<u>35,617</u>	<u>62,793</u>	Charges for current services
				Total operating revenues
-	-	13,406	14,396	<u>Operating expenses</u>
-	25	16,683	40,379	Salaries and benefits
1,860	5,259	13,728	796	Services and supplies
-	-	-	7,843	Other charges
-	-	319	903	Insurance benefit payments
201	350	1,979	1,883	Insurance premiums
-	-	839	1,629	Depreciation
<u>2,061</u>	<u>5,634</u>	<u>46,954</u>	<u>67,829</u>	Countywide cost allocation
<u>555</u>	<u>(1,346)</u>	<u>(11,337)</u>	<u>(5,036)</u>	Total operating expenses
				Operating income (loss)
1,159	981	2,827	-	<u>Nonoperating revenues:</u>
336	238	872	606	Property taxes
17	747	3,440	-	Interest income
52	37	685	274	Aid from governmental agencies
<u>1,564</u>	<u>2,003</u>	<u>7,824</u>	<u>880</u>	Other nonoperating revenues
				Total nonoperating revenue
1,487	-	1,487	-	<u>Nonoperating expenses:</u>
-	-	50	-	Fiscal charges
-	100	100	-	Loss on sale of assets
-	-	-	8	Interest expense
<u>1,487</u>	<u>100</u>	<u>1,637</u>	<u>8</u>	Other nonoperating expenses
				Total nonoperating expense
632	557	(5,150)	(4,164)	Income (loss) before contribution and transfers
7	635	10,457	-	Transfers in
-	(930)	(963)	-	Transfers (out)
639	262	4,344	(4,164)	Change in net assets
<u>19,103</u>	<u>20,814</u>	<u>121,223</u>	<u>19,085</u>	Net assets - beginning, as previously reported
<u>\$ 19,742</u>	<u>\$ 21,076</u>	<u>\$ 125,567</u>	<u>\$ 14,921</u>	Total net assets - ending
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		(2,843)		
		<u>\$ 122,724</u>		

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

COUNTY OF SAN LUIS OBISPO  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Business-type Activities - Enterprise Funds			
	Airport	Golf	Medical Services	State Water Project
<u>Cash flows from operating activities:</u>				
Receipts from customers, patients, third parties	\$ 2,898	\$ 2,840	\$ 12,918	\$ 5,217
Receipts from interfund billings	-	-	-	-
Cash received from other sources	-	-	1,136	-
Payments for goods and services	(1,577)	(1,576)	(10,554)	(4,599)
Payments to employees for service	(693)	(1,240)	(11,864)	-
Payments for insurance benefits	-	-	-	-
Payments for premiums	-	-	-	-
Payments to other sources	-	-	618	-
Net cash provided (used) by by operating activities	<u>628</u>	<u>24</u>	<u>(7,746)</u>	<u>618</u>
<u>Cash flows from noncapital financing activities:</u>				
Property tax proceeds	-	-	-	687
Grants and subsidies from other gov't agencies	2,433	-	-	8
Transfers from other funds	-	-	9,811	-
Transfers to other funds	-	-	-	-
Net cash provided (used) by capital and related financing activities	<u>2,433</u>	<u>-</u>	<u>9,811</u>	<u>695</u>
<u>Cash flows from capital and related financing activities:</u>				
Purchases and construction of capital assets	(2,579)	-	(45)	-
Proceeds from sale of capital assets	-	1	-	-
Principal paid on capital debt	(138)	(300)	-	-
Interest paid on capital debt	-	-	-	-
Capital contributions	-	702	-	-
Other receipts (payments)	15	(1,691)	(45)	(648)
Net cash provided (used) by capital and related financing activities	<u>(2,702)</u>	<u>(1,288)</u>	<u>(90)</u>	<u>(648)</u>
<u>Cash flows from investing activities:</u>				
Interest received	10	82	5	201
Other investing activities	-	-	-	-
Net increase (decrease) in cash and cash equivalents	369	(1,182)	1,980	866
Total cash and cash equivalents, beginning of year	<u>504</u>	<u>2,149</u>	<u>175</u>	<u>9,667</u>
Total cash and cash equivalents, end of year	<u>\$ 873</u>	<u>\$ 967</u>	<u>\$ 2,155</u>	<u>\$ 10,533</u>

*Continued on next page*

COUNTY OF SAN LUIS OBISPO  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

Business-type Activities - Enterprise Funds			Governmental
Lopez Flood Control	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 3,714	\$ 4,626	\$ 32,213	\$ -
-	-	-	64,167
-	73	1,209	-
(2,008)	(5,574)	(25,888)	(41,819)
-	-	(13,797)	(14,209)
-	-	-	(7,442)
-	-	-	(903)
-	(474)	144	-
<u>1,706</u>	<u>(1,349)</u>	<u>(6,119)</u>	<u>(206)</u>
1,159	981	2,827	-
17	762	3,220	-
1,071	301	11,183	-
-	(310)	(310)	-
<u>2,247</u>	<u>1,734</u>	<u>16,920</u>	<u>-</u>
(15,335)	(1,325)	(19,284)	(2,380)
-	2	3	204
(1,735)	(225)	(2,398)	-
(1,539)	(105)	(1,644)	-
-	-	702	-
(92)	(3)	(2,464)	-
<u>(18,701)</u>	<u>(1,656)</u>	<u>(25,085)</u>	<u>(2,176)</u>
336	238	872	606
-	-	-	50
(14,412)	(1,033)	(13,412)	(1,726)
<u>22,868</u>	<u>11,083</u>	<u>46,446</u>	<u>31,057</u>
<u>\$ 8,456</u>	<u>\$ 10,050</u>	<u>\$ 33,034</u>	<u>\$ 29,331</u>

Cash flows from operating activities:  
Receipts from customers, patients, third parties  
Receipts from interfund billings  
Cash received from other sources  
Payments for goods and services  
Payments to employees for service  
Payments for insurance benefits  
Payments for premiums  
Payments to other sources  
Net cash provided (used) by  
by operating activities

Cash flows from noncapital financing activities:  
Property tax proceeds  
Grants and subsidies from other gov't agencies  
Transfers from other funds  
Transfers to other funds  
Net cash provided (used) by capital and  
related financing activities

Cash flows from capital and related  
financing activities:  
Purchases and construction of capital assets  
Proceeds from sale of capital assets  
Principal paid on capital debt  
Interest paid on capital debt  
Capital contributions  
Other receipts (payments)  
Net cash provided (used) by capital and  
related financing activities

Cash flows from investing activities:  
Interest received  
Other investing activities  
Net increase (decrease) in cash  
and cash equivalents  
Total cash and cash equivalents, beginning of year  
Total cash and cash equivalents, end of year

*Continued on next page*

COUNTY OF SAN LUIS OBISPO  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Business-type Activities - Enterprise Funds			
	Airport	Golf	Medical Services	State Water Project
<u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>				
Operating income (loss)	\$ 4	\$ (963)	\$ (9,721)	\$ 134
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	478	399	333	218
Other nonoperating revenue (expense)	-	-	5,095	-
Change in assets and liabilities:				
Receivables, net	146	(18)	(4,311)	(230)
Other receivables	-	50	634	(1)
Inventory	-	-	279	-
Accounts Payable	(4)	(9)	(254)	502
Accrued payroll liabilities	6	5	(115)	-
Accrued vacation	-	19	(304)	-
Self insurance liability	-	-	-	-
Other accrued liabilities	(2)	541	618	(5)
Net cash provided (used) by operating activities	<u>\$ 628</u>	<u>\$ 24</u>	<u>\$ (7,746)</u>	<u>\$ 618</u>

Noncash investing, capital and financing activities:

Variours departments trasferred vehicles to the garage internal service fund with a total net book value of \$219  
The hospital retired capital assets with a net value of \$ 57

COUNTY OF SAN LUIS OBISPO  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

Business-type Activities - Enterprise Funds			Governmental Activities
Lopez Flood Control	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 555	\$ (1,346)	\$ (11,337)	\$ (5,036)
201	350	1,979	1,883
254	(71)	5,278	238
1,934	587	(1,892)	1,177
733	64	1,480	-
-	-	279	(3)
(1,971)	(877)	(2,613)	1,046
-	(13)	(117)	172
-	-	(285)	13
-	-	-	304
-	(43)	1,109	-
<u>\$ 1,706</u>	<u>\$ (1,349)</u>	<u>\$ (6,119)</u>	<u>\$ (206)</u>

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss)

Adjustments to reconcile operating income to net cash provided by operating activities:

Depreciation expense

Other nonoperating revenue (expense)

Change in assets and liabilities:

Receivables, net

Other receivables

Inventory

Accounts Payable

Accrued payroll liabilities

Accrued vacation

Self insurance liability

Other accrued liabilities

Net cash provided (used) by operating activities

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

COUNTY OF SAN LUIS OBISPO  
STATEMENT OF FIDUCIARY NET ASSETS  
AGENCY AND INVESTMENT TRUST FUNDS  
JUNE 30, 2003 (in thousands)  
SAN LUIS OBISPO PENSION TRUST FUND

	DECEMBER 31, 2002 (in thousands)	Investment Trust Funds 6/30/2003	San Luis Obispo County Pension Trust 12/31/2002
	Agency Funds 6/30/2003		
<u>Assets</u>			
Cash and cash equivalents	\$ 27,212	\$ 189,773	\$ 12,133
Receivables	11		-
Accrued interest & dividends receivable	-	-	2,452
Notes receivable, short term	-	-	2,493
Notes receivable	-	-	11,141
Prepaid benefits	-	-	988
Restricted cash with fiscal agent	-	-	372,652
Capital assets-net of accumulated depreciation	-	-	344
Total assets	27,223	189,773	402,203
<u>Liabilities</u>			
Agency obligations	27,223	-	-
Accrued liabilities	-	-	197
Prepaid contributions	-	-	11,446
Total liabilities	27,223	-	11,643
<u>Net assets</u>			
Assets held in trust for pool participants	-	189,773	-
Assets held in trust for pension benefits	-	-	390,560
Total net assets	\$ -	\$ 189,773	\$ 390,560

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

COUNTY OF SAN LUIS OBISPO  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
INVESTMENT TRUST FUNDS  
FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)  
SAN LUIS OBISPO PENSION TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2002 (in thousands)

	Investment Trust Funds 6/30/2003	San Luis Obispo County Pension Trust 12/31/2002
<u>Additions</u>		
Contributions:		
County contributions	\$ 954,094	\$ 14,692
Member contributions	-	10,636
Total contributions	954,094	25,328
Investment earnings:		
Net increase (decrease) in fair value of investments	-	(31,882)
Interest	3,332	12,850
Dividends	-	1,858
Real estate management trust income	-	1,039
Rental real estate:		
Real estate operating income	-	1,310
Real estate operating expenses	-	(452)
Total investment earnings	3,332	(15,277)
Total additions	957,426	10,051
<u>Deductions</u>		
Benefits:		
Monthly Benefit payments	-	14,746
Termination refunds	-	1,362
Death Benefits	-	50
Total benefits	-	16,158
Administrative expenses	-	1,187
Amortization of prepaid County contribution	-	528
Total Administrative expenses	-	1,715
Distributions from investment pool	906,201	-
Total deductions	906,201	17,873
Change in net assets	51,225	(7,822)
Net assets - beginning	138,548	398,382
Net assets - ending	\$ 189,773	\$ 390,560

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



---

**NOTES TO THE FINANCIAL STATEMENTS**

---



**COUNTY OF SAN LUIS OBISPO**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2003**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. FINANCIAL REPORTING ENTITY**

The County of San Luis Obispo (the County) was established by an act of the Legislature on February 18, 1850 as one of California's original 27 Counties. The County is a political subdivision of the State of California and may exercise the powers specified by the Constitution and laws of the State. The County exercises its powers through an elected five member Board of Supervisors. The County provides various services on a countywide basis including public protection, public ways and facilities, health and sanitation, public assistance, education, recreational and cultural services.

**Blended Component Units**

The accompanying financial statements report on the financial activities of the County and those County-related entities that meet the criteria for component units established by the Governmental Accounting Standards Board (GASB), Statement 14. These component units are so intertwined with the County that they are, in substance, the same as the County and, therefore, are blended and reported as if they were part of the County. According to GASB Statement No. 14, blended component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The blended component units' governing bodies are substantively the same as the governing body of the primary government. In addition, blended component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The County, therefore, has included the following entities in its government-wide, governmental fund and proprietary fund financial statements:

*San Luis Obispo County Area Transit District* – The District provides Dial-A-Ride, taxi subsidies, trolley and other modes of public transportation in a specified area within the County of San Luis Obispo.

*County Service Areas* – County service areas have been established for the purpose of providing specific services to distinct geographical areas within the County. These services include drainage and sewer collections facilities maintenance, street lighting energy charges, centralized septic services, wastewater disposal and treatment, fire and emergency medical services in various unincorporated areas of the County.

*Flood Control and Water Conservation Districts* – Flood control and water conservation districts have been established for the purpose of providing specific flood and conservation services to distinct geographical areas within the County. These services include weather and hydrological data collections services, delivery, water treatment, and water distribution services, and the construction of the Lopez Dam Seismic Remediation project.

*San Luis Obispo County Financing Authority* - The Authority was created to assist in the financing, construction, and equipping of public facilities for one or both of the members.

*San Luis Obispo County Public Facilities Corporation* - The PFC is a nonprofit public benefit corporation organized to assist public agencies within the County of San Luis Obispo with the acquisition and construction of various public facilities.

Additional detailed information and/or separately issued financial statements for each of these entities can be obtained from the County of San Luis Obispo Auditor-Controller's office located at the County Government Center Room 300, San Luis Obispo, CA 93408.

Also included in the accompanying financial statements as investment trust funds are the assets of numerous self-governed schools, special districts, regional boards and authorities for which the County Treasurer acts as custodian of those assets. The financial reporting for these governmental entities, which are independent of the County, is limited to the total amount of cash and investments and the related fiduciary responsibility of the County for disbursement of these assets. Activities of these entities are

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

administered by separate boards and are independent of the County Board of Supervisors. The County Auditor-Controller makes disbursements upon the request of the entity's officers. The County Board of Supervisors has no effective authority to govern, manage, approve budgets, assume financial accountability, establish revenue limits, nor to appropriate surplus funds available in these entities. Seven cities and numerous self-governed special districts provide services to the residents of the County. The operations of these entities have been excluded from the basic financial statements as each entity conducts its own day-to-day operations and answers to its own governing board.

### B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

#### Government-wide Financial Statements

The Government-wide financial statements consist of the statement of net assets and the statement of activities that report information about the County and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. The statements distinguish between governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or functions and, therefore, are clearly identifiable to a particular function. Indirect expenses are allocated based on the County-wide Cost Allocation Plan have been made in the funds and are been eliminated for the statement of activities.

Amounts reported as *program revenues* include 1) fees, fines and charges to customers or applicants for goods or services offered by the programs, 2) operating grants and contributions that are restricted to meeting the operational requirements of a particular program, and 3) capital grants and contributions restricted to particular programs. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the County enterprises funds (Airport, Golf, Medical Services, State Water Project and Lopez Flood Control Project) and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### Fund Financial Statements

The fund financial statements report detailed information about the County's funds, including fiduciary funds and blended component units. Separate statements are provided for each fund category – Governmental, Proprietary, and Fiduciary even though the latter are excluded from the Government-wide financial statements. The emphasis of the Governmental and Proprietary Fund financial statements is on major individual funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary fund statements.

#### The County reports the following Major Governmental Funds:

- The General Fund is the County's primary operating fund. The General Fund is used to account for all revenues and expenditures necessary to carry out the basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as public protection, public ways and facilities, health and sanitation, public assistance, education, and recreational and cultural services.
- The Capital Projects Fund is used to account for the financial resources restricted for the acquisition or construction of specific projects, or items other than those financed by proprietary funds.

## **NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**

### The County reports the following Major Proprietary Funds:

- The Airport Fund accounts for the maintenance, operations, and development of the County owned commercial service airports in San Luis Obispo and Oceano.
- The Golf Course Fund accounts for the operations and maintenance of the County owned golf courses located in Atascadero, Morro Bay, and San Luis Obispo.
- The Medical Services Fund accounts for the operations of the County General Hospital, which provides needed health services to all the citizens of the County.
- The State Water Contract Fund accounts for revenues, expenses and net assets relating to the countywide taxpayers' obligations associated with the State Water Project, which provides for the delivery of state water into the County.
- The Lopez Dam Flood Control Fund accounts for the maintenance, water treatment and water distribution services of the Lopez Dam Flood Control Zone 3, which provides water to south San Luis Obispo County and the activities of the Lopez Dam Seismic Remediation Project.
- Additionally, the County reports on internal service funds. Internal service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County or to other governments on a cost-reimbursement basis. Internal Service Funds account for the activities of equipment maintenance services, centralized printing services, and self-insurance programs such as workers' compensation, long-term disability, employee benefits, and personal injury and property damage.

### The County reports the following Fiduciary Funds:

- Pension Trust Fund accumulates contributions from the County, its employees, and earnings from the fund's investments. Disbursements are made from the fund for retirement, disability and death benefits (based on a defined benefit formula) and administrative expenses. This fund includes all assets of the San Luis Obispo County Pension Trust as of December 31, 2002.
- Investment Trust Funds accounts for the assets of legally separate entities that deposit cash with the County Treasurer. These entities include school and community college districts, other special districts governed by local boards, regional boards and authorities and pass through funds for tax collections for cities. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand. The County reports on 239 different Investment Trust Funds.
- Agency Funds account for the resources held by the County in a custodial capacity on behalf of other agencies. The County reports on 80 different Agency Funds.

## **C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The Government-wide, Proprietary, and Fiduciary Fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property, sales, and transient occupancy taxes, grants, entitlements, and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from sales and occupancy taxes are recognized when the underlying transactions take place. Revenues from grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they become both measurable and available. The County considers all revenues in governmental funds to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenues are considered to be available if they are collected within 120 days of the end of the current fiscal period. It is the County's policy to submit reimbursement and claim requests for federal and state grant revenues within 30 days of the end of the program cycle and payments are generally received within 90 days. Property taxes, franchise taxes,

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

licenses, and interest are considered to be susceptible to accrual. Expenditures generally are recorded when the related liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claim and judgments, are recognized as expenditures only to the extent that payment is due. General capital assets 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

In general, the effect of interfund activity has been eliminated from the Government-wide financial statements. Exceptions to this general rule are billings by the Medical Services Enterprise Fund for medical or laboratory services provided at market or near market rates. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

### D. IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES

#### Governmental Accounting Standards Board Statement No. 41

In May 2003, the Governmental Accounting Standards (GASB) issued Statement No. 41, *Budgetary Comparison Schedules – Perspective Differences*. This Statement amends Statement 34 by clarifying the budgetary presentation requirements for governments with significant budgetary perspective differences that result in their not being able to present budgetary comparison information for the general fund and major special revenue funds. These governments are required to present budgetary comparison schedules as required supplementary information (RSI) based on the fund, organization, or program structure that the government uses for its legally adopted budget. The County adopted the provisions of GASB Statement 41 for its fiscal year ended June 30, 2003.

### E. BUDGETARY ACCOUNTING

In accordance with the provisions of Sections 29000 through 29144 inclusive of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares and legally adopts a final budget on or before August 30th for each fiscal year. The County operation, commencing July 1st, is governed by the proposed budget, adopted by the Board of Supervisors, in June of the prior year unless the final budget is adopted before June 30.

After the budget is approved, the appropriations can be added to, subtracted from, or changed only by Board resolution. All such changes must be within the revenues and reserves estimated as available in the final budget or within revised revenue estimates as approved by the Board. During the fiscal year ended June 30, 2003, the Board of Supervisors approved all necessary supplemental appropriations. Generally, the effects of the supplemental appropriations are to increase the budget for cost of living adjustments and new programs and grants financed by other governmental agencies. In addition, during the current fiscal year there were no excess expenditures over the related appropriations within governmental funds.

An operating budget is adopted each fiscal year for all Governmental Funds on the modified accrual basis. Additionally, encumbrance accounting is utilized to assure effective budgetary control. Encumbrances outstanding at year end represent the estimated amount of the expenditures ultimately to result if the unperformed contracts in process at year end are completed or purchase commitments satisfied. Such year end encumbrances are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year and included in the subsequent year's budget. Unencumbered appropriations lapse at year end.

All Governmental, Enterprise, and Internal Service Funds that are under the control of the Board of Supervisors, have legally adopted annual budgets. Although the Enterprise and Internal Service Funds have

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

adopted budgets, there is no appropriation of expenditures and these budgets only serve as spending plans for the year.

The legal level of budgetary control (the level on which expenditures may not legally exceed appropriations) is at the department/budget unit and object level except for fixed assets, which are controlled at the subobject level. Object levels of expenditures are as follows: salaries and benefits, services and supplies, other charges, fixed assets, and contingencies. Subobject levels of expenditures for fixed assets are land, structures and improvements, and equipment.

Presentation of the basic financial statements at the legal level of budgetary control is not feasible due to excessive length. Because of the large volume of detail, the budget and actual statements contained in the basic financial statements have been aggregated by function. A separate supplemental budget report, which demonstrates legal compliance with budgetary control, is included in the supplemental section of the basic financial statements for all governmental funds with a legally adopted budget.

For budgetary purposes, actual GAAP expenditures have been adjusted to include encumbrances outstanding at year end and to exclude long-term capital leases recorded as long-term obligations of the County. Encumbrance accounting is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Fund under the jurisdiction of the Board of Supervisors.

### Reconciliation of Operations On a Budgetary Basis to Modified Accrual Basis

The accompanying Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual on a Budgetary Basis and supporting budgetary schedules presents comparisons of the legally adopted budgets (original and final), with actual data on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with GAAP, a reconciliation due to differences between the Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual on a Budgetary Basis and the Combined Statement of Revenues, Expenditures, and Changes in Fund Balance is presented (in thousands):

	General	Capital Projects	Special Revenues
Expenditures on Budgetary Basis	\$ 253,061	\$ 40,838	\$ 56,125
Less: Encumbrances for Expenditures	5,926	25,691	9,417
Expenditures on GAAP Basis	<u>\$ 247,135</u>	<u>\$ 15,147</u>	<u>\$ 46,708</u>

## F. ASSETS, LIABILITIES, AND FUND EQUITY

### Deposits and Investments

As required by Government Code Section 27130, a treasury oversight committee serves the County. The committee consists of a representative appointed by the Board of Supervisors, the Auditor-Controller, Superintendent of Schools, a representative from the County's school districts and community college, and one member from the public at large. The committee meets quarterly and is subject to the California open meeting statutes.

Cash balances of substantially all funds are pooled and invested by the County Treasurer for the purpose of increasing earnings through investment activities. State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments held by the County Treasurer are stated at fair value at June 30, 2003. The fair value of pooled investments is determined annually and is based on current market prices.

The County pool is not registered with the Securities and Exchange Commission as an investment company and does not issue separate investment reports. The County has not provided or obtained any legally binding guarantees to support the value of the shares. Participants may withdraw up to the amortized cost of their respective shares as displayed on the combined balance sheet. The share of the Treasurer's pool related to involuntary participants is 97.7 percent.

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

### Cash and Cash Equivalents

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. All short-term cash surpluses are maintained in the County Treasury cash and investments pool, the earnings from which are allocated quarterly to each fund based on average daily cash balances.

### Receivables and Payables

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. Medical Services accounts receivable are shown net of two types of allowances for uncollectible amounts. The "allowance for doubtful accounts" is set up based on historical collections for receivables not covered by any type of insurance. The "allowance for contract allowances" represents the difference between what is billed and what will be paid under a contractual arrangement with insurance agencies. No uncollectible allowance is recorded for enterprise special district receivables, which are primarily for water service billings. These receivables are written off in the year they become uncollectible.

### Property Tax

The County is responsible for the assessment, collection, and apportionment of property taxes for all taxing jurisdictions within the County, including school, cities, and special districts. Property taxes, for which the lien date is January 1, are payable in two equal installments, November 1 and February 1, and become delinquent on December 10 and April 10, respectively. Property taxes receivable are recognized when levied. Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent on August 31. The County is permitted by Article XIII-A of the State of California Constitution (known as Proposition 13) to levy a maximum tax of \$1.00 per \$100.00 of full cash value. The bills are payable in equal installments, November 1st and February 1st and become delinquent on December 10th and April 10th, respectively. Property taxes are accounted for in the Unapportioned Property Tax and Interest Fund, an Agency Fund, until apportionment and disbursement to the taxing jurisdictions. Property tax receivables are recognized when levied.

Beginning in 1993-1994, the County of San Luis Obispo adopted the "Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds" provided for in Revenue and Taxation Code Sections 4701-4717, which is commonly known as the "Teeter Plan". The Teeter Plan has no impact on tax rates or collection procedures. It merely changes the way the collections of delinquent taxes and penalties are distributed among the taxing agencies. Those agencies participating in the Teeter Plan receive 100% of the secured property taxes billed each year without regard to delinquencies. The General Fund covers the delinquent amount to all agencies and, in return, receives the delinquent taxes, penalties and interest when collected. As a result of the Teeter Plan, secured property taxes receivable are recorded in the General Fund only, and there is no allowance for uncollectible amounts. Penalties and interest are deposited into the Tax Loss Reserve Fund. Once the Tax Loss Reserve Fund balance exceeds 25% of the secured delinquent roll, the excess can be credited to the General Fund. The County General Fund internally financed the delinquent payment to all Teeter Plan participants by borrowing \$1,500,000 from the County Treasury (as provided in Revenue and Taxation Code Section 4705). The principal and interest (1.18%) on the borrowing will be repaid June 11, 2004.

The Teeter Plan was amended beginning fiscal year 2001/2002 by removing unitary tax payments (including PG&E), so that all agencies in the County will share in any delinquency that may occur.

Unsecured property is not part of the Teeter Plan. Unsecured property taxes receivable are accrued to taxing agencies, net of the uncollectible amount which is estimated based on prior year collections.

### Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the Government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

### Inventories and Prepaid Items

Inventories held by the Public Works, Reprographics and the Garage Internal Service Funds, and the Medical Services Enterprise Fund are carried at cost (first-in, first-out). The Internal Service Funds inventories, and the Medical Services warehouse inventory are controlled by perpetual inventory systems, and are adjusted as appropriate to reflect year-end physical inventory counts. Governmental funds record inventory as expenditures when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the Government-wide and Fund financial statements.

### Capital Assets

Capital assets, which include land, structures and improvements, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activity columns in the Government-wide financial statements. Capital assets are defined as assets with an initial individual cost greater than the capitalization threshold for the specified type of asset and an estimated useful life beyond a single fiscal period. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. General infrastructure assets acquired prior to July 1, 1980, are reported at estimated historical cost using deflated replacement costs.

Normal maintenance and repairs are not capitalized, but are charged to operations when incurred. Betterments or major improvements, which significantly increase values, change capacities, or extend useful lives, are capitalized. Upon sale or retirement of fixed assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Capital outlays are recorded as expenditures in the General, Special Revenue, and Capital Projects Funds and as capital assets in the Government-wide financial statements to the extent the County's capitalization thresholds are met. Interest incurred, during construction phase, on financing capital assets of business-type activities is reflected in the capitalized value of the asset constructed net of interest earned on the invested proceeds over the same period. Amortization of assets acquired under capital leases is included in depreciation and amortization. Facilities and improvements, infrastructure, and machinery and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the estimated useful lives.

The capitalization thresholds and estimated useful lives of specific asset types are as follows:

<u>Asset Type</u>	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>
Land	No threshold	
Infrastructure	\$100,000	20 to 100 years
Structures & Improvements	\$25,000	15 to 50 years
Equipment	\$5,000	2 to 15 years
Capital Lease	By asset type	Lease term or useful life

### Compensated Absences

The County's policy is to permit employees to accumulate earned but unused vacation and sick leave benefits. Each year-end, a liability is accrued for the balance of unpaid compensatory time off, sick leave, and vacation earned.

Accumulated benefits will be liquidated in future years as employees elect to use them. In the normal course of business, all payments of these accumulated benefits will be funded from appropriations in the year in which they are to be paid; therefore the total liability is recorded as long-term. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee designations and retirements.

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

### Long-term Obligations

In the Government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

### **G. ESTIMATES**

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

## **DETAIL NOTES ON ALL FUNDS**

### **2. CASH AND CASH EQUIVALENTS**

#### Cash in Treasury

The County's investment policy is governed by the California Government Codes. Under the parameters established by the California Government Code, the County may purchase: obligations issued by the United States Treasury; obligations, participations, or other instruments of or issued by a federal agency or a United States government sponsored enterprise; obligations of state and local agencies of this state; bankers acceptances; commercial paper; negotiable certificates of deposit; repurchase agreements; medium-term corporate notes; as well as other investments established by the California Government Code.

The County maintains a combined pool with cash and investments which provide cash flow for the funding needs of the County and local agencies required by law to keep funds in the Treasury.

The combined pool's investments are valued using the amortized cost method and includes accrued interest. The amortized cost method approximates fair value, with no material differences. This pool, which is available to all funds, has deposits and investments with a weighted-average maturity of less than one year. Interest is apportioned to the separate funds based on the individual fund's average daily balance.

Deposits: At year end the carrying amount of the County's Treasury deposits was \$7,213,974. Of this amount \$7,170,025 was maintained in financial institutions and \$43,949 was held in the Treasury. Of the balance in financial institutions \$310,387 was covered by federal depository insurance and \$6,859,638 was covered by collateral having a market value of at least 10% in excess of the total amount on deposit as governed by the Administrator of Local Agency Security of the State of California. The County's deposits are considered to be in risk categories 1 and 2, during the fiscal year.

In accordance with the Governmental Accounting Standards Board Statement 3, the County's deposits are categorized in the following manner (in thousands):

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Category 1 – Insured or collateralized with securities held by the County or by its agent in the County's name	\$ 310	\$ 310
Category 2 – Collateralized with securities held by the pledging of financial institution's trust department or agent in the County's name	<u>6,860</u>	<u>6,860</u>
Total	<u>\$ 7,170</u>	<u>\$ 7,170</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**

Investments: Securities held in a customer-segregated safekeeping account during the fiscal year. Repurchase agreements were collateralized 102% with government and agency securities in accordance with multi-party agreements on file with the Treasurer. Safekeeping statements were requested from the appropriate institutions and verified against records maintained in the Treasury.

GASB 31 requires governmental external investment pools to report certain investments at fair value in the financial statements and report the change in the fair value of investments in the year in which the change occurred. In compliance with these requirements, the fair value of the County's combined pool is determined annually and is based on current market prices received from the securities custodian, broker bids, and LAIF, except for instruments which are carried at amortized cost plus accrued interest. The fair value of the participants' position in the pool is the same as the value of the pool shares. The County Treasury has provided a dollar factor in the Quarterly Report of Investments, which can be used for financial reporting by the pool participants.

The County's combined pool has invested in the State Local Agency Investment Fund (LAIF). The fair value of the investments in LAIF is the same value of the pool shares. Market valuation is conducted quarterly, the factor of which is provided by LAIF are authorized under Government Code Section 16430 and 16480.4, in line with the goals of safety, liquidity and yield. As of June 30, 2003, the LAIF pool includes structured notes and asset-backed securities, which total 2.33% of the total portfolio. LAIF has oversight by the Local Investment Advisory Board (LIAB), which consists of five members as designated by statute. The Chairman of the LIAB is the State Treasurer or his designated representative.

The County's investments are detailed below. In order to standardize the reporting of risk categories as they pertain to the investment of public funds, as outlined by GASB 3, each type of investment is classified into one of three categories. Category 1 pertains to securities insured or registered, or securities held by the County or its agents in the County's name. Category 2 refers to uninsured and unregistered securities held by the counter party's trust department or agent in the County's name. Category 3 includes uninsured and unregistered securities held by the counterparty, or its trust department or agent but not in the County's name. All the County's investments during the fiscal year were in Category 1.

The County's investments by category as of June 30, 2003, are as follows (in thousands):

Instrument	Maturity Dates	Coupon Rate %	Category 1	Carrying Amount	Fair Value	Par Value
<u>Amounts Invested in polled treasury fund</u>						
U.S. Government & Federal Agencies						
	7/1/03-6/15/06	.96-4.40	\$ 411,983	\$ 411,983	\$ 412,928	\$ 409,500
Banker's Acceptances	8/13/03-11/19/03	1.02-1.23	8,314	8,314	8,315	8,337
Repurchase Agreements	7/01/03	.96	13,205	13,205	13,205	13,204
			\$ 433,502	433,502	434,448	431,041
Investment in Local Agency fund				40,165	40,279	40,000
Teeter Note	6/11/04	1.18		1,501	1,501	1,518
Total Investments in County Treasury				475,168	476,228	472,559
Amounts Not Required to be Categorized						
Treasury Cash in Hand and in Banks				7,214	7,214	7,214
Deposits in Transit				1,207	1,207	1,207
Outstanding Warrants				(19,328)	(19,328)	(19,328)
Total Cash in Treasury				464,261	465,321	461,652
Other Cash Deposits				1,923	1,923	1,923
Total cash and cash equivalents in Treasurer's investments pool				\$ 466,184	\$ 467,244	\$ 463,575

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

### Restricted Cash with Fiscal Agent

	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Par Value</u>
U.S. Government & Federal Agencies	\$ 3,423	\$ 3,441	\$ 3,441
Investment in Local Agency Fund	10,706	10,706	10,706
Guaranteed Investment Contract	<u>978</u>	<u>978</u>	<u>978</u>
	<u>\$ 15,107</u>	<u>\$ 15,125</u>	<u>\$ 15,125</u>

The following represents a condensed statement of net assets and changes in net assets for the Treasurer's investment pool as of June 30, 2003 (in thousands):

	<u>Carrying Amount</u>	<u>Fair Value</u>
<u>Statement of Net Assets:</u>		
Net assets held for pool participants	<u>\$ 466,184</u>	<u>\$ 467,244</u>
Equity of internal pool participants	\$ 276,411	\$ 277,471
Equity of external pool participants (voluntary and involuntary)	189,773	189,773
Total Equity	<u>\$ 466,184</u>	<u>\$ 467,244</u>
<u>Statement of Changes in Net Assets:</u>		
Revenue	\$ 10,206	\$ 10,206
Investment Costs	(785)	(785)
Net Deposits	41,288	41,288
Change in fair value		<u>599</u>
Net change in pool	50,709	51,308
Net Assets at July 1, 2002	<u>415,475</u>	<u>415,936</u>
Net Assets at June 30, 2003	<u>\$ 466,184</u>	<u>\$ 467,244</u>

### Restricted Cash with Fiscal Agent

Cash and investments at June 30, 2003 that are restricted by legal or contractual requirements are comprised of the following (in thousands):

	<u>Amount</u>
<u>Golf Enterprise Fund</u>	
COP issue costs	\$ 5
<u>Capital Projects Fund</u>	
COP issue costs	9
Construction funds for the new general government facility	10,060
<u>Lopez Dam Enterprise Fund</u>	
Construction funds for the Lopez Dam seismic retrofit project	647
<u>Various Governmental Funds</u>	
Required lease reserves for long term debt	<u>4,386</u>
Total Restricted Cash	<u>\$ 15,107</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**

Other Cash Deposits

Year-end, the carrying amount of the County's other cash deposits was \$1,923,000 and the combined financial institutions' balance was \$1,934,000. The difference of \$11,000 between the County's deposit balance and the financial institutions' balance results from transactions in transit, and outstanding warrants and bond coupons. The entire bank balance of \$1,934,000 was covered by federal depository insurance or by collateral held by County's agent in the County's name.

**3. RECEIVABLES**

Receivables at year end of the County's major individual funds and nonmajor and Internal Service Funds in the aggregate, including the applicable allowance for uncollectible accounts are as follows (in thousands):

	<u>Governmental Activities</u>		<u>Business-type Activities</u>			
	<u>General Fund</u>	<u>Medical Services</u>	<u>State Water Project</u>	<u>Lopez Flood Control</u>	<u>Nonmajor Enterprise funds</u>	<u>Internal Service Funds</u>
Accounts Receivable	\$ 4	\$	\$ 475	\$ 32	\$ 1,788	\$ 4
Patient Accounts Receivable		18,018				
Allow. for Doubtful Accounts		(5,903)			(1,506)	
Allow. for Contractuals		(10,195)				
Net Accounts Receivable	<u>\$ 4</u>	<u>\$ 1,920</u>	<u>\$ 475</u>	<u>\$ 32</u>	<u>\$ 282</u>	<u>\$ 4</u>

**4. CAPITAL ASSETS**

A summary of changes in capital assets for the year ended June 30, 2003, is as follows (in thousands):

<u>Governmental Activities</u>	<u>Balance July 1, 2002</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2003</u>
Capital assets not depreciated:				
Land	\$ 12,825	\$ 261	\$	\$ 13,086
Construction in Progress	8,765	15,828	2,872	21,721
Infrastructure	<u>757,696</u>			<u>757,696</u>
Total capital assets not depreciated	<u>779,286</u>	<u>16,089</u>	<u>2,872</u>	<u>792,503</u>
Capital assets depreciated:				
Structures and improvements	80,747	2,872	726	82,893
Equipment	38,656	4,964	2,547	41,073
Infrastructures	<u>194,349</u>	<u>4,317</u>	<u>6,786</u>	<u>191,880</u>
Total capital assets depreciated	<u>313,752</u>	<u>12,153</u>	<u>10,059</u>	<u>315,846</u>
Less accumulated depreciation:				
Structures and improvements	28,920	2,355	295	30,980
Equipment	19,727	3,931	2,185	21,473
Infrastructures	<u>88,743</u>	<u>8,804</u>	<u>6,786</u>	<u>90,761</u>
Total accumulated depreciation	<u>137,390</u>	<u>15,090</u>	<u>9,266</u>	<u>143,214</u>
Total capital assets depreciated, net	<u>176,362</u>	<u>(2,937)</u>	<u>793</u>	<u>172,632</u>
Government activities capital assets, net	<u>\$ 955,648</u>	<u>\$ 13,152</u>	<u>\$ 3,665</u>	<u>\$ 965,135</u>

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

	Balance July 1, 2002	Increases	Decreases	Balance June 30, 2003
<u>Business Activities Airport</u>				
Capital assets not depreciated:				
Land	\$ 11,678	\$ 1,476	\$	\$ 13,154
Construction in Progress	244	2,498	244	2,498
Total capital assets not depreciated	11,922	3,974	244	15,652
Capital assets depreciated:				
Structures and improvements	21,086	800	270	21,616
Equipment	119			119
Total capital assets depreciated	21,205	800	270	21,735
Less accumulated depreciation:				
Structures and improvements	3,130	473		3,603
Equipment	92	5		97
Total accumulated depreciation	3,222	478		3,700
Total capital assets depreciated, net	17,983	322	270	18,035
Airport activities capital assets, net	\$ 29,905	\$ 4,296	\$ 514	\$ 33,687
<u>Business Activities Golf</u>				
Capital assets not depreciated:				
Land	\$ 1,333	\$	\$	\$ 1,333
Total capital assets not depreciated	1,333			1,333
Capital assets depreciated:				
Structures and improvements	15,942		1	15,941
Machinery and equipment	548		3	545
Total capital assets depreciated	16,490		4	16,486
Less accumulated depreciation:				
Structures and improvements	2,749	355		3,104
Machinery and equipment	332	44	9	367
Total accumulated depreciation	3,081	399	9	3,471
Total capital assets depreciated, net	13,409	(399)	(5)	13,015
Golf activities capital assets, net	\$ 14,742	\$ (399)	\$ (5)	\$ 14,348
<u>Business Activities Medical Services</u>				
Capital assets not depreciated:				
Land	\$ 267	\$	\$	\$ 267
Total capital assets not depreciated	267			267
Capital assets depreciated:				
Structures and improvements	6,442			6,442
Equipment	4,366	9	582	3,793
Total capital assets depreciated	10,808	9	582	10,235

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

<u>Continuation of Business Activities</u>	Balance			Balance
<u>Medical Services</u>	July 1, 2002	Increases	Decreases	June 30, 2003
Less accumulated depreciation:				
Structures and improvements	5,132	183		5,315
Equipment	<u>3,593</u>	<u>150</u>	<u>533</u>	<u>3,210</u>
Total accumulated depreciation	<u>8,725</u>	<u>333</u>	<u>533</u>	<u>8,525</u>
Total capital assets depreciated, net	<u>2,083</u>	<u>(324)</u>	<u>49</u>	<u>1,710</u>
Medical Services capital assets, net	<u>\$ 2,350</u>	<u>\$ (324)</u>	<u>\$ 49</u>	<u>\$ 1,977</u>
<u>Business Activities State Water Project</u>				
Capital assets not depreciated:				
Water rights	\$ 28,570	\$ 1,072	\$	\$ 29,642
Construction in Progress	<u>153</u>		<u>140</u>	<u>13</u>
Total capital assets not depreciated	<u>28,723</u>	<u>1,072</u>	<u>140</u>	<u>29,655</u>
Capital assets depreciated:				
Structures and improvements	9,678			9,678
Equipment	<u>32</u>	<u>109</u>		<u>141</u>
Total capital assets depreciated	<u>9,710</u>	<u>109</u>		<u>9,819</u>
Less accumulated depreciation:				
Structures and improvements	575	193		768
Equipment	<u>10</u>	<u>24</u>		<u>34</u>
Total accumulated depreciation	<u>585</u>	<u>217</u>		<u>802</u>
Total capital assets depreciated, net	<u>9,125</u>	<u>(108)</u>		<u>9,017</u>
State Water capital assets, net	<u>\$ 37,848</u>	<u>\$ 964</u>	<u>\$ 140</u>	<u>\$ 38,672</u>
<u>Business Activities Lopez Flood Control</u>				
Capital assets not depreciated:				
Land	\$ 2,096	\$	\$	\$ 2,096
Construction in Progress	14,191	15,344	44	29,491
Water rights	<u>1,926</u>			<u>1,926</u>
Total capital assets not depreciated	<u>18,213</u>	<u>15,344</u>	<u>44</u>	<u>33,513</u>
Capital assets depreciated:				
Structures and improvements	13,683	15		13,698
Equipment	<u>155</u>	<u>21</u>		<u>176</u>
Total capital assets depreciated	<u>13,838</u>	<u>36</u>		<u>13,874</u>
Less accumulated depreciation:				
Structures and improvements	5,167	189		5,356
Equipment	<u>123</u>	<u>12</u>		<u>135</u>
Total accumulated depreciation	<u>5,290</u>	<u>201</u>		<u>5,491</u>
Total capital assets depreciated, net	<u>8,548</u>	<u>(165)</u>		<u>8,383</u>
Lopez Flood Control capital assets, net	<u>\$ 26,761</u>	<u>\$ 15,179</u>	<u>\$ 44</u>	<u>\$ 41,896</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**

<u>Business Activities Other</u>	Balance July 1, 2002	Increases	Decreases	Balance June 30, 2003
Capital assets not depreciated:				
Land	\$ 216	\$	\$	\$ 216
Construction in Progress	6,319	1,130	1,325	6,124
Total capital assets not depreciated	6,535	1,130	1,325	6,340
Capital assets depreciated:				
Structures and improvements	13,266	1,384		14,650
Equipment	670	136		806
Total capital assets depreciated	13,936	1,520		15,456
Less accumulated depreciation:				
Structures and improvements	6,727	331		7,058
Equipment	496	21		517
Total accumulated depreciation	7,223	352		7,575
Total capital assets depreciated, net	6,713	1,168		7,881
Other Business funds capital assets, net	\$ 13,248	\$ 2,298	\$ 1,325	\$ 14,221
<u>Total Business-type Activities</u>				
Nondepreciable capital assets	\$ 66,993	\$ 21,520	\$ 1,753	\$ 86,760
Depreciable capital assets, net	57,861	494	314	58,041
Total Business-type capital assets, net	\$ 124,854	\$ 22,014	\$ 2,067	\$ 144,801

Depreciation expense

Depreciation expense was charged to functions as follows (in thousands):

<u>Governmental Activities</u>	<u>Amount</u>
General Government	\$ 1,755
Public Protection	1,761
Public Ways and Facilities	8,833
Health and Sanitation	83
Public Assistance	375
Education	160
Recreational and Cultural Services	240
Capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets	1,883
Total Depreciation Expense-Governmental Activities	<u>\$ 15,090</u>

**5. CONSTRUCTION IN PROGRESS AND RELATED COMMITMENTS**

Construction In Progress accounts reflect the amount within governmental and business-type funds for construction projects, which are not yet complete.

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

The following is a schedule of major projects included in Construction in Progress as of June 30, 2003 (in thousands):

### Governmental Activities

<u>Project</u>	<u>Expended to June 30, 2003</u>	<u>Committed Funds</u>
SLO New General Government Facility	\$ 14,890	\$ 24,762
Courthouse Cogeneration System	2,239	267
Expand Courts/Sheriff Holding Cells	46	1,435
Airport Taxiway Flatwork	2,358	189

### Business-Type Activities

<u>Project</u>	<u>Expended to June 30, 2003</u>	<u>Committed Funds</u>
Lopez Dam Seismic Remediation	\$ 28,586	\$ 1,414
Nacimiento Water Project	4,376	312
Lopez Dam Water Treatment Plant Upgrade	905	2,562
Tefft Street Reconstruction	72	1,904
Willow Road Interchange	129	689

## 6. LEASES

### County as Lessor

The County's General Fund and Enterprise Funds receive revenue from recreational, retail, and commercial properties leased to others under agreements classified as operating leases in accordance with Financial Accounting Standards Board (FASB) Statement 13. The leases cover periods ranging generally from 1 to 50 years. Minimum future rentals to be received under these non-cancelable operating leases at June 30, 2003, are as follows (in thousands):

<u>Year Ending June 30<sup>th</sup></u>	<u>General Fund</u>	<u>Airport</u>
2004	\$ 188	\$ 198
2005	151	187
2006	151	185
2007	151	168
2008	275	145
<u>Later Years</u>	<u>2,200</u>	<u>1,136</u>
<u>Total</u>	<u>\$ 3,116</u>	<u>\$ 2,019</u>

Minimum future rentals do not include contingent rentals, which are received as stipulated in the lease contracts. These contingent rental payments are based on the monthly revenues of the concessionaire operating on the premises. Contingent rentals amounted to \$628,000 for the fiscal year ended June 30, 2003.

### County as Lessee

Operating Leases: The County has commitments under long-term real property operating lease agreements for facilities used in operations. These leases do not meet any of the four criteria for capitalization set by FASB 13. The County is the lessee under operating leases for real property used to house certain County functions.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**

In addition to real property leases, the County has also entered into operating leases for equipment, of which most are data processing and office equipment leases. Management expects that in the normal course of business, leases that expire will be renewed or replaced by other leases. Commitments under the operating lease agreements for equipment, as described above, are not material.

Rental payments for fiscal year ended June 30, 2003 totaled \$3,045,000. The following rental costs represent future minimum payments under leases that have remaining non-cancelable terms in excess of one year as of June 30, 2003 for the next five years and for each five-year period thereafter (in thousands):

Year Ending June 30 <sup>th</sup>	Minimum Lease Payments
2003-2004	\$ 2,524
2004-2005	2,039
2005-2006	1,499
2006-2007	1,070
2007-2008	1,053
2008-2013	3,412
2013-2018	2,925
2018-2022	2,010
<u>Total</u>	<u>\$ 16,532</u>

**7. RISK MANAGEMENT**

The County has self-insurance programs for liability, workers' compensation, unemployment insurance and dental coverage. There were no claims settlements that have exceeded insurance coverage during the past three fiscal years. Insurance coverage for liability and workers' compensation above the County's self-insured retention (SIR) is provided through the California State Association of Counties (CSAC) Excess Insurance Authority. The County is a member of CSAC Excess Insurance Authority, a joint powers authority whose purpose is to develop and fund programs of excess insurance for its member counties.

The authority is solvent. Self-insurance and authority limits are as follows:

<u>Type of Coverage</u>	<u>Self-Insurance</u>	<u>Authority</u>
Liability	\$ 250,000 per occurrence	\$ 25,000,000
Workers' Compensation	\$ 250,000 per occurrence	\$ 50,000,000
Unemployment	\$ 1,310,510 maximum	-----
Dental	None – Funded by Employees	-----

Annual actuarial valuations are obtained for the Workers' Compensation and the General Liability Funds. These valuations provide the basis for premiums charged to insured departments. The County's SIR amounts are paid directly, without the use of purchased annuity contracts. Financial information on CSAC Excess Insurance Authority is available on request from the Office of Risk Management, County of San Luis Obispo.

Estimated claims liability for the Protected Self-Insurance fund and Workers' Compensation fund have been recorded at a discounted 75% confidence level. Estimated claims liability for the Unemployment Insurance fund and Dental Insurance Fund are funded 100%.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**

Changes in the balances of claims liabilities for the Protected Self-Insurance fund, Workers' Compensation fund, Unemployment Insurance fund and Dental Insurance Fund for fiscal years 2001/2002 and 2002/2003 were as follows (in thousands):

	<u>Beginning of the fiscal year liability</u>	<u>Current year claims, changes &amp; estimates</u>	<u>Claim payments</u>	<u>Balance at Fiscal year end</u>
2001-02	18,640	9,367	6,852	21,155
2002-03	21,155	7,843	7,539	21,459

**8. INTERFUND RECEIVABLES AND PAYABLES**

The composition of interfund balances at June 30, 2003 were (in thousands):

Due to/from other county funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor Enterprise Funds	Internal Service Funds	\$ 9
	Nonmajor Enterprise Funds	525
		<u>534</u>
State Water Contract	Internal Service Funds	<u>6</u>
Internal Service Funds	Lopez Flood Control	3
	General Fund	13
	Nonmajor Governmental Funds	28
	Nonmajor Enterprise Funds	<u>6</u>
		<u>50</u>
	Total	<u>\$ 590</u>

Funds Due to Non-Major Enterprise Funds of \$525,000 represents a receivable from in the Nacimiento Water Construction Fund for \$225,000 and \$300,000 due from the Lopez Recreation Area Fund. The Public Works Internal Service Fund provides services to various County fund and special districts; the Due to Internal Service Funds of \$50,000 from Lopez Flood Control, General Fund, Non-Major Governmental Funds, and Non-Major Enterprise Funds represents expenses incurred by June 30, 2003 that were paid the following month.

Advances to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Enterprise Funds	\$ 191
	Nonmajor Governmental Funds	798
	Airport	4,050
	Golf	<u>44</u>
		<u>5,083</u>
Lopez Flood Control	Nonmajor Governmental Funds	<u>1,052</u>
Golf	Nonmajor Governmental Funds	<u>549</u>
Nonmajor Governmental Funds	Nonmajor Governmental Funds	592
	Golf	<u>104</u>
		<u>696</u>
	Total	<u>\$ 7,380</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**

The Airport owes the General Fund \$2,596,000 for assets transferred to the Airport Enterprise Fund paid by the General Fund. This liability is payable in annual installments of \$93 and will mature in fiscal year 2030/2031. The Airport owes the General Fund \$1,454,000 for an internal loan for the purchase of land.

Advances from General Fund to Non-Major Enterprise Funds of \$191 represent internal loans issued to County Service Area 18.

Advances from General Fund to Non-Major Governmental Funds of \$798,000 represent internal loans issued to County Service Area 21 (\$659,000) and County Service Area 9 (\$139,000).

Advances from the Lopez Enterprise Fund and Golf Enterprise Fund to Non-Major Governmental Funds (\$1,052,000 and \$549,000) represent reserve funds held by the Debt Service Funds.

An advance of \$592,000 from the Non-Major Governmental Funds to Non-Major Governmental Funds represents a loan from the San Luis Obispo Flood Control District to the Cambria Flood Control District.

**9. TRANSFERS**

A reconciliation of transfers is detailed below (in thousands):

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund	Medical Services	\$ 9,811
	Capital Projects	2,048
	Nonmajor Governmental Funds	8,766
		<u>20,625</u>
Nonmajor Governmental Funds	Capital Projects	21,431
	Nonmajor Governmental Funds	69
	General Fund	986
	Airport	4
	Nonmajor Enterprise	1
		<u>22,491</u>
Capital Projects	General Fund	<u>3,338</u>
Airport	General Fund	30
	Capital Projects	3
		<u>33</u>
Nonmajor Enterprise Funds	Nonmajor Governmental Funds	284
	General Fund	5
	Nonmajor Enterprise	634
	Lopez Flood Control	7
		<u>930</u>
Total Transfers		<u>\$ 47,417</u>

The General Fund transferred \$9,811,000 to Medical Services as a subsidy to the Hospital operations. It also made contributions of \$2,048,000 to the Capital Projects Fund, \$4,600,000 to the Roads Special Revenue Fund, \$2,441,000 to the Parks Special Revenue Fund, \$375,000 to the Library Special Revenue Fund, and \$1,350,000 to fund the Organizational Effectiveness Special Revenue Fund.

The Capital Projects Special Revenue Fund received \$20,493,000 in proceeds from the issuance of long-term debt by Non-Major Governmental Funds to help finance the new County Government Center.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**

Non-Major Governmental Funds contributed \$520,000 to the General Fund for implementation of the Information Technology Department reorganization and \$171,000 for the Integrated Document Management Technology Project. Additionally, Non-Major Governmental Funds transferred \$172,000 in Public Facilities Fees revenue to General Fund to fund capital and maintenance projects for Parks, County Fire, and the Sheriff-Coroner.

During the year, the Capital Projects Fund transferred \$3,338,000 back to the General Fund for completed maintenance projects.

A \$634,000 transfer among Non-Major Enterprise Funds was the result of an internal loan from the Nacimiento Water Contract Enterprise Fund to the Nacimiento Water Construction Enterprise Fund.

**10. BONDED INDEBTEDNESS AND LONG TERM DEBT**

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2003, (in thousands) is as follows:

<u>Governmental Activities</u>	Beginning Balance July 1, 2002	Additions	Reductions	Ending Balance June 30, 2003	Due within one year
Bonds and notes payable:					
Certificates of participation	\$ 6,486	\$ 21,690	\$ 575	\$ 27,601	\$ 1,114
Other liabilities:					
Compensated absences	15,186	13,202	11,978	16,410	11,841
Landfill post-closure costs	3,223		130	3,093	217
Net pension obligation	6,070	3,233		9,303	
Self insurance	21,155	979	675	21,459	6,533
Total other liabilities	45,634	17,414	12,783	50,265	18,591
Total Governmental Activities	\$ 52,120	\$ 39,104	\$ 13,358	\$ 77,866	\$ 19,705
<u>Business-Type Activities</u>					
Bonds and notes payable:					
Certificates of participation	\$ 23,989	\$ 8,005	\$ 8,455	\$ 23,539	\$ 471
State notes	3,117		114	3,003	117
Revenue bonds	984		279	705	634
General obligation bonds	13,200		220	12,980	230
Total bonds and notes payable	41,290	8,005	9,068	40,227	1,452
Other liabilities:					
Compensated absences	912	310	531	691	691
Rebatable arbitrage earnings	91			91	
Total other liabilities	1,003	310	531	782	691
Total Business-Type Activities	\$ 42,293	\$ 8,315	\$ 9,599	\$ 41,009	\$ 2,143

Internal service funds predominantly serve the governmental funds. Accordingly, their long-term liabilities are included as part of the above totals for governmental activities. At year end, \$1,373,000 of internal service funds' compensated absences and \$21,459,000 self-insurance liability is included in the above amounts.

The compensated absences liability attributable to the governmental activities will be liquidated primarily by the General Fund. In the past, approximately 86% has been paid by the General Fund.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**

The General Fund pays for landfill post-closure costs. Net pension obligation and workers' compensation and unemployment self insurance are shared by funds in relationship to their salary costs, the majority of which belongs to the General Fund. In the past, approximately 60% of liability self insurance has been paid for by the General Fund and 30% by the Public Works Internal Service Fund.

Description of Certificates of Participation

The County has issued certificates of participation (COP) for both governmental and business-type activities. COP are issued to finance the acquisition or construction of major capital facilities and to advance-refund previously issued debt. COP principal outstanding at June 30, 2003, (in thousands) is as follows:

	Purpose	Interest Rates	Amount
<u>Governmental Activities</u>	1994 Refunding	4-6%	\$ 5,911
	2002 Government Center	3-5%	21,690
<u>Business-type Activities</u>	1994 Refunding	4-6%	89
	2002 Dairy Creek Golf Course Refunding	3-5%	8,005
	2000 Lopez Dam Remediation	4.0-5.375%	15,445
			\$ 51,140

Annual COP lease payment requirements to maturity are as follows (in thousands):

<u>Fiscal year ended June 30</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ 1,115	\$ 1,301	\$ 471	\$ 1,142
2005	1,162	1,252	492	1,125
2006	1,218	1,196	507	1,105
2007	1,272	1,138	533	1,085
2008	1,332	1,078	548	1,065
2009-2013	5,807	4,399	3,063	4,956
2014-2018	4,000	3,429	3,795	4,194
2019-2023	5,120	2,310	4,880	3,101
2024-2028	6,575	855	6,340	1,647
2029-2033			2,910	240
Total	\$ 27,601	\$ 16,958	\$ 23,539	\$ 19,660

Description of State Notes

In prior years the County borrowed a total of \$3,524,000 from the State of California Department of Water Resources Safedrinking Water Loan program to finance the construction of water systems in unincorporated communities. State loans are repaid with water service revenue generated by the constructed assets. State loan principal outstanding at June 30, 2003 is \$3,003,000 with interest rate from 3.0315 to 3.41%.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**

Annual debt service requirements to maturity for State loans are as follows (in thousands):

<u>Business-type Activities</u>		
<u>Fiscal year ended June 30</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ 117	\$ 92
2005	121	88
2006	125	84
2007	129	80
2008	132	76
2009-2013	729	317
2014-2018	850	196
2019-2023	800	68
Total	<u>\$ 3,003</u>	<u>\$ 1,001</u>

Description of Revenue and General Obligation Bonds

The County also issues bonds to construct and improve water and sewer systems in unincorporated areas. Revenue bonds are repaid with water and sewer service revenue generated by the constructed assets. General obligation bonds are repaid from applicable property taxes. Bond principal outstanding at June 30, 2003 is as follows (in thousands):

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
<u>Business-type activities</u>		
Water Project	5%	\$ 75
Lopez Dam Construction	4.25-6%	630
Lopez Dam Remediation	4.0-5.375%	12,980
		<u>\$ 13,685</u>

Annual debt service requirements to maturity for bonds are as follows (in thousands):

<u>Business Activities</u>		
<u>Fiscal Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ 864	\$ 673
2005	245	647
2006	255	637
2007	265	626
2008	275	615
2009-2013	1,564	2,880
2014-2018	1,972	2,463
2019-2023	2,515	1,890
2024-2028	3,285	1,117
2029-2033	2,445	202
Total	<u>\$ 13,685</u>	<u>\$ 11,750</u>

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

### Public Facilities Corporation

The San Luis Obispo County Public Facilities Corporation (PFC) was incorporated on 9/7/1994. The PFC is a nonprofit public benefit corporation organized to assist public agencies within the County of San Luis Obispo with the acquisition and construction of various public facilities.

On 10/1/1994 the PFC issued \$9,970,000 in certificates of participation (COP) (1994 series A). The proceeds of the 1994 COP issue were used to fully advance refund 1988 and 1989 COP issues. Debt service is derived from semi-annual lease payments made by various County departments for use of the facilities that were purchased and constructed with the original 1988 and 1989 issues. The principal balance outstanding at June 30, 2003 totals \$6,000,000 (\$5,911,000 governmental and \$89,000 business-type).

On 12/17/2002 the PFC issued \$29,695,000 in COP (2002 Series A), for the following purposes:

- Proceeds of \$21,690,000 partially financed construction of a new government center. Debt service is provided by semi-annual lease payments funded by general County revenues. The principal balance outstanding at June 30, 2003 is \$21,690,000 (100% governmental).
- The remaining proceeds of \$8,005,000 were used to establish an escrow account to defease the 1995 COP, which was issued to finance the construction of the Dairy Creek Golf Course. (See "Defeasance of Debt", below.) Debt service for the new refunding debt is provided by semi-annual lease payments from the Dairy Creek Golf Course. The principal balance outstanding at June 30, 2003 is \$8,005,000 (100% business-type).

See the long-term liabilities note for a detailed schedule of the annual debt service requirements to maturity for PFC issued debt.

### Financing Authority

The San Luis Obispo County Financing Authority was formed on 8/22/2000 as a joint exercise of powers authority between the County and the Flood Control District, which administers Lopez Dam. The Authority was created to assist in the financing, construction, and equipping of public facilities for one or both of the members.

On 10/26/2000 the Authority issued \$28,905,000 in revenue bonds (2000 series A) to finance the Lopez Dam seismic remediation project. The Flood Control District borrowed \$28,905,000 from the Authority by issuing COP of \$15,705,000 and government obligation (GO) bonds of \$13,200,000. Debt service is provided by semi-annual lease payments made by the Flood Control District to the Authority for use of the retrofitted facilities. The principal revenue bond balance outstanding at June 30, 2003 totals \$28,425,000 (100% business-type).

See the long-term liabilities notes for a detailed schedule of the annual debt service requirements to maturity for Financing Authority issued debt.

### Description of Long-Term Lease Arrangements

The County formed the Public Facilities Corporation and the Financing Authority for the purpose of issuing debt. On behalf of the County, these two entities issued all currently outstanding certificates of participation and the Lopez Dam remediation general obligation bond. Therefore, the County makes semi-annual lease payments in lieu of debt service to these entities from a variety of sources including State and Federal revenues, penalty assessments, golf course fees, water contract payments, and property taxes. For lease payment details, see schedules under specific type of debt above.

### Defeasance of Debt

On 12/17/2002 the PFC issued \$29,695,000 in COP (2002 Series A), which included \$8,005,000 on behalf of the Golf Course Enterprise Fund (100% business type) used to establish an irrevocable escrow to refund and defease the remaining \$7,945,000 outstanding principal of the 1995 Series A COP. Upon deposit into the irrevocable escrow trust, the refunded certificates were deemed to be no longer outstanding under the 1995 trust agreement. The trust is invested in U.S. Government securities.

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

The 2002 COP with an average interest rate of 4.8% replaced 1995 COP with an average interest rate of 5.5%. In addition, the new debt amortization improved the Golf Course's cash flow.

The refunding portion of the new issue (100% business type) and other funds from accounts established for the 1995 COP were distributed as follows (in thousands):

<u>Sources</u>		<u>Amount</u>
New Debt	Principal Amount of 2002 COP	\$ 8,005
	Add: Premium	108
	Net Received from 2002 COP	8,113
Old Debt	Reserve and Interest Earnings	1,042
	Total Sources	<u>\$ 9,115</u>
<u>Uses</u>		
Deposit into Refunding Escrow		\$ 8,422
2002 COP Reserve		550
Cost of Delivery		183
	Total Uses	<u>\$ 9,155</u>

The County advance refunded the COP's to increase the length of time to pay off the debt from 14 years to 25 years. This resulted in an increase in its total debt service payments by \$1,839,000 an economic loss of approximately \$181,000 (difference between the present values of the debt service payments on the old and new debt).

### Description of Special Assessment Bonds

Special assessment debt has been issued to provide funds for the construction of streets. These bonds will be repaid from amounts levied against the property owners benefited by this construction.

The County acts in an agent capacity for the assessment districts. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the County must provide resources to cover the deficiency until other resources, for example, foreclosure proceeds, are received. Special assessment principal outstanding at June 30, 2003 totals \$3,230,000 with interest rates from 3.5% to 6.1%.

### Accrued Vacation and Sick Leave Pay and Compensatory Time Off

County employees have accumulated unpaid vested benefits for compensatory time off, sick leave and vacation earned of \$17,101,000, at June 30, 2003. The accumulated benefits will be liquidated in future years as employees elect to use them. In the normal course of business, all payments of these accumulated benefits will be funded from appropriations in the year in which they are to be paid.

### Rebatable Arbitrage Earnings

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years. The County performed calculations of excess investment earnings on various bonds and financings and recorded a rebatable arbitrage liability of \$91,000 at June 30, 2003.

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

### Legal debt margin

State statutes limit the amount of general obligation debt a governmental entity may issue to 1.25% of its net assessed valuation. The current debt limitation for the County is \$343,188, which provides a significant cushion over the County's outstanding general obligation debt.

### 11. NET ASSETS/FUND BALANCES

The government-wide and business-type activities fund financial statements utilize a net assets presentation. Net assets are categorized as invested capital assets (net of related debt), restricted and unrestricted.

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

Net assets invested in capital assets, net of related debt at June 30, 2003 are as follows (in thousands):

Governmental activities	\$	951,989
Business-type activities		101,138
		<hr/>
Total	\$	<u>1,053,127</u>

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

Restricted net assets at June 30, 2003 for governmental activities are as follows (in thousands):

	<u>Amount</u>
Restricted for General Government	\$ 28,079
Restricted for Debt Service	2,464
Restricted for Public Protection	3,272
Restricted for Public Assistance	1,276
Restricted for Health	213
Restricted for Education	1,047
Restricted for Public Ways and Facilities	30,306
Restricted for Recreation and Culture	233
	<hr/>
Total Restricted Net Assets	<u>\$ 66,890</u>

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

Unrestricted net assets at June 30, 2003 are as follows (in thousands):

	<u>Amount</u>
Governmental activities	\$ 116,055
Business-type activities	21,586
	<hr/>
Total	<u>\$ 137,641</u>

In the fund financial statements, reserves and designations segregate portions of fund balance that are not available or have been earmarked for specific purposes. The various reserves and designations are

**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**

established by actions of the Board and management and can be increased, reduced or eliminated by similar actions.

The following is a summary of designated fund balances, which are not available for appropriation and expenditure as shown in the governmental funds at June 30, 2003 (in thousands):

<u>Reserved for:</u>	<u>General Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Encumbrances	\$ 6,030	\$ 25,691	\$ 9,417	\$ 41,138
Public Facility Fees			12,286	12,286
Impact Fees			11,002	11,002
Advances to Other Funds	5,083		696	5,779
Prepaid Items	307		51	358
Debt Service			2,464	2,464
Programs/Grants	<u>10,352</u>	<u></u>	<u>2,847</u>	<u>13,199</u>
Total Reserved	<u>21,772</u>	<u>25,691</u>	<u>38,763</u>	<u>86,226</u>
<u>Unreserved Designated for:</u>	<u>General Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Building Safety		1,054		1,054
Los Osos Landfill Monitoring		600		600
Facility Planning		8,019		8,019
Facility/Equipment Replacement	2,116		8,477	10,593
Government Building		685		685
Accounting System Development			6,559	6,559
Tax Reduction Reserve			11,330	11,330
Specific Road Projects			127	127
Facilities Planning			1,034	1,034
General Reserve	8,000		5,202	13,202
Imprest Cash	57		1	58
Other Projects			491	491
Impounded Revenues	350			350
Fire Equipment Replacement	665			665
Contingent Liability	2,405			2,405
Internal Financing	1,731			1,731
Actuary Required Contribution	1,166			1,166
Accrued Paid Time	1,057			1,057
Accrued Revenue	12,196			12,196
County-wide Training			<u>1,810</u>	<u>1,810</u>
Total Designated	<u>29,743</u>	<u>10,358</u>	<u>35,031</u>	<u>75,132</u>
Unreserved/Undesignated	<u>40,404</u>	<u>6,759</u>	<u>3,748</u>	<u>50,911</u>
Total Unrestricted	<u>\$ 70,147</u>	<u>\$ 17,117</u>	<u>\$ 38,779</u>	<u>\$ 126,043</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**

See Note 1 for information regarding the reserves for encumbrances. Designations represent funds earmarked for the specific purposes indicated.

Deficit Fund Equity

The Workers' Compensation Insurance Internal Service Fund has a net asset deficit of \$2,830,000. This deficit is expected to be eliminated in future years through a combination of cost reductions and possible rate increase. This will be determined after November 2003 when the latest actuarial report is received.

**12. LAPSING ENCUMBRANCES**

The County allows some encumbrances to lapse at year-end and then automatically reappropriates them as part of the subsequent year's budget.

The following is a summary of lapsing encumbrances at June 30, 2003 to be reappropriated during the next fiscal year (in thousands):

Functional Area	Total Encumbrances
Education	\$ 31
General Government	267
Health & Sanitation	74
Public Protection	1,838
Recreation & Cultural Services	176
	<u>\$ 2,386</u>

**13. REVENUE ANTICIPATION NOTES**

The County issues Tax and Revenue Anticipation Notes in advance of property tax collections, depositing the proceeds in its General Fund. These notes provide operating cash to cover the short-term cash flow deficit that occurs because of the timing difference between expenditures and the receipt of property taxes, governmental reimbursements, and other revenues. On June 25, 2003, the County repaid \$10,000,000 in Tax and Revenue Anticipation Notes plus a net interest cost of 1.70%. Therefore, there was no related liability on the books at June 30, 2003. The County has not issued new Tax and Revenue Anticipation Notes in fiscal year 2003/04.

**14. OTHER COMMITMENTS**

In 1965, the County began payments in accordance with a contract with the State of California for the State Water Project water rights. Estimated future payments for the State Water Contract will total \$35,408,000 over the next 32 years if the County continues participation in the Contract. The estimated amounts vary by year. For example, the amount due in 2004 is \$551,000 while \$1,911,000 is due in 2035. Through Board order, the County is actively attempting to sell portions of the State Water Project water rights; therefore, these estimates are revised annually.

**15. CONTINGENT LIABILITIES**

The County is subject to various lawsuits, inverse condemnation cases, personnel actions, disputes over tax assessments, and other actions incidental to the ordinary course of County operations. In the opinion of the County Counsel, the total potential claims against the County not covered by insurance resulting from litigation would not materially affect the financial statements of the County at June 30, 2003.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**

**16. DEFERRED REVENUE**

Deferred revenue on the governmental fund balance sheet represents amounts that are deferred solely because they are not yet considered to be available. Broad categories of deferred revenues are as follows (in thousands):

Governmental funds:

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Gov't Funds</u>
Tetter tax revenues	\$ 4,515	\$	\$
Federal food stamps program revenues	277		
Indigent Living & Foster Care program revenues	1,648		
Calworks related program revenues	1,747		
Emergency assistance related program revenues	706		
Adoption related program revenues	277		
Other assistance program revenues	131		
Cuesta Park Project			125
Nipomo community Trails Project			79
Other deferred revenues	<u>339</u>	<u>6</u>	<u>53</u>
	<u>\$ 9,640</u>	<u>\$ 6</u>	<u>\$ 257</u>

**17. OTHER REVENUES**

Other revenues are generally one time payments or items not related to program activities. Broad categories of other revenues are as follows (in thousands):

Governmental funds:

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Gov't Funds</u>
Other Settlements	\$ 1	\$	\$ 100
Reimbursements	1047		
Surplus sales, publications & other items	15	13	
Refunds	1	233	
Microfilm	143		
Contributions non-governmental	39		341
HUD related non-program revenue			875
Other revenues	<u>962</u>		<u>549</u>
	<u>\$ 2,208</u>	<u>\$ 246</u>	<u>\$ 1,865</u>

Business-type funds:

	<u>Airport</u>	<u>Golf</u>	<u>Hospital</u>	<u>State Water</u>	<u>Lopez Flood Control</u>	<u>Other Enterprise Funds</u>
Grants	\$	\$	\$ 181	\$	\$	\$
Refunds				387		
Miscellaneous non-operating sources	<u>15</u>	<u>7</u>		<u>6</u>	<u>52</u>	<u>37</u>
	<u>\$ 15</u>	<u>\$ 7</u>	<u>\$ 181</u>	<u>\$ 393</u>	<u>\$ 52</u>	<u>\$ 37</u>

## NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

### 18. DEFINED BENEFIT PENSION PLAN

#### Plan Description

The County of San Luis Obispo contributes to the San Luis Obispo County Pension Trust, which is an independent single-employer, defined benefit plan for employees of the County of San Luis Obispo. Participation is mandatory for all permanent employees. The Retirement Plan was adopted by County ordinance in 1958 and amended in 1968 by the County Board of Supervisors, establishing the current benefit program. The Retirement Plan is administered by the Pension Trust Board of Trustees. The Board of Supervisors is responsible for amending Plan provisions. Separate stand-alone financial statements were issued for the Plan and are available at the County of San Luis Obispo Auditor-Controller's office.

#### Benefit Provisions

Under the terms of the Plan, participants, upon attaining the normal retirement age of 55 for Safety employees and Probation Officers and 60 for miscellaneous employees, are entitled to annual retirement benefits as defined in the Plan document. The Plan permits early retirement for all employees at age 50 with 5 or more years of service credit. Participants receive their accumulated plan benefits as a life annuity payable monthly upon retirement. In the event of total and permanent disability, participants, upon satisfaction of membership service requirements and other applicable provisions of the Plan, receive disability benefits as defined in the Plan document. The Plan also provides death benefits.

#### Summary of Significant Accounting Policies

*Basis of Accounting* - The Plan's consolidated financial statements include the accounts of the Plan and its wholly owned subsidiary, Fiduciary Properties Incorporated, and are prepared on the accrual basis of accounting. Contributions from the County and the County's employees are recognized as revenue in the period in which employees provide services to the County. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Investment income is recognized as earned by the pension plan. Investments in corporate notes, bonds, collateralized mortgage obligations, equity mutual funds, commingled real estate, real estate investment trusts, equity real estate holdings, and other short-term investments, which are managed by the Plan's Board of Trustees, are carried at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair value. The Pension Trust uses the calendar year for financial reporting purposes.

The County's contributions to the Plan are recognized when due pursuant to the San Luis Obispo County Employees' Retirement Plan Document which makes them legal obligations of the County.

The Plan has elected to present their financial statements in accordance with Statement No. 25 of the Governmental Accounting Standards Board (GASB).

There are no investments in loans to or leases with parties related to the pension plan.

*Concentrations* - As of December 31, 2002, the Plan had 37.3% of its net assets in Mellon Fund Capital Funds.

*Funding Policy* - Participants are required to contribute to the Plan for the 2002 calendar year at rates ranging from 4.56% to 14.66% of their adjusted base salary as defined in the Plan document and for the 2003 calendar year at rates ranging from 4.56% to 16.44%. Such contributions, together with the County's contributions, are currently invested in corporate notes, bonds, collateralized mortgage obligations, equity mutual funds, commingled real estate, real estate investment trusts, equity real estate holdings, and other short-term investments. The participants' accumulated contributions may be withdrawn at any time should participants leave the employment of the County prior to retirement.

The Plan Board of Trustees establishes the pension plan contribution rate requirement. Periodic employer contributions to the Plan were determined on an actuarial basis using the Entry Age Normal cost method. This method is one of the actuarial methods authorized under GASB 25. The Entry Age Normal cost method permits the selection of either a 30-year or 40-year amortization period. The trustees elected an initial closed amortization period of 40 years. In addition, the Trustees, in recognition of the Plan sponsor, adopted a policy to phase in the actuarially required contribution over a five-year period. This action was

**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**

approved by the Board of Supervisors on May 15, 2001. The required contribution rates for the calendar year for the various member groups ranged from 9.55% to 15.4% in 2002 and 12.72% to 17.38% in 2003. In 2003, after the County issued a Pension Obligation Bond, the Board of Trustees reduced the amortization period to a 30 year closed amortization period. As a result of the issuance of the Pension Obligation Bond by the County, the scheduled increases in required contributions previously adopted by the Board of Trustees were rescinded and, based on advice of the plan actuary, the rates charged to the County was established at a range of 7.92% to 14.29% of payroll effective June 22, 2003.

Total contributions to the Plan in 2002 amounted to \$25,328,000 of which San Luis Obispo County and its employees made \$14,629,000 and \$10,699,000 respectively. The Employee contributions include Employee Additional Contributions of \$63,000. The contributed amounts were actuarially determined as described above and were based on an actuarial valuation report as of January 1, 2003.

Annual Pension Cost and Net Pension Obligation

The County's annual pension cost and net pension obligation, computed in accordance with GASB 27, for 2002-2003 were as follows (in thousands):

	<u>Amount</u>
County annual required contribution (ARC)/Annual pension cost	\$ 17,564
Interest	<u>298</u>
Subtotal	17,862
County contributions made	<u>14,629</u>
Cost in excess of contributions	3,233
Net pension obligation, July 1, 2002	<u>6,070</u>
Net pension obligation, June 30, 2003	<u>\$ 9,303</u>

The annual pension cost and net pension obligation were based on an actuarial valuation report as of January 1, 2003. The actuarial values of assets were determined on a market related basis. The actuarial assumptions included (a) 7.75% investment rate of return (b) projected salary increases of 4 to 8.0% with a sliding scale based upon age and service and (c) inflation assumption of 4.0 % (Real rate of return assumption 7.75%-4%=3.75%). The Entry Age Normal cost method identifies and separately amortizes unfunded actuarial liabilities using the level percentage of projected payroll, with a forty-year closed period.

The net assets held in trust for pension benefits are allocated among various reserves. For the year ended December 31, 2002, these reserves were generally credited with interest at the rate of 7.75 %. In addition, any additional employee or employer contributions, as well as interest credited to these additional contributions, earned interest at the rate of 7.75 %. Any interest or dividends earned in excess of the amount required to be credited to the various reserves is accumulated in the contingency reserve account.

Three-Year Trend Information (In Thousands)

<u>Fiscal Year</u>	<u>Annual Pension</u>	<u>Percentage of APC</u>	<u>Net Pension</u>
<u>Ending June 30</u>	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
2001	\$12,036	89.0%	2,627
2002	\$15,977	79.1%	6,070
2003	\$17,564	83.3%	9,303

**19. LANDFILL POSTCLOSURE CARE COSTS**

The Los Osos Landfill is a closed facility under the responsibility of the County. State and federal laws and regulations require the County of San Luis Obispo to perform various maintenance and monitoring activities at the site for the remaining twenty-five years of a thirty-year period. By agreement with the land owner,

## **NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**

the County assumed responsibility for all closure and postclosure costs when the facility stopped accepting waste. As of this date, the landfill closure is complete and only postclosure costs remain.

The remaining estimated long-term liability for landfill postclosure cost as of June 30, 2003 is \$3,093,141. Of this \$1,480,565 is the Net Present Value Corrective Action Cost and \$1,612,576 is the Net Present Value Maintenance Cost. The Public Works Director developed this cost estimate from a detailed analysis, which was based on engineering staff's experience in prior years with site closure, and consultation with landfill industry experts. However, the actual cost of postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Therefore, the cost estimate will be reviewed and adjusted annually for changes in these factors.

The annual amount of postclosure cost is being appropriated each year in a General Fund operating budget. Funding is provided by General Fund general purpose revenues. A \$600,000 designation is established in the Capital Projects Fund to insure the availability of funds, in a timely fashion, to meet any additional postclosure costs resulting from technological or regulatory changes that have not been anticipated in the annual budget.

### **20. CLOSURE OF HOSPITAL**

The Board of Supervisors on October 15, 2002, following a public hearing, voted to close the inpatient facility of the Medical Services division. On June 19, 2003, 46 hospital beds, Intensive Care Unit, Medical/Surgery Unit, Surgery, Day Surgery, OB, Nursery, Emergency Room, and the Walk-In Clinic were closed. Support services of quality assurance, social services, central supply, auxiliary, medical library, nurse administration, in-service education, utilization review, public education, dietary, housekeeping, and laundry & linen were discontinued. Inpatient support services for Mental Health have been contracted by that department with French Hospital, and licensure for the Mental Health facility has been changed to a freestanding psychiatric health facility (PHF). Existing contracts with area hospitals provide inpatient care for CMSP patients.

Remaining in operation are the Family Care Clinics in San Luis Obispo, Atascadero, Morro Bay, Grover Beach and Paso Robles as well as the Women's' Health Center, SARF and Breastfeeding Clinic. Ancillary departments for Pharmacy, Laboratory, X-Ray, and Respiratory Therapy remain operational for outpatient services. These outpatient facilities continue to serve CMSP patients.

### **21. SUBSEQUENT EVENTS**

The actuary for the Pension Trust provided information estimating the Unfunded Actuarial Accrued Liability (UAAL) to be approximately \$135,085,169 as of July 2, 2003. To fund the UAAL, the July 2, 2003 the County sold \$137,194,000 in pension obligation bonds which were issued to refund the obligation of the County to the Pension Trust as evidenced by the 2003 Debenture, and to pay the costs of issuance. Debt service payments are expected to be funded by County payroll benefits. The issue consists of the following types of bonds:

- \$47,995,000 Series A standard bonds, interest rates from 1.68% to 4.54%, final maturity 1/1/2018
- \$45,000,000 Series B auction rate securities, initial rate of 2.36%, final maturity 1/1/2033
- \$44,199,000 Series C capital appreciation bonds, yielding 5.27% to 5.73%, final maturity 1/1/2031

---

**REQUIRED SUPPLEMENTARY INFORMATION**

---



## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information included financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Funding Progress – Defined Benefit Retirement Plan
- Budgetary Comparison Schedule – General Fund

COUNTY OF SAN LUIS OBISPO  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SAN LUIS OBISPO COUNTY PENSION TRUST SCHEDULE OF FUNDING PROGRESS  
 FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

Actuarial Valuation Dec 31	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (Funding Excess) AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	(Funding Excess) AAL as a Percentage of Covered Payroll ((b-a)/c)
2000	\$371,648	\$446,334	\$74,686	83.3%	\$109,981	67.9%
2001	\$404,751	\$492,795	\$88,044	82.1%	\$120,637	73.0%
2002	\$430,351	\$556,321	\$125,970	77.4%	\$131,997	95.4%

Separate stand-alone financial statements were issued for the Pension Plan and are available at the County of San Luis Obispo Auditor-Controller's office located at the County Government Center Room 300, San Luis Obispo, CA 93408.

COUNTY OF SAN LUIS OBISPO  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL COMPARISON  
FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Budgeted Amounts		Actual on Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Taxes	\$ 70,790	\$ 70,790	\$ 76,417	\$ 5,627
Licenses, permits, and franchises	7,398	7,844	8,697	853
Fines, forfeits, and penalties	5,072	5,403	4,902	(501)
Revenues from use of money and property	3,658	3,658	2,541	(1,117)
Aid from governmental agencies	143,993	151,449	143,811	(7,638)
Charges for current services	26,153	27,974	29,796	1,822
Other revenues	1,450	1,490	2,208	718
Total revenues	258,514	268,608	268,372	(236)
<u>Expenditures:</u>				
Current:				
General government	36,185	44,938	41,180	3,758
Public protection	94,717	102,171	96,175	5,996
Health and sanitation	41,741	43,445	42,659	786
Public assistance	72,644	76,256	72,472	3,784
Education	301	301	280	21
Debt service:				
Interest and fiscal charges	400	400	295	105
Total expenditures	245,988	267,511	253,061	14,450
Excess (deficiency) of revenues over expenditures	12,526	1,097	15,311	14,214
<u>Other financing sources (uses):</u>				
Transfers in	-	5,948	4,359	(1,589)
Transfers (out)	(19,671)	(22,877)	(20,729)	2,148
Reserves, designations and contingencies	(14,452)	(8,987)		8,987
Total other financing sources and uses	(34,123)	(25,916)	(16,370)	9,546
Net change in fund balances	(21,597)	(24,819)	(1,059)	23,760
Fund balances—beginning	21,597	21,597	86,948	65,351
Fund balances—ending	\$ -	\$ (3,222)	\$ 85,889	\$ 89,111
<u>Explanation of differences between budgetary outflows and GAAP expenditures:</u>				
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule				\$ 253,061
Differences - budget to GAAP:				
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule				(5,926)
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances - General fund				\$ 247,135

See accompanying independent auditor's report.



---

**OTHER SUPPLEMENTARY INFORMATION**

---



---

**COMBINING FINANCIAL STATEMENTS  
NON-MAJOR GOVERNMENTAL FUNDS**

---



## **NONMAJOR GOVERNMENTAL FUNDS**

### **DEBT SERVICE FUNDS:**

Debt service funds are used to account for the accumulation of resources for and the payment, of general long-term debt principal and interest.

#### San Luis Obispo County Financing Authority

The Authority was created to assist in the financing, construction, and equipping of public facilities for its members.

#### San Luis Obispo County Public Facilities Corporation

The PFC is a non-profit public benefit corporation organized to assist public agencies within the County of San Luis Obispo with the acquisition and construction of various public facilities.

### **SPECIAL REVENUE FUNDS:**

Special revenue funds are used to account for revenues that are restricted by law or administrative actions to expenditures for specified purpose. Nonmajor special revenue funds used by the County are listed below:

#### California Health Care Indigent Program

Accounts for revenues received from the State of California used to provide health care for the indigent population of the County

#### Community Development Program

Accounts for pass through grants from HUD entitlements to be distributed to the County and other local agencies

#### County Medical Services Program (CMSP)

Accounts for resources used to provide for the County Medical Services program which provides medical care for indigents pursuant to the County's obligation under Welfare and Institution Code Section 17000 et seq.

#### County-wide Automation Replacement

Accounts for funds used to provide for replacement of County-wide automation equipment

#### Emergency Medical Services

Accounts for payments to physicians, hospitals, and other providers of emergency medical care from revenues imposed and collected by the courts

#### First Offender / Drinking Driver Program

Accounts for resources used for the rehabilitation of drunk drivers (an educational component of Alcohol Services)

#### Fish & Game

Accounts for funds generated by fines levied as a result of Fish and Game violations

## **NONMAJOR GOVERNMENTAL FUNDS (Continued)**

### General Government Building Replacement

Accounts for resources for the replacement of the County's general government buildings

### Road Impact Fees

Accounts for resources collected from developers to add, maintain, and improve roads in specific areas where the fees were allocated

### Library

Accounts for resources used to provide library services throughout the County

### Organizational Effectiveness

Accounts for resources aimed at continuous efforts to improve the effectiveness of County government and provide countywide training activities for employees

### Parks

Accounts for resources used to provide parks and recreational services County-wide

### Public Facilities Fees

Accounts for resources collected from the building permit process to build public facilities such as fire and law enforcement stations, library and general government structures

### Roads

Accounts for resources used to maintain the County road system

### Tax Reductions Reserve

Accounts for resources used to offset future reductions of property tax revenues, which are provided by the tax loss reserve fund under the Teeter Plan

### Wildlife & Grazing

Accounts for resources used to provide for range improvements and the control of predators

### Governmental Leasing

Consolidates the needed resources to meet all financial obligations under long-term lease financing agreements with the debt service fund, Public Facilities Financing Corporation.

## **SPECIAL REVENUE SPECIAL DISTRICT FUNDS:**

### Flood Control Districts

Accounts for resources used to provide control and conservation of flood and storm waters, which are mutually exclusive of Enterprise Flood Control District funds

### Lighting Districts

Accounts for resources used to provide street lighting in unincorporated areas of the County

### County Service Areas

Accounts for resources used to provide for water and sewer services which are mutually exclusive of Enterprise Fund County Service Areas



COUNTY OF SAN LUIS OBISPO  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2003 (in thousands)

	Debt Service Funds	Special Revenue Funds	Total Nonmajor Governmental Funds
<u>Assets</u>			
Cash and investments	\$ -	\$ 74,307	\$ 74,307
Investments with trustee	4,386	-	4,386
Other receivables	17	454	471
Due from other governments	-	2,755	2,755
Prepaid items	-	51	51
Advances to other funds	-	696	696
Other assets	1,115	-	1,115
 Total assets	 5,518	 78,263	 83,781
<u>Liabilities and fund balances:</u>			
<u>Liabilities:</u>			
Salaries and benefits payable	-	193	193
Accounts payable	-	422	422
Trust deposits	-	358	358
Due to other county funds	-	28	28
Deposits from others	-	537	537
Deferred revenue	-	257	257
Other current liabilities	1,453	-	1,453
Advances from other county funds	1,601	1,390	2,991
Total liabilities	3,054	3,185	6,239
 <u>Fund balances:</u>			
Reserved	2,464	36,299	38,763
<u>Unreserved, reported in nonmajor:</u>			
Special revenue funds		38,779	38,779
Total fund balance	2,464	75,078	77,542
 Total liabilities and fund balances	 \$ 5,518	 \$ 78,263	 \$ 83,781

COUNTY OF SAN LUIS OBISPO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Debt Service Funds	Special Revenue Funds	Total Nonmajor Governmental Funds
<u>Revenues:</u>			
Taxes	\$ -	\$ 6,987	\$ 6,987
Licenses, permits, and franchises	-	3	3
Fines, forfeits, and penalties	-	885	885
Revenues from use of money and property	60	1,515	1,575
Aid from governmental agencies	-	20,592	20,592
Charges for current services	3,717	15,129	18,846
Other revenues	-	1,865	1,865
Total revenues	3,777	46,976	50,753
<u>Expenditures:</u>			
Current:			
General government	-	2,488	2,488
Public protection	-	1,538	1,538
Public ways and facilities	-	20,741	20,741
Health and sanitation	-	5,376	5,376
Public assistance	-	5,020	5,020
Education	-	6,692	6,692
Recreational and cultural services	-	4,853	4,853
Debt service:			
Principal payments	1,305	-	1,305
Interest and fiscal charges	2,664	-	2,664
Total expenditures	3,969	46,708	50,677
Excess (deficiency) of revenues over expenditures	(192)	268	76
<u>Other financing sources (uses):</u>			
Proceeds on long term debt	21,982	-	21,982
Transfers in	-	9,119	9,119
Transfers (out)	(20,493)	(1,998)	(22,491)
Total other financing sources and uses	1,489	7,121	8,610
Net change in fund balances	1,297	7,389	8,686
Fund balances - beginning	1,167	67,689	68,856
Fund balances - ending	\$ 2,464	\$ 75,078	\$ 77,542

COUNTY OF SAN LUIS OBISPO  
 COMBINING BALANCE SHEET  
 NONMAJOR DEBT SERVICE FUNDS  
 JUNE 30, 2003 (in thousands)

	Debt Service Public Facilities Corporation	Debt Service Financing Authority	Total Debt Service Funds
<u>Assets</u>			
Other accrued receivables	\$ 16	\$ 1	\$ 17
Restricted cash with fiscal agent	3,320	1,066	4,386
Other assets	1,115	-	1,115
 Total assets	 4,451	 1,067	 5,518
<u>Liabilities and fund balances:</u>			
<u>Liabilities:</u>			
Other short term liabilities	1,115	-	1,115
Advances from other county funds	549	1,052	1,601
Accrued interest	338	-	338
Total liabilities	2,002	1,052	3,054
 <u>Fund balances:</u>			
Reserved	2,449	15	2,464
Total fund balance	2,449	15	2,464
 Total liabilities and fund balances	 \$ 4,451	 \$ 1,067	 \$ 5,518

COUNTY OF SAN LUIS OBISPO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR DEBT SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Debt Service Public Facilities Corporation	Debt Service Financing Authority	Total Debt Service Funds
<u>Revenues:</u>			
Revenues from use of money and property	\$ 60	\$ -	\$ 60
Charges for current services	1,788	1,929	3,717
Total revenues	1,848	1,929	3,777
<u>Expenditures:</u>			
Current:			
Debt service:			
Principal payments	825	480	1,305
Interest and fiscal charges	1,199	1,465	2,664
Total expenditures	2,024	1,945	3,969
Excess (deficiency) of revenues over expenditures	(176)	(16)	(192)
<u>Other financing sources (uses):</u>			
Proceeds on long term debt	21,982		21,982
Transfers (out)	(20,493)	-	(20,493)
Total other financing sources and uses	1,489	-	1,489
Net change in fund balances	1,313	(16)	1,297
Fund balances - beginning	1,136	31	1,167
Fund balances - ending	\$ 2,449	\$ 15	\$ 2,464

COUNTY OF SAN LUIS OBISPO  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2003 (in thousands)

	CA Health Indigent Prog	Community Development	CMSP	Co-Wide Autom Rplc
<u>Assets</u>				
Cash and cash equivalents	\$ 68	\$ 1,312	\$ 889	\$ 10,398
Other receivables	71	-	-	-
Due from other governments	172	-	206	-
Prepaid items	-	-	-	51
Advances to other funds	-	-	-	-
Total assets	<u>311</u>	<u>1,312</u>	<u>1,095</u>	<u>10,449</u>
<u>Liabilities and fund balances:</u>				
<u>Liabilities:</u>				
Salaries and benefits payable	-	-	18	-
Accounts payable	57	-	133	-
Trust deposits	-	339	-	-
Due to other county funds	-	-	-	-
Deposits from others	-	-	-	-
Deferred revenue	-	-	-	-
Advances from other county funds	-	-	-	-
Total liabilities	<u>57</u>	<u>339</u>	<u>151</u>	<u>-</u>
<u>Fund balances:</u>				
Reserved	254	973	944	63
Unreserved	-	-	-	10,386
Total fund balance	<u>254</u>	<u>973</u>	<u>944</u>	<u>10,449</u>
Total liabilities and fund balances	<u>\$ 311</u>	<u>\$ 1,312</u>	<u>\$ 1,095</u>	<u>\$ 10,449</u>

*Continued on next page*

COUNTY OF SAN LUIS OBISPO  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2003 (in thousands)

Emergency Med Svcs	First Offend - Drunk Driver	Fish & Game	Gen Gov Bldg Rplcmnt
\$ 98	\$ 139	\$ 71	\$ 4,494
210	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>308</u>	<u>139</u>	<u>71</u>	<u>4,494</u>
-	16	-	-
64	2	3	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>64</u>	<u>18</u>	<u>3</u>	<u>-</u>
34	-	-	-
<u>210</u>	<u>121</u>	<u>68</u>	<u>4,494</u>
<u>244</u>	<u>121</u>	<u>68</u>	<u>4,494</u>
<u>\$ 308</u>	<u>\$ 139</u>	<u>\$ 71</u>	<u>\$ 4,494</u>

Assets

Cash and cash equivalents  
 Other receivables  
 Due from other governments  
 Prepaid items  
 Advances to other funds

Total assets

Liabilities and fund balances:

Liabilities:

Salaries and benefits payable  
 Accounts payable  
 Trust deposits  
 Due to other county funds  
 Deposits from others  
 Deferred revenue  
 Advances from other county funds  
 Total liabilities

Fund balances:

Reserved  
 Unreserved  
 Total fund balance

Total liabilities and fund balances

*Continued on next page*

COUNTY OF SAN LUIS OBISPO  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2003 (in thousands)

	Impact Fee - Traffic	Library	Organizat'l Effectiveness	Parks
<u>Assets</u>				
Cash and cash equivalents	\$ 11,002	\$ 3,830	\$ 2,471	\$ 2,604
Other receivables	-	-	-	8
Due from other governments	-	-	-	31
Prepaid items	-	-	-	-
Advances to other funds	-	-	-	104
	<u>11,002</u>	<u>3,830</u>	<u>2,471</u>	<u>2,747</u>
<u>Liabilities and fund balances:</u>				
<u>Liabilities:</u>				
Salaries and benefits payable	-	86	-	73
Accounts payable	-	30	23	61
Trust deposits	-	1	-	-
Due to other county funds	-	-	-	-
Deposits from others	-	-	-	-
Deferred revenue	-	-	-	257
Advances from other county funds	-	-	-	-
Total liabilities	<u>-</u>	<u>117</u>	<u>23</u>	<u>391</u>
<u>Fund balances:</u>				
Reserved	11,002	895	44	1,859
Unreserved	-	2,818	2,404	497
Total fund balance	<u>11,002</u>	<u>3,713</u>	<u>2,448</u>	<u>2,356</u>
Total liabilities and fund balances	<u>\$ 11,002</u>	<u>\$ 3,830</u>	<u>\$ 2,471</u>	<u>\$ 2,747</u>

*Continued on next page*

COUNTY OF SAN LUIS OBISPO  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2003 (in thousands)

Public Facilities Fee	Roads	Tax Reduct. Reserve	Wildlife Grazing
\$ 12,344	\$ 6,132	\$ 11,977	\$ 27
-	165	-	-
-	2,238	-	-
-	-	-	-
-	-	-	-
<u>12,344</u>	<u>8,535</u>	<u>11,977</u>	<u>27</u>
-	-	-	-
5	-	-	-
18	-	-	-
-	28	-	-
-	535	-	-
-	-	-	-
-	-	-	-
<u>23</u>	<u>563</u>	<u>-</u>	<u>-</u>
12,321	6,017	-	-
-	1,955	11,977	27
<u>12,321</u>	<u>7,972</u>	<u>11,977</u>	<u>27</u>
<u>\$ 12,344</u>	<u>\$ 8,535</u>	<u>\$ 11,977</u>	<u>\$ 27</u>

Assets

Cash and cash equivalents  
 Other receivables  
 Due from other governments  
 Prepaid items  
 Advances to other funds

Total assets

Liabilities and fund balances:

Liabilities:

Salaries and benefits payable  
 Accounts payable  
 Trust deposits  
 Due to other county funds  
 Deposits from others  
 Deferred revenue  
 Advances from other county funds  
 Total liabilities

Fund balances:

Reserved  
 Unreserved  
 Total fund balance

Total liabilities and fund balances

*Continued on next page*

COUNTY OF SAN LUIS OBISPO  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2003 (in thousands)

	Governmental Leasing	Special District Funds	Total Special Revenue Funds
<u>Assets</u>			
Cash and cash equivalents	\$ -	\$ 6,451	\$ 74,307
Other receivables	-	-	454
Due from other governments	-	108	2,755
Prepaid items	-	-	51
Advances to other funds	-	592	696
Total assets	<u>-</u>	<u>7,151</u>	<u>78,263</u>
<u>Liabilities and fund balances:</u>			
<u>Liabilities:</u>			
Salaries and benefits payable	-	-	193
Accounts payable	-	44	422
Trust deposits	-	-	358
Due to other county funds	-	-	28
Deposits from others	-	2	537
Deferred revenue	-	-	257
Advances from other county funds	-	1,390	1,390
Total liabilities	<u>-</u>	<u>1,436</u>	<u>3,185</u>
<u>Fund balances:</u>			
Reserved	-	1,893	36,299
Unreserved	-	3,822	38,779
Total fund balance	<u>-</u>	<u>5,715</u>	<u>75,078</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 7,151</u>	<u>\$ 78,263</u>



COUNTY OF SAN LUIS OBISPO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	CA Health Indigent Prog	Community Development	CMSP	Co-Wide Autom Rplc
<u>Revenues:</u>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and franchises	-	-	-	-
Fines, forfeits, and penalties	-	-	-	-
Revenues from use of money and property	4	64	18	218
Aid from governmental agencies	441	4,967	2,473	-
Charges for current services	376	-	169	1,374
Other revenues	-	875	-	-
Total revenues	<u>821</u>	<u>5,906</u>	<u>2,660</u>	<u>1,592</u>
<u>Expenditures:</u>				
Current:				
General government	-	-	-	839
Public protection	-	-	-	-
Public ways and facilities	-	-	-	-
Health and sanitation	-	5,376	-	-
Public assistance	867	-	2,675	-
Education	-	-	-	-
Recreational and cultural services	-	-	-	-
Total expenditures	<u>867</u>	<u>5,376</u>	<u>2,675</u>	<u>839</u>
Excess (deficiency) of revenues over expenditures	<u>(46)</u>	<u>530</u>	<u>(15)</u>	<u>753</u>
<u>Other financing sources (uses):</u>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	(794)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(794)</u>
Net change in fund balances	<u>(46)</u>	<u>530</u>	<u>(15)</u>	<u>(41)</u>
Fund balances - beginning	<u>300</u>	<u>443</u>	<u>959</u>	<u>10,490</u>
Fund balances - ending	<u>\$ 254</u>	<u>\$ 973</u>	<u>\$ 944</u>	<u>\$ 10,449</u>

*Continued on next page*

COUNTY OF SAN LUIS OBISPO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

Emergency Med Svcs	First Offend - Drunk Driver	Fish & Game	Gen Gov Bldg Rplcmnt
\$ -	\$ -	\$ -	\$ -
-	-	-	-
455	-	7	-
9	3	-	86
-	-	-	-
725	1,103	-	826
247	1	-	-
<u>1,436</u>	<u>1,107</u>	<u>7</u>	<u>912</u>
-	-	-	-
-	-	12	-
-	-	-	-
-	-	-	-
1,478	-	-	-
-	1,179	-	-
-	-	-	-
<u>1,478</u>	<u>1,179</u>	<u>12</u>	<u>-</u>
<u>(42)</u>	<u>(72)</u>	<u>(5)</u>	<u>912</u>
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(42)</u>	<u>(72)</u>	<u>(5)</u>	<u>912</u>
<u>286</u>	<u>193</u>	<u>73</u>	<u>3,582</u>
<u>\$ 244</u>	<u>\$ 121</u>	<u>\$ 68</u>	<u>\$ 4,494</u>

Revenues:

Taxes  
 Licenses, permits, and franchises  
 Fines, forfeits, and penalties  
 Revenues from use of money and property  
 Aid from governmental agencies  
 Charges for current services  
 Other revenues  
 Total revenues

Expenditures:

Current:  
 General government  
 Public protection  
 Public ways and facilities  
 Health and sanitation  
 Public assistance  
 Education  
 Recreational and cultural services  
 Total expenditures  
 Excess (deficiency) of revenues  
 over expenditures

Other financing sources (uses):

Transfers in  
 Transfers (out)  
 Total other financing sources and uses  
 Net change in fund balances

Fund balances - beginning

Fund balances - ending

*Continued on next page*

COUNTY OF SAN LUIS OBISPO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Impact Fee - Traffic	Library	Organizational Effectiveness	Parks
<u>Revenues:</u>				
Taxes	\$ -	\$ 4,366	\$ -	\$ -
Licenses, permits, and franchises	-	-	-	-
Fines, forfeits, and penalties	-	73	-	9
Revenues from use of money and property	224	77	37	49
Aid from governmental agencies	-	535	-	53
Charges for current services	2,386	284	7	2,375
Other revenues	-	119	-	-
Total revenues	<u>2,610</u>	<u>5,454</u>	<u>44</u>	<u>2,486</u>
<u>Expenditures:</u>				
Current:				
General government	-	-	409	-
Public protection	-	-	-	-
Public ways and facilities	1,343	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	5,513	-	-
Recreational and cultural services	-	-	-	4,853
Total expenditures	<u>1,343</u>	<u>5,513</u>	<u>409</u>	<u>4,853</u>
Excess (deficiency) of revenues over expenditures	<u>1,267</u>	<u>(59)</u>	<u>(365)</u>	<u>(2,367)</u>
<u>Other financing sources (uses):</u>				
Transfers in	-	380	1,350	2,443
Transfers (out)	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>380</u>	<u>1,350</u>	<u>2,443</u>
Net change in fund balances	1,267	321	985	76
Fund balances - beginning	<u>9,735</u>	<u>3,392</u>	<u>1,463</u>	<u>2,280</u>
Fund balances - ending	<u>\$ 11,002</u>	<u>\$ 3,713</u>	<u>\$ 2,448</u>	<u>\$ 2,356</u>

*Continued on next page*

COUNTY OF SAN LUIS OBISPO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

Public Facilities Fee	Roads	Tax Reduct. Reserve	Wildlife Grazing	
\$ -	\$ 991	\$ -	\$ -	<u>Revenues:</u>
-	3	-	-	Taxes
-	47	-	-	Licenses, permits, and franchises
233	100	255	1	Fines, forfeits, and penalties
-	11,885	-	8	Revenues from use of money and property
3,353	1,435	-	-	Aid from governmental agencies
-	253	-	-	Charges for current services
<u>3,586</u>	<u>14,714</u>	<u>255</u>	<u>9</u>	Other revenues
				Total revenues
-	-	-	-	<u>Expenditures:</u>
-	-	-	-	Current:
5	18,959	-	-	General government
-	-	-	27	Public protection
-	-	-	-	Public ways and facilities
-	-	-	-	Health and sanitation
-	-	-	-	Public assistance
-	-	-	-	Education
-	-	-	-	Recreational and cultural services
<u>5</u>	<u>18,959</u>	<u>-</u>	<u>27</u>	Total expenditures
3,581	(4,245)	255	(18)	Excess (deficiency) of revenues over expenditures
-	4,600	-	-	<u>Other financing sources (uses):</u>
(1,121)	-	-	-	Transfers in
(1,121)	4,600	-	-	Transfers (out)
2,460	355	255	(18)	Total other financing sources and uses
				Net change in fund balances
<u>9,861</u>	<u>7,617</u>	<u>11,722</u>	<u>45</u>	Fund balances - beginning
<u>\$ 12,321</u>	<u>\$ 7,972</u>	<u>\$ 11,977</u>	<u>\$ 27</u>	Fund balances - ending

*Continued on next page*

COUNTY OF SAN LUIS OBISPO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Governmental Leasing	Special District Funds	Total Special Revenue Funds
<u>Revenues:</u>			
Taxes	\$ 322	\$ 1,308	\$ 6,987
Licenses, permits, and franchises	-	-	3
Fines, forfeits, and penalties	284	10	885
Revenues from use of money and property	-	137	1,515
Aid from governmental agencies	-	230	20,592
Charges for current services	634	82	15,129
Other revenues	-	370	1,865
Total revenues	<u>1,240</u>	<u>2,137</u>	<u>46,976</u>
<u>Expenditures:</u>			
Current:			
General government	1,240	-	2,488
Public protection	-	1,499	1,538
Public ways and facilities	-	434	20,741
Health and sanitation	-	-	5,376
Public assistance	-	-	5,020
Education	-	-	6,692
Recreational and cultural services	-	-	4,853
Total expenditures	<u>1,240</u>	<u>1,933</u>	<u>46,708</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>204</u>	<u>268</u>
<u>Other financing sources (uses):</u>			
Transfers in	-	346	9,119
Transfers (out)	-	(83)	(1,998)
Total other financing sources and uses	<u>-</u>	<u>263</u>	<u>7,121</u>
Net change in fund balances	<u>-</u>	<u>467</u>	<u>7,389</u>
Fund balances - beginning, as restated	<u>-</u>	<u>5,248</u>	<u>67,689</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 5,715</u>	<u>\$ 75,078</u>

COUNTY OF SAN LUIS OBISPO  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS - SPECIAL DISTRICTS  
 JUNE 30, 2003 (in thousands)

	Flood Control Districts	Lighting Districts	County Service Areas	Total Special Revenue Special District Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 4,266	\$ 384	\$ 1,801	\$ 6,451
Due from other governments	108	-	-	108
Advances to other funds	592	-	-	592
Total assets	<u>4,966</u>	<u>384</u>	<u>1,801</u>	<u>7,151</u>
<u>Liabilities and fund balances:</u>				
<u>Liabilities:</u>				
Accounts payable	37	-	7	44
Deposits from others	2	-	-	2
Advances from other county funds	592	-	798	1,390
Total liabilities	<u>631</u>	<u>-</u>	<u>805</u>	<u>1,436</u>
<u>Fund balances:</u>				
Reserved	1,864	-	29	1,893
Unreserved:	2,471	384	967	3,822
Total fund balance	<u>4,335</u>	<u>384</u>	<u>996</u>	<u>5,715</u>
Total liabilities and fund balances	<u>\$ 4,966</u>	<u>\$ 384</u>	<u>\$ 1,801</u>	<u>\$ 7,151</u>

COUNTY OF SAN LUIS OBISPO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NONMAJOR SPECIAL REVENUE FUNDS - SPECIAL DISTRICTS  
 JUNE 30, 2003 (in thousands)

	Flood Control Districts	Lighting Districts	County Service Areas	Total Special Revenue Special District Funds
<u>Revenues:</u>				
Taxes	\$ 960	\$ 23	\$ 325	\$ 1,308
Fines, forfeits, and penalties	10	-	-	10
Revenues from use of money and property	91	8	38	137
Aid from governmental agencies	229	-	1	230
Charges for current services	35	2	45	82
Other revenues	370	-	-	370
Total revenues	<u>1,695</u>	<u>33</u>	<u>409</u>	<u>2,137</u>
<u>Expenditures:</u>				
Current:				
Public protection	1,484	15	-	1,499
Public ways and facilities	-	-	434	434
Total expenditures	<u>1,484</u>	<u>15</u>	<u>434</u>	<u>1,933</u>
Excess (deficiency) of revenues over expenditures	<u>211</u>	<u>18</u>	<u>(25)</u>	<u>204</u>
<u>Other financing sources (uses):</u>				
Transfers in	290	-	56	346
Transfers (out)	(6)	-	(77)	(83)
Total other financing sources and uses	<u>284</u>	<u>-</u>	<u>(21)</u>	<u>263</u>
Net change in fund balances	495	18	(46)	467
Fund balances - beginning	<u>3,840</u>	<u>366</u>	<u>1,042</u>	<u>5,248</u>
Fund balances - ending	<u>\$ 4,335</u>	<u>\$ 384</u>	<u>\$ 996</u>	<u>\$ 5,715</u>

---

**BUDGETARY COMPARISON SCHEDULES  
NON-MAJOR GOVERNMENTAL FUNDS**

---



COUNTY OF SAN LUIS OBISPO  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET TO ACTUAL COMPARISON  
 FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Fines, forfeits, and penalties	\$ 6,949	\$ 9,582	\$ 201	\$ (9,381)
Revenues from use of money and property	859	859	723	(136)
Aid from governmental agencies	1,590	2,354	222	(2,132)
Charges for current services	3,692	1,327	315	(1,012)
Other revenues	-	500	246	(254)
Total revenues	<u>13,090</u>	<u>14,622</u>	<u>1,707</u>	<u>(12,915)</u>
<u>Expenditures:</u>				
Capital Outlay	<u>34,613</u>	<u>59,118</u>	<u>40,838</u>	<u>18,280</u>
Total expenditures	<u>34,613</u>	<u>59,118</u>	<u>40,838</u>	<u>18,280</u>
Excess (deficiency) of revenues over expenditures	<u>(21,523)</u>	<u>(44,496)</u>	<u>(39,131)</u>	<u>5,365</u>
<u>Other financing sources (uses):</u>				
Transfers in	2,000	28,249	23,482	(4,767)
Transfers (out)	-	(3,338)	(3,338)	-
Reserves, designations and contingencies	<u>(1,654)</u>	<u>(1,592)</u>	<u>1,592</u>	<u>1,592</u>
Total other financing sources and uses	<u>346</u>	<u>23,319</u>	<u>20,144</u>	<u>(3,175)</u>
Net change in fund balances	<u>(21,177)</u>	<u>(21,177)</u>	<u>(18,987)</u>	<u>2,190</u>
Budgetary fund balances - beginning	<u>21,177</u>	<u>21,177</u>	<u>36,104</u>	<u>14,927</u>
Budgetary fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,117</u>	<u>\$ 17,117</u>

Explanation of differences between budgetary outflows and GAAP expenditures:

Expenditures on budgetary basis	\$ 40,838
Differences - budget to GAAP:	
Less:	
Encumbrances	<u>(25,691)</u>
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	<u>\$ 15,147</u>

COUNTY OF SAN LUIS OBISPO  
TOTAL COMBINED SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL COMPARISON  
FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	\$ 6,555	\$ 6,679	\$ 6,987	\$ 308
Licenses, permits, and franchises	-	-	3	3
Fines, forfeits, and penalties	779	879	885	6
Revenues from use of money and property	768	773	1,515	742
Aid from governmental agencies	16,200	39,368	20,592	(18,776)
Charges for current services	13,120	16,958	15,129	(1,829)
Other revenues	153	1,078	1,865	787
Total revenues	<u>37,575</u>	<u>65,735</u>	<u>46,976</u>	<u>(18,759)</u>
<u>Expenditures:</u>				
General government	3,628	3,525	2,544	981
Public protection	2,440	3,239	2,810	429
Public ways and facilities	30,777	52,271	26,487	25,784
Health and sanitation	4,282	10,482	5,376	5,106
Public assistance	6,001	6,404	6,253	151
Education	8,468	8,935	7,587	1,348
Recreational and cultural services	5,014	6,810	5,068	1,742
Total expenditures	<u>60,610</u>	<u>91,666</u>	<u>56,125</u>	<u>35,541</u>
Excess (deficiency) of revenues over expenditures	<u>(23,035)</u>	<u>(25,931)</u>	<u>(9,149)</u>	<u>16,782</u>
<u>Other financing sources (uses):</u>				
Transfers in	13,452	14,590	9,119	(5,471)
Transfers out	(792)	(9,993)	(1,998)	7,995
Reserves, designations and contingencies	(1,494)	9,465	-	(9,465)
Total other financing sources and uses	<u>11,166</u>	<u>14,062</u>	<u>7,121</u>	<u>(6,941)</u>
Net change in fund balances	<u>(11,869)</u>	<u>(11,869)</u>	<u>(2,028)</u>	<u>9,841</u>
Budgetary fund balances - beginning	<u>11,869</u>	<u>11,869</u>	<u>57,193</u>	<u>45,324</u>
Fund balances—ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,165</u>	<u>\$ 55,165</u>

Explanation of differences between budgetary outflows and GAAP expenditures:

Expenditures on budgetary basis	\$ 56,125
Differences - budget to GAAP:	
Less:	
Encumbrances	<u>(9,417)</u>
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	<u>\$ 46,708</u>

COUNTY OF SAN LUIS OBISPO  
CALIFORNIA HEALTH CARE INDIGENT PROGRAM SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL COMPARISON  
FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Revenues from use of money and property	\$ 3	\$ 3	\$ 4	\$ 1
Aid from governmental agencies	567	567	441	(126)
Charges for current services	296	351	376	25
Total revenues	<u>866</u>	<u>921</u>	<u>821</u>	<u>(100)</u>
<u>Expenditures:</u>				
Public assistance	1,162	1,218	1,122	96
Total expenditures	<u>1,162</u>	<u>1,218</u>	<u>1,122</u>	<u>96</u>
Excess (deficiency) of revenues over expenditures	<u>(296)</u>	<u>(297)</u>	<u>(301)</u>	<u>(4)</u>
<u>Other financing sources (uses):</u>				
Reserves, designations and contingencies	(1)	-	-	-
Total other financing sources and uses	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(297)</u>	<u>(297)</u>	<u>(301)</u>	<u>(4)</u>
Budgetary fund balances - beginning	<u>297</u>	<u>297</u>	<u>300</u>	<u>3</u>
Budgetary fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ (1)</u>

Explanation of differences between budgetary outflows and GAAP expenditures:

Expenditures on budgetary basis	\$ 1,122
Differences - budget to GAAP:	
Less:	
Encumbrances	<u>(255)</u>
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	<u>\$ 867</u>

COUNTY OF SAN LUIS OBISPO  
COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL COMPARISON  
FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Revenues from use of money and property	\$ -	\$ -	\$ 64	\$ 64
Aid from governmental agencies	-	6,199	4,967	(1,232)
Charges for current services	-	-	-	-
Other revenues	-	-	875	875
Total revenues	<u>-</u>	<u>6,199</u>	<u>5,906</u>	<u>(293)</u>
<u>Expenditures:</u>				
Health and sanitation	<u>4,282</u>	<u>10,482</u>	<u>5,376</u>	<u>5,106</u>
Total expenditures	<u>4,282</u>	<u>10,482</u>	<u>5,376</u>	<u>5,106</u>
Excess (deficiency) of revenues over expenditures	<u>(4,282)</u>	<u>(4,283)</u>	<u>530</u>	<u>4,813</u>
<u>Other financing sources (uses):</u>				
Transfers in	4,228	4,228	-	(4,228)
Reserves, designations and contingencies	<u>-</u>	<u>1</u>	<u>-</u>	<u>(1)</u>
Total other financing sources and uses	<u>4,228</u>	<u>4,229</u>	<u>-</u>	<u>(4,229)</u>
Net change in fund balances	(54)	(54)	530	584
Budgetary fund balances - beginning	<u>54</u>	<u>54</u>	<u>443</u>	<u>389</u>
Budgetary fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 973</u>	<u>\$ 973</u>

COUNTY OF SAN LUIS OBISPO  
 COUNTY MEDICAL SERVICES PROGRAM (CMSP) SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL COMPARISON  
 FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Revenues from use of money and property	\$ 10	\$ 10	\$ 18	\$ 8
Aid from governmental agencies	2,472	2,472	2,473	1
Charges for current services	203	203	169	(34)
Other revenues	-	-	-	-
Total revenues	<u>2,685</u>	<u>2,685</u>	<u>2,660</u>	<u>(25)</u>
<u>Expenditures:</u>				
Public assistance	<u>3,644</u>	<u>3,644</u>	<u>3,619</u>	<u>25</u>
Total expenditures	<u>3,644</u>	<u>3,644</u>	<u>3,619</u>	<u>25</u>
Excess (deficiency) of revenues over expenditures	<u>(959)</u>	<u>(959)</u>	<u>(959)</u>	<u>-</u>
<u>Other financing sources (uses):</u>				
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(959)</u>	<u>(959)</u>	<u>(959)</u>	<u>-</u>
Budgetary fund balances - beginning	<u>959</u>	<u>959</u>	<u>959</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Explanation of differences between budgetary outflows and GAAP expenditures:

Expenditures on budgetary basis	\$ 3,619
Differences - budget to GAAP:	
Less:	
Encumbrances	<u>(944)</u>
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	<u>\$ 2,675</u>

COUNTY OF SAN LUIS OBISPO  
COUNTY-WIDE AUTOMATION REPLACEMENT SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL COMPARISON  
FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Revenues from use of money and property	\$ -	\$ -	\$ 218	\$ 218
Charges for current services	1,373	1,373	1,374	1
Total revenues	<u>1,373</u>	<u>1,373</u>	<u>1,592</u>	<u>219</u>
<u>Expenditures:</u>				
General government	1,170	1,068	851	217
Total expenditures	<u>1,170</u>	<u>1,068</u>	<u>851</u>	<u>217</u>
Excess (deficiency) of revenues over expenditures	<u>203</u>	<u>305</u>	<u>741</u>	<u>436</u>
<u>Other financing sources (uses):</u>				
Transfers out	-	(794)	(794)	-
Reserves, designations and contingencies	(725)	(33)	-	33
Total other financing sources and uses	<u>(725)</u>	<u>(827)</u>	<u>(794)</u>	<u>33</u>
Net change in fund balances	<u>(522)</u>	<u>(522)</u>	<u>(53)</u>	<u>469</u>
Budgetary fund balances - beginning	<u>522</u>	<u>522</u>	<u>10,490</u>	<u>9,968</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,437</u>	<u>\$ 10,437</u>

Explanation of differences between budgetary outflows and GAAP expenditures:

Expenditures on budgetary basis	\$ 851
Differences - budget to GAAP:	
Less:	
Encumbrances	<u>(12)</u>
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	<u>\$ 839</u>

COUNTY OF SAN LUIS OBISPO  
EMERGENCY MEDICAL SERVICES SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL COMPARISON  
FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Fines, forfeits, and penalties	\$ 378	\$ 478	\$ 455	\$ (23)
Revenues from use of money and property	2	2	9	7
Charges for current services	725	725	725	-
Other revenues	-	247	247	-
Total revenues	<u>1,105</u>	<u>1,452</u>	<u>1,436</u>	<u>(16)</u>
<u>Expenditures:</u>				
Public assistance	<u>1,195</u>	<u>1,542</u>	<u>1,512</u>	<u>30</u>
Total expenditures	<u>1,195</u>	<u>1,542</u>	<u>1,512</u>	<u>30</u>
Excess (deficiency) of revenues over expenditures	<u>(90)</u>	<u>(90)</u>	<u>(76)</u>	<u>14</u>
<u>Other financing sources (uses):</u>				
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(90)</u>	<u>(90)</u>	<u>(76)</u>	<u>14</u>
Budgetary fund balances - beginning	<u>90</u>	<u>90</u>	<u>286</u>	<u>196</u>
Budgetary fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210</u>	<u>\$ 210</u>

Explanation of differences between budgetary outflows and GAAP expenditures:

Expenditures on budgetary basis	\$ 1,512
Differences - budget to GAAP:	
Less:	
Encumbrances	<u>(34)</u>
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	<u>\$ 1,478</u>

COUNTY OF SAN LUIS OBISPO  
 FIRST OFFENDER - DRUNK DRIVER SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET TO ACTUAL COMPARISON  
 FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Revenues from use of money and property	\$ 10	\$ 10	\$ 3	\$ (7)
Charges for current services	1,396	1,396	1,103	(293)
Other revenues	-	-	1	1
Total revenues	<u>1,406</u>	<u>1,406</u>	<u>1,107</u>	<u>(299)</u>
<u>Expenditures:</u>				
Education	1,472	1,472	1,179	293
Total expenditures	<u>1,472</u>	<u>1,472</u>	<u>1,179</u>	<u>293</u>
Excess (deficiency) of revenues over expenditures	<u>(66)</u>	<u>(66)</u>	<u>(72)</u>	<u>(6)</u>
<u>Other financing sources (uses):</u>				
Reserves, designations and contingencies	20	20	-	(20)
Total other financing sources and uses	<u>20</u>	<u>20</u>	<u>-</u>	<u>(20)</u>
Net change in fund balances	<u>(46)</u>	<u>(46)</u>	<u>(72)</u>	<u>(26)</u>
Budgetary fund balances - beginning	<u>46</u>	<u>46</u>	<u>193</u>	<u>147</u>
Budgetary fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121</u>	<u>\$ 121</u>

COUNTY OF SAN LUIS OBISPO  
 FISH AND GAME SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET TO ACTUAL COMPARISON  
 FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Fines, forfeits, and penalties	\$ 10	\$ 10	\$ 7	\$ (3)
Total revenues	<u>10</u>	<u>10</u>	<u>7</u>	<u>(3)</u>
<u>Expenditures:</u>				
Public protection	20	20	12	8
Total expenditures	<u>20</u>	<u>20</u>	<u>12</u>	<u>8</u>
Excess (deficiency) of revenues over expenditures	<u>(10)</u>	<u>(10)</u>	<u>(5)</u>	<u>5</u>
<u>Other financing sources (uses):</u>				
Reserves, designations and contingencies	(14)	(14)		14
Total other financing sources and uses	<u>(14)</u>	<u>(14)</u>	<u>-</u>	<u>14</u>
Net change in fund balances	<u>(24)</u>	<u>(24)</u>	<u>(5)</u>	<u>19</u>
Budgetary fund balances - beginning	<u>24</u>	<u>24</u>	<u>73</u>	<u>49</u>
Budgetary fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68</u>	<u>\$ 68</u>

COUNTY OF SAN LUIS OBISPO  
 GENERAL GOVERNMENT BUILDING REPLACEMENT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL COMPARISON  
 FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Revenues from use of money and property	\$ -	\$ -	\$ 86	\$ 86
Charges for current services	826	826	826	-
Total revenues	<u>826</u>	<u>826</u>	<u>912</u>	<u>86</u>
<u>Expenditures:</u>				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>826</u>	<u>826</u>	<u>912</u>	<u>86</u>
<u>Other financing sources (uses):</u>				
Reserves, designations and contingencies	(945)	(945)	-	945
Total other financing sources and uses	<u>(945)</u>	<u>(945)</u>	<u>-</u>	<u>945</u>
Net change in fund balances	(119)	(119)	912	1,031
Budgetary fund balances - beginning	<u>119</u>	<u>119</u>	<u>3,582</u>	<u>3,463</u>
Budgetary fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,494</u>	<u>\$ 4,494</u>

COUNTY OF SAN LUIS OBISPO  
 TRAFFIC IMPACT FEES SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET TO ACTUAL COMPARISON  
 FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Revenues from use of money and property	\$ 250	\$ 250	\$ 224	\$ (26)
Aid from governmental agencies	-	-	-	-
Charges for current services	600	600	2,386	1,786
Other revenues	-	-	-	-
Total revenues	<u>850</u>	<u>850</u>	<u>2,610</u>	<u>1,760</u>
<u>Expenditures:</u>				
Public ways and facilities	1,907	5,478	1,343	4,135
Total expenditures	<u>1,907</u>	<u>5,478</u>	<u>1,343</u>	<u>4,135</u>
Excess (deficiency) of revenues over expenditures	<u>(1,057)</u>	<u>(4,628)</u>	<u>1,267</u>	<u>5,895</u>
<u>Other financing sources (uses):</u>				
Reserves, designations and contingencies	1,057	4,628	-	(4,628)
Total other financing sources and uses	<u>1,057</u>	<u>4,628</u>	<u>-</u>	<u>(4,628)</u>
Net change in fund balances	-	-	1,267	1,267
Budgetary fund balances - beginning	-	-	9,735	9,735
Budgetary fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,002</u>	<u>\$ 11,002</u>

COUNTY OF SAN LUIS OBISPO  
LIBRARY SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL COMPARISON  
FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	\$ 4,183	\$ 4,183	\$ 4,366	\$ 183
Fines, forfeits, and penalties	73	73	73	-
Revenues from use of money and property	77	77	77	-
Aid from governmental agencies	556	559	535	(24)
Charges for current services	184	184	284	100
Other revenues	-	440	119	(321)
Total revenues	<u>5,073</u>	<u>5,516</u>	<u>5,454</u>	<u>(62)</u>
<u>Expenditures:</u>				
Education	6,996	7,463	6,408	1,055
Recreational and cultural services	-	-	-	-
Total expenditures	<u>6,996</u>	<u>7,463</u>	<u>6,408</u>	<u>1,055</u>
Excess (deficiency) of revenues over expenditures	<u>(1,923)</u>	<u>(1,947)</u>	<u>(954)</u>	<u>993</u>
<u>Other financing sources (uses):</u>				
Transfers in	375	401	380	(21)
Reserves, designations and contingencies	458	456	-	(456)
Total other financing sources and uses	<u>833</u>	<u>857</u>	<u>380</u>	<u>(477)</u>
Net change in fund balances	<u>(1,090)</u>	<u>(1,090)</u>	<u>(574)</u>	<u>516</u>
Budgetary fund balances - beginning	<u>1,090</u>	<u>1,090</u>	<u>3,392</u>	<u>2,302</u>
Budgetary fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,818</u>	<u>\$ 2,818</u>

Explanation of differences between budgetary outflows and GAAP expenditures:

Expenditures on budgetary basis	\$ 6,408
Differences - budget to GAAP:	
Less:	
Encumbrances	<u>(895)</u>
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	<u>\$ 5,513</u>

COUNTY OF SAN LUIS OBISPO  
 ORGANIZATIONAL EFFECTIVENESS - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET TO ACTUAL COMPARISON  
 FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Revenues from use of money and property	\$ -	\$ -	\$ 37	\$ 37
Charges for current services	-	-	7	7
Total revenues	<u>-</u>	<u>-</u>	<u>44</u>	<u>44</u>
<u>Expenditures:</u>				
General government	503	502	453	49
Total expenditures	<u>503</u>	<u>502</u>	<u>453</u>	<u>49</u>
Excess (deficiency) of revenues over expenditures	<u>(503)</u>	<u>(502)</u>	<u>(409)</u>	<u>93</u>
<u>Other financing sources (uses):</u>				
Contributed capital	-	-	-	-
Transfers in	1,350	1,350	1,350	-
Transfers out	-	-	-	-
Reserves, designations and contingencies	(1,110)	(1,111)	-	1,111
Total other financing sources and uses	<u>240</u>	<u>239</u>	<u>1,350</u>	<u>1,111</u>
Net change in fund balances	<u>(263)</u>	<u>(263)</u>	<u>941</u>	<u>1,204</u>
Budgetary fund balances - beginning	<u>263</u>	<u>263</u>	<u>1,463</u>	<u>1,200</u>
Budgetary fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,404</u>	<u>\$ 2,404</u>

Explanation of differences between budgetary outflows and GAAP expenditures:

Expenditures on budgetary basis	\$ 453
Differences - budget to GAAP:	
Less:	
Encumbrances	<u>(44)</u>
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	<u>\$ 409</u>

COUNTY OF SAN LUIS OBISPO  
PARKS SPECIAL REVENUE FUND  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL COMPARISON  
FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Fines, forfeits, and penalties	\$ 9	\$ 9	\$ 9	\$ -
Revenues from use of money and property	65	65	49	(16)
Aid from governmental agencies	8	1,498	53	(1,445)
Charges for current services	2,120	2,277	2,375	98
Other revenues	3	183	-	(183)
Total revenues	<u>2,205</u>	<u>4,032</u>	<u>2,486</u>	<u>(1,546)</u>
<u>Expenditures:</u>				
Recreational and cultural services	5,014	6,810	5,068	1,742
Total expenditures	<u>5,014</u>	<u>6,810</u>	<u>5,068</u>	<u>1,742</u>
Excess (deficiency) of revenues over expenditures	<u>(2,809)</u>	<u>(2,778)</u>	<u>(2,582)</u>	<u>196</u>
<u>Other financing sources (uses):</u>				
Transfers in	2,527	2,497	2,443	(54)
Reserves, designations and contingencies	139	138	-	(138)
Total other financing sources and uses	<u>2,666</u>	<u>2,635</u>	<u>2,443</u>	<u>(192)</u>
Net change in fund balances	<u>(143)</u>	<u>(143)</u>	<u>(139)</u>	<u>4</u>
Budgetary fund balances - beginning	<u>143</u>	<u>143</u>	<u>2,280</u>	<u>2,137</u>
Budgetary fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,141</u>	<u>\$ 2,141</u>

Explanation of differences between budgetary outflows and GAAP expenditures:

Expenditures on budgetary basis	\$ 5,068
Differences - budget to GAAP:	
Less:	
Encumbrances	<u>(215)</u>
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	<u>\$ 4,853</u>

COUNTY OF SAN LUIS OBISPO  
PUBLIC FACILITIES FEES SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET TO ACTUAL COMPARISON  
FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Revenues from use of money and property	\$ -	\$ -	\$ 233	\$ 233
Charges for current services	2,665	2,665	3,353	688
Other revenues	-	-	-	-
Total revenues	<u>2,665</u>	<u>2,665</u>	<u>3,586</u>	<u>921</u>
<u>Expenditures:</u>				
Public ways and facilities	1,957	35	40	(5)
Total expenditures	<u>1,957</u>	<u>35</u>	<u>40</u>	<u>(5)</u>
Excess (deficiency) of revenues over expenditures	<u>708</u>	<u>2,630</u>	<u>3,546</u>	<u>916</u>
<u>Other financing sources (uses):</u>				
Transfers out	(500)	(8,645)	(1,121)	7,524
Reserves, designations and contingencies	(208)	6,015	-	(6,015)
Total other financing sources and uses	<u>(708)</u>	<u>(2,630)</u>	<u>(1,121)</u>	<u>1,509</u>
Net change in fund balances	-	-	2,425	2,425
Budgetary fund balances - beginning	-	-	9,861	9,861
Budgetary fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,286</u>	<u>\$ 12,286</u>

Explanation of differences between budgetary outflows and GAAP expenditures:

Expenditures on budgetary basis	\$ 40
Differences - budget to GAAP:	
Less:	
Encumbrances	<u>(35)</u>
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	<u>\$ 5</u>

COUNTY OF SAN LUIS OBISPO  
ROADS SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL COMPARISON  
FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	\$ 986	\$ 986	\$ 991	\$ 5
Licenses, permits, and franchises	-	-	3	3
Fines, forfeits, and penalties	25	25	47	22
Revenues from use of money and property	90	90	100	10
Aid from governmental agencies	12,575	27,952	11,885	(16,067)
Charges for current services	1,971	5,542	1,435	(4,107)
Other revenues	150	-	253	253
Total revenues	<u>15,797</u>	<u>34,595</u>	<u>14,714</u>	<u>(19,881)</u>
<u>Expenditures:</u>				
Public ways and facilities	26,543	45,904	24,641	21,263
Total expenditures	<u>26,543</u>	<u>45,904</u>	<u>24,641</u>	<u>21,263</u>
Excess (deficiency) of revenues over expenditures	<u>(10,746)</u>	<u>(11,309)</u>	<u>(9,927)</u>	<u>1,382</u>
<u>Other financing sources (uses):</u>				
Transfers in	4,300	4,600	4,600	-
Reserves, designations and contingencies	995	1,258	-	(1,258)
Total other financing sources and uses	<u>5,295</u>	<u>5,858</u>	<u>4,600</u>	<u>(1,258)</u>
Net change in fund balances	<u>(5,451)</u>	<u>(5,451)</u>	<u>(5,327)</u>	<u>124</u>
Budgetary fund balances - beginning	<u>5,451</u>	<u>5,451</u>	<u>7,617</u>	<u>2,166</u>
Budgetary fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,290</u>	<u>\$ 2,290</u>

Explanation of differences between budgetary outflows and GAAP expenditures:

Expenditures on budgetary basis	\$ 24,641
Differences - budget to GAAP:	
Less:	
Encumbrances	<u>(5,682)</u>
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	<u>\$ 18,959</u>

COUNTY OF SAN LUIS OBISPO  
 TAX REDUCTION RESERVE SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET TO ACTUAL COMPARISON  
 FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Revenues from use of money and property	\$ -	\$ -	\$ 255	\$ 255
Total revenues	<u>-</u>	<u>-</u>	<u>255</u>	<u>255</u>
<u>Expenditures:</u>				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>255</u>	<u>255</u>
<u>Other financing sources (uses):</u>				
Reserves, designations and contingencies	(412)	(412)	-	412
Total other financing sources and uses	<u>(412)</u>	<u>(412)</u>	<u>-</u>	<u>412</u>
Net change in fund balances	(412)	(412)	255	667
Budgetary fund balances - beginning	<u>412</u>	<u>412</u>	<u>11,722</u>	<u>11,310</u>
Budgetary fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,977</u>	<u>\$ 11,977</u>

COUNTY OF SAN LUIS OBISPO  
 WILDLIFE GRAZING SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL COMPARISON  
 FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Revenues from use of money and property	\$ 2	\$ 2	\$ 1	\$ (1)
Aid from governmental agencies	8	8	8	-
Total revenues	<u>10</u>	<u>10</u>	<u>9</u>	<u>(1)</u>
<u>Expenditures:</u>				
Public protection	33	33	27	6
Total expenditures	<u>33</u>	<u>33</u>	<u>27</u>	<u>6</u>
Excess (deficiency) of revenues over expenditures	<u>(23)</u>	<u>(23)</u>	<u>(18)</u>	<u>5</u>
<u>Other financing sources (uses):</u>				
Reserves, designations and contingencies	6	6	-	(6)
Total other financing sources and uses	<u>6</u>	<u>6</u>	<u>-</u>	<u>(6)</u>
Net change in fund balances	<u>(17)</u>	<u>(17)</u>	<u>(18)</u>	<u>(1)</u>
Budgetary fund balances - beginning	<u>17</u>	<u>17</u>	<u>45</u>	<u>28</u>
Budgetary fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27</u>	<u>\$ 27</u>

COUNTY OF SAN LUIS OBISPO  
 GOVERNMENTAL LEASING SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET TO ACTUAL COMPARISON  
 FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	\$ 500	\$ 500	\$ 322	\$ (178)
Fines, forfeits, and penalties	284	284	284	-
Revenues from use of money and property	53	53	-	(53)
Charges for current services	635	635	634	(1)
Total revenues	<u>1,472</u>	<u>1,472</u>	<u>1,240</u>	<u>(232)</u>
<u>Expenditures:</u>				
General government	<u>1,955</u>	<u>1,955</u>	<u>1,240</u>	<u>715</u>
Total expenditures	<u>1,955</u>	<u>1,955</u>	<u>1,240</u>	<u>715</u>
Excess (deficiency) of revenues over expenditures	<u>(483)</u>	<u>(483)</u>	<u>-</u>	<u>483</u>
<u>Other financing sources (uses):</u>				
Transfers in	484	484	-	(484)
Reserves, designations and contingencies	<u>(1)</u>	<u>(1)</u>	<u>-</u>	<u>1</u>
Total other financing sources and uses	<u>483</u>	<u>483</u>	<u>-</u>	<u>(483)</u>
Net change in fund balances	-	-	-	-
Budgetary fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Budgetary fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF SAN LUIS OBISPO  
TOTAL SPECIAL DISTRICTS SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL COMPARISON  
FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	\$ 886	\$ 1,010	\$ 1,308	\$ 298
Fines, forfeits, and penalties	-	-	10	10
Revenues from use of money and property	206	211	137	(74)
Aid from governmental agencies	14	113	230	117
Charges for current services	126	181	82	(99)
Other revenues	-	208	370	162
Total revenues	<u>1,232</u>	<u>1,723</u>	<u>2,137</u>	<u>414</u>
<u>Expenditures:</u>				
Public protection	2,387	3,186	2,771	415
Public ways and facilities	370	854	463	391
Total expenditures	<u>2,757</u>	<u>4,040</u>	<u>3,234</u>	<u>806</u>
Excess (deficiency) of revenues over expenditures	<u>(1,525)</u>	<u>(2,317)</u>	<u>(1,097)</u>	<u>1,220</u>
<u>Other financing sources (uses):</u>				
Transfers in	188	1,030	346	(684)
Transfers out	(292)	(554)	(83)	471
Reserves, designations and contingencies	(753)	(541)	-	541
Total other financing sources and uses	<u>(857)</u>	<u>(65)</u>	<u>263</u>	<u>328</u>
Net change in fund balances	<u>(2,382)</u>	<u>(2,382)</u>	<u>(834)</u>	<u>1,548</u>
Budgetary fund balances - beginning	<u>2,382</u>	<u>2,382</u>	<u>(5,248)</u>	<u>(7,630)</u>
Budgetary fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,082)</u>	<u>\$ (6,082)</u>

Explanation of differences between budgetary outflows and GAAP expenditures:

Expenditures on budgetary basis	\$ 3,234
Differences - budget to GAAP:	
Less:	
Encumbrances	<u>(1,301)</u>
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	<u>\$ 1,933</u>

COUNTY OF SAN LUIS OBISPO  
FLOOD CONTROL SPECIAL REVENUE DISTRICTS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL COMPARISON  
FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	\$ 733	\$ 733	\$ 960	\$ 227
Fines, forfeits, and penalties	-	-	10	10
Revenues from use of money and property	134	139	91	(48)
Aid from governmental agencies	13	112	229	117
Charges for current services	31	31	35	4
Other revenues	-	208	370	162
Total revenues	<u>911</u>	<u>1,223</u>	<u>1,695</u>	<u>472</u>
<u>Expenditures:</u>				
Public protection	<u>2,371</u>	<u>3,170</u>	<u>2,756</u>	<u>414</u>
Total expenditures	<u>2,371</u>	<u>3,170</u>	<u>2,756</u>	<u>414</u>
Excess (deficiency) of revenues over expenditures	<u>(1,460)</u>	<u>(1,947)</u>	<u>(1,061)</u>	<u>886</u>
<u>Other financing sources (uses):</u>				
Transfers in	186	595	290	(305)
Transfers (out)	(186)	(311)	(6)	305
Reserves, designations and contingencies	<u>(218)</u>	<u>(15)</u>	<u>-</u>	<u>15</u>
Total other financing sources and uses	<u>(218)</u>	<u>269</u>	<u>284</u>	<u>15</u>
Net change in fund balances	<u>(1,678)</u>	<u>(1,678)</u>	<u>(777)</u>	<u>901</u>
Budgetary fund balances - beginning	<u>1,678</u>	<u>1,678</u>	<u>(3,840)</u>	<u>(5,518)</u>
Budgetary fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,617)</u>	<u>\$ (4,617)</u>

Explanation of differences between budgetary outflows and GAAP expenditures:

Expenditures on budgetary basis	\$ 2,756
Differences - budget to GAAP:	
Less:	
Encumbrances	<u>(1,272)</u>
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	<u>\$ 1,484</u>

COUNTY OF SAN LUIS OBISPO  
 LIGHTING CONTROL SPECIAL REVENUE DISTRICTS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET TO ACTUAL COMPARISON  
 FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	\$ 20	\$ 20	\$ 23	\$ 3
Revenues from use of money and property	14	14	8	(6)
Charges for current services	-	-	2	2
Total revenues	<u>34</u>	<u>34</u>	<u>33</u>	<u>(1)</u>
<u>Expenditures:</u>				
Public protection	16	16	15	1
Total expenditures	<u>16</u>	<u>16</u>	<u>15</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	<u>18</u>	<u>18</u>	<u>18</u>	<u>-</u>
<u>Other financing sources (uses):</u>				
Reserves, designations and contingencies	(200)	(200)	-	200
Total other financing sources and uses	<u>(200)</u>	<u>(200)</u>	<u>-</u>	<u>200</u>
Net change in fund balances	<u>(182)</u>	<u>(182)</u>	<u>18</u>	<u>200</u>
Budgetary fund balances - beginning	<u>182</u>	<u>182</u>	<u>(366)</u>	<u>(548)</u>
Budgetary fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (348)</u>	<u>\$ (348)</u>

COUNTY OF SAN LUIS OBISPO  
COUNTY SERVICES AREAS SPECIAL REVENUE DISTRICTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL COMPARISON  
FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Original Budget	Final Budget	Actual Amount on Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	\$ 133	\$ 257	\$ 325	\$ 68
Revenues from use of money and property	58	58	38	(20)
Aid from governmental agencies	1	1	1	-
Charges for current services	95	150	45	(105)
Other revenues	-	-	-	-
Total revenues	<u>287</u>	<u>466</u>	<u>409</u>	<u>(57)</u>
<u>Expenditures:</u>				
Public ways and facilities	370	854	463	391
Total expenditures	<u>370</u>	<u>854</u>	<u>463</u>	<u>391</u>
Excess (deficiency) of revenues over expenditures	<u>(83)</u>	<u>(388)</u>	<u>(54)</u>	<u>334</u>
<u>Other financing sources (uses):</u>				
Transfers in	2	435	56	(379)
Transfers (out)	(106)	(243)	(77)	166
Reserves, designations and contingencies	(335)	(326)	-	326
Total other financing sources and uses	<u>(439)</u>	<u>(134)</u>	<u>(21)</u>	<u>113</u>
Net change in fund balances	<u>(522)</u>	<u>(522)</u>	<u>(75)</u>	<u>447</u>
Budgetary fund balances - beginning	<u>522</u>	<u>522</u>	<u>(1,042)</u>	<u>(1,564)</u>
Budgetary fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,117)</u>	<u>\$ (1,117)</u>

Explanation of differences between budgetary outflows and GAAP expenditures:

Expenditures on budgetary basis	\$ 463
Differences - budget to GAAP:	
Less:	
Encumbrances	<u>(29)</u>
Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances	<u>\$ 434</u>



---

**COMBINING FINANCIAL STATEMENTS  
NON-MAJOR ENTERPRISE FUNDS**

---



## **NONMAJOR ENTERPRISE FUNDS**

### **ENTERPRISE FUNDS:**

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is to have the costs of providing goods or services to the general public on a continuing basis be financed primarily through user charges; or where the County has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

#### Transit District

Accounts for resources used to provide transit services to various areas of the County

#### Flood Control District

Accounts for resources used to provide control and conservation of flood and storm waters, which are mutually exclusive of Special Revenue Funds

#### Nacimiento Water Contract

Accounts for the activities and delivery of water associated with the Nacimiento water supply reservoir and the contract with Monterey County

#### Lopez Park

Accounts for the operations of the recreational facilities associated with the park next to Lopez Lake

#### County Service Areas

Accounts for resources used to provide for a variety of services such as street lighting, drainage, sewer and road maintenance, which are mutually exclusive of the special revenue funds county service areas

COUNTY OF SAN LUIS OBISPO  
 COMBINING STATEMENT OF NET ASSETS  
 NONMAJOR ENTERPRISE FUNDS  
 JUNE 30, 2003 (in thousands)

	Transit	General Flood Control Zone	Nacimiento Water Contract	Lopez Park
<u>Assets</u>				
Current Assets:				
Cash and cash equivalents	\$ 119	\$ 1,096	\$ 4,964	\$ 220
Accounts receivable, net	11	159	-	-
Other receivables	-	-	-	16
Due from other county funds	-	9	525	-
Deposits with others	-	-	-	-
Total current assets	<u>130</u>	<u>1,264</u>	<u>5,489</u>	<u>236</u>
Noncurrent assets:				
Capital assets:				
Nondepreciable:				
Land	84	-	-	-
Construction in progress	-	-	4,376	531
Depreciable:				
Structures & improvements, net	-	-	-	350
Equipment, net	204	-	-	33
Total noncurrent assets	<u>288</u>	<u>-</u>	<u>4,376</u>	<u>914</u>
Total assets	<u>418</u>	<u>1,264</u>	<u>9,865</u>	<u>1,150</u>
<u>Liabilities</u>				
Current liabilities:				
Salaries and benefits payable	-	-	-	-
Accounts payable	-	-	-	13
Patient refunds	-	-	-	-
Interest payable	-	-	-	-
Self insurance payable	-	-	-	-
Deposits from others	17	-	-	-
Due to other county funds	-	1	225	302
Accrued vacation	-	-	-	-
Deferred revenue	-	-	-	-
Notes and bonds payable - current	-	-	-	-
Total current liabilities	<u>17</u>	<u>1</u>	<u>225</u>	<u>315</u>
Noncurrent liabilities:				
Advances from other funds	-	-	-	-
Notes and bonds payable	-	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>17</u>	<u>1</u>	<u>225</u>	<u>315</u>
<u>Net assets</u>				
Invested in capital assets, net of related debt	288	-	4,374	913
Unrestricted	113	1,263	5,266	(78)
Total net assets	<u>\$ 401</u>	<u>\$ 1,263</u>	<u>\$ 9,640</u>	<u>\$ 835</u>

COUNTY OF SAN LUIS OBISPO  
 COMBINING STATEMENT OF NET ASSETS  
 NONMAJOR ENTERPRISE FUNDS  
 JUNE 30, 2003 (in thousands)

County Service Areas	Total	
\$ 3,651	\$ 10,050	<u>Assets</u>
112	282	Current Assets:
-	16	Cash and cash equivalents
-	534	Accounts receivable, net
13	13	Other receivables
3,776	10,895	Due from other county funds
		Deposits with others
		Total current assets
		Noncurrent assets:
		Capital assets:
		Nondepreciable:
132	216	Land
1,217	6,124	Construction in progress
		Depreciable:
7,242	7,592	Structures & improvements, net
52	289	Equipment, net
8,643	14,221	Total noncurrent assets
12,419	25,116	Total assets
		<u>Liabilities</u>
		Current liabilities:
-	-	Salaries and benefits payable
6	19	Accounts payable
-	-	Patient refunds
-	-	Interest payable
-	-	Self insurance payable
121	138	Deposits from others
3	531	Due to other county funds
		Accrued vacation
-	-	Deferred revenue
83	83	Notes and bonds payable - current
121	121	Total current liabilities
334	892	Noncurrent liabilities:
		Advances from other funds
191	191	Notes and bonds payable
2,957	2,957	Total noncurrent liabilities
3,148	3,148	Total liabilities
3,482	4,040	
		<u>Net assets</u>
5,568	11,143	Invested in capital assets, net of related debt
3,369	9,933	Unrestricted
\$ 8,937	\$ 21,076	Total net assets

COUNTY OF SAN LUIS OBISPO  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 NONMAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Transit	General Flood Control Zone	Nacimiento Water Contract	Lopez Park
<u>Operating revenues:</u>				
Charges for current services	\$ 54	\$ 483	\$ 31	\$ 1,432
Total operating revenues	<u>54</u>	<u>483</u>	<u>31</u>	<u>1,432</u>
<u>Operating expenses</u>				
Services and supplies	-	-	-	-
Other charges	616	506	484	1,475
Depreciation	16	-	-	41
Total operating expenses	<u>632</u>	<u>506</u>	<u>484</u>	<u>1,516</u>
Operating income (loss)	<u>(578)</u>	<u>(23)</u>	<u>(453)</u>	<u>(84)</u>
<u>Nonoperating revenues:</u>				
Property taxes	-	-	722	-
Interest income	2	25	120	9
Aid from governmental agencies	633	-	16	95
Other nonoperating revenues	2	9	13	6
Total nonoperating revenue	<u>637</u>	<u>34</u>	<u>871</u>	<u>110</u>
<u>Nonoperating expenses:</u>				
Interest expense	-	-	-	-
Total nonoperating expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (loss) before contribution and transfers	<u>59</u>	<u>11</u>	<u>418</u>	<u>26</u>
Transfers in	-	-	634	-
Transfers (out)	-	-	(918)	(7)
Change in net assets	<u>59</u>	<u>11</u>	<u>134</u>	<u>19</u>
Net assets - beginning	<u>342</u>	<u>1,252</u>	<u>9,506</u>	<u>816</u>
Total net assets - ending	<u>\$ 401</u>	<u>\$ 1,263</u>	<u>\$ 9,640</u>	<u>\$ 835</u>

COUNTY OF SAN LUIS OBISPO  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 NONMAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

County Service Areas	Total	
\$ 2,288	\$ 4,288	<u>Operating revenues:</u>
2,288	4,288	Charges for current services
		Total operating revenues
		<u>Operating expenses</u>
25	25	Services and supplies
2,178	5,259	Other charges
293	350	Depreciation
2,496	5,634	Total operating expenses
(208)	(1,346)	Operating income (loss)
		<u>Nonoperating revenues:</u>
259	981	Property taxes
82	238	Interest income
3	747	Aid from governmental agencies
7	37	Other nonoperating revenues
351	2,003	Total nonoperating revenue
		<u>Nonoperating expenses:</u>
100	100	Interest expense
100	100	Total nonoperating expense
		Income (loss) before contribution and transfers
43	557	
		Transfers in
1	635	Transfers (out)
(5)	(930)	Change in net assets
39	262	
8,898	20,814	Net assets - beginning, as previously reported
\$ 8,937	\$ 21,076	Total net assets - ending

COUNTY OF SAN LUIS OBISPO  
 COMBINING STATEMENT OF CASH FLOWS  
 NONMAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Transit	General Flood Control Zone	Nacimiento Water Contract	Lopez Park
<u>Cash flows from operating activities:</u>				
Receipts from customers, patients, third parties	\$ 71	\$ 483	\$ 31	\$ 1,463
Cash received from other sources	-	54	18	-
Payments for goods and services	(616)	(506)	(486)	(1,527)
Payments to other sources	(71)	(15)	(355)	-
Net cash provided (used) by operating activities	<u>(616)</u>	<u>16</u>	<u>(792)</u>	<u>(64)</u>
<u>Cash flows from noncapital financing activities:</u>				
Property tax proceeds	-	-	722	-
Grants and subsidies from other gov't agencies	634	-	30	95
Transfers from other funds	-	-	-	300
Transfers to other funds	-	-	(284)	(7)
Net cash provided (used) by capital and related financing activities	<u>634</u>	<u>-</u>	<u>468</u>	<u>388</u>
<u>Cash flows from capital and related financing activities:</u>				
Purchases and construction of capital assets	(99)	-	(422)	(545)
Proceeds from sale of capital assets	2	-	-	-
Principal paid on capital debt	-	-	-	-
Interest paid on capital debt	-	-	-	-
Other receipts (payments)	-	-	-	6
Net cash provided (used) by capital and related financing activities	<u>(97)</u>	<u>-</u>	<u>(422)</u>	<u>(539)</u>
<u>Cash flows from investing activities:</u>				
Interest received	2	25	120	9
Net (decrease) in cash and cash equivalents	(77)	41	(626)	(206)
Total cash and cash equivalents, beginning of year	<u>196</u>	<u>1,055</u>	<u>5,590</u>	<u>426</u>
Total cash and cash equivalents, end of year	<u>\$ 119</u>	<u>\$ 1,096</u>	<u>\$ 4,964</u>	<u>\$ 220</u>
 <u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>				
Operating income (loss)	\$ (578)	\$ (23)	\$ (453)	\$ (84)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	16	-	-	41
Other nonoperating revenue (expense)	(71)	-	-	-
Change in assets and liabilities:				
Receivables, net	5	46	(300)	-
Other receivables	12	-	18	31
Accounts Payable	-	(7)	(57)	6
Accrued payroll liabilities	-	-	-	-
Other accrued liabilities	-	-	-	(58)
Net cash provided (used) by operating activities	<u>\$ (616)</u>	<u>\$ 16</u>	<u>\$ (792)</u>	<u>\$ (64)</u>

COUNTY OF SAN LUIS OBISPO  
 COMBINING STATEMENT OF CASH FLOWS  
 NONMAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

County Service Areas	Total Non-Major Enterprise Funds	
\$ 2,578 1 (2,439) (33) <hr style="border-top: 1px solid black;"/> 107  259 3 1 (19) <hr style="border-top: 1px solid black;"/> 244   (259) - (225) (105) (9) <hr style="border-top: 1px solid black;"/> (598)  82 (165) 3,816 <hr style="border-top: 1px solid black;"/> \$ 3,651 <hr style="border-top: 3px double black;"/>	\$ 4,626 73 (5,574) (474) <hr style="border-top: 1px solid black;"/> (1,349)  981 762 301 (310) <hr style="border-top: 1px solid black;"/> 1,734   (1,325) 2 (225) (105) (3) - <hr style="border-top: 1px solid black;"/> (1,656)  238 (1,033) 11,083 <hr style="border-top: 1px solid black;"/> \$ 10,050 <hr style="border-top: 3px double black;"/>	<u>Cash flows from operating activities:</u> Receipts from customers, patients, third parties Cash received from other sources Payments for goods and services Payments to other sources Net cash provided (used) by operating activities <u>Cash flows from noncapital financing activities:</u> Property tax proceeds Grants and subsidies from other gov't agencies Transfers from other funds Transfers to other funds Net cash provided (used) by capital and related financing activities <u>Cash flows from capital and related financing activities:</u> Purchases and construction of capital assets Proceeds from sale of capital assets Principal paid on capital debt Interest paid on capital debt Other receipts (payments) Net cash provided (used) by capital and related financing activities <u>Cash flows from investing activities:</u> Interest received Net (decrease) in cash and cash equivalents Total cash and cash equivalents, beginning of year  Total cash and cash equivalents, end of year   <u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u> Operating income (loss) Adjustments to reconcile operating income to net cash provided (used) by operating activities: Depreciation expense Other nonoperating revenue (expense) Change in assets and liabilities: Receivables, net Other receivables Accounts Payable Accrued payroll liabilities Other accrued liabilities  Net cash provided (used) by operating activities
\$ (208)  293 -  836 3 (819) (13) 15 <hr style="border-top: 1px solid black;"/> \$ 107 <hr style="border-top: 3px double black;"/>	\$ (1,346)  350 (71)  587 64 (877) (13) (43) <hr style="border-top: 1px solid black;"/> \$ (1,349) <hr style="border-top: 3px double black;"/>	Net cash provided (used) by operating activities



---

**COMBINING FINANCIAL STATEMENTS  
INTERNAL SERVICES FUNDS**

---



## **INTERNAL SERVICE FUNDS**

### **INTERNAL SERVICE FUNDS:**

Internal Service Funds are used to account for the financing of goods and services provided by one department to other departments on a cost-reimbursement basis. Internal Service Funds used at the County are listed below:

#### Reprographics

Accounts for resources used to provide centralized reprographic services to various County departments and other governmental agencies

#### Garage

Accounts for resources used to provide a vehicle fleet of cars, trucks, and police vehicles for use by various County departments at the lowest possible maintenance and operating costs

#### Public Works

Accounts for resources used to provide comprehensive Engineering services in the form of manpower, equipment and contractual services and supplies to all budgets, departments, agencies, and private citizens as requested or required by state law or local ordinance

#### Insurance Funds

Accounts for the operations of the County's Workers' Compensation, Protected Self-Insurance, Unemployment, and Dental Insurance programs

COUNTY OF SAN LUIS OBISPO  
 COMBINING STATEMENT OF NET ASSETS  
 INTERNAL SERVICE FUNDS  
 JUNE 30, 2003 (in thousands)

	Reprographics	Garage	Public Works	Insurance Funds
<u>Assets</u>				
Current Assets:				
Cash and cash equivalents	\$ 98	\$ 1,912	\$ 8,166	\$ 19,155
Accounts receivable, net	-	-	4	-
Other receivables	-	-	1	-
Due from other county funds	-	-	50	-
Inventory	4	44	319	-
Total current assets	<u>102</u>	<u>1,956</u>	<u>8,540</u>	<u>19,155</u>
Noncurrent assets:				
Restricted cash with fiscal agent				
Capital assets:				
Nondepreciable:				
Land	-	-	-	-
Construction in progress	-	-	-	-
Other capital assets	-	-	-	-
Depreciable:				
Structures & improvements, net	-	417	145	-
Equipment, net	92	4,963	5,213	-
Other noncurrent assets	-	-	-	-
Total noncurrent assets	<u>92</u>	<u>5,380</u>	<u>5,358</u>	<u>-</u>
Total assets	<u>194</u>	<u>7,336</u>	<u>13,898</u>	<u>19,155</u>
<u>Liabilities</u>				
Current liabilities:				
Salaries and benefits payable	5	19	314	-
Accounts payable	22	99	2,017	108
Self insurance payable	-	-	-	6,533
Deposits from others	-	-	231	-
Due to other county funds	-	-	15	-
Accrued vacation - current	16	49	1,018	-
Deferred revenue	-	-	-	-
Notes and bonds payable - current	-	-	-	-
Other short term debt	-	-	-	-
Total current liabilities	<u>43</u>	<u>167</u>	<u>3,595</u>	<u>6,641</u>
Noncurrent liabilities:				
Self insurance liability	-	-	-	14,926
Advances from other funds	-	-	-	-
Notes and bonds payable	-	-	-	-
Accrued vacation and sick leave	4	8	278	-
Other long-term debt	-	-	-	-
Total noncurrent liabilities	<u>4</u>	<u>8</u>	<u>278</u>	<u>14,926</u>
Total liabilities	<u>47</u>	<u>175</u>	<u>3,873</u>	<u>21,567</u>
<u>Net assets</u>				
Invested in capital assets, net of related debt	92	5,380	5,358	-
Unrestricted	55	1,781	4,667	(2,412)
Total net assets	<u>\$ 147</u>	<u>\$ 7,161</u>	<u>\$ 10,025</u>	<u>\$ (2,412)</u>

COUNTY OF SAN LUIS OBISPO  
 COMBINING STATEMENT OF NET ASSETS  
 INTERNAL SERVICE FUNDS  
 JUNE 30, 2003 (in thousands)

Total																																																																																																																																																																																																													
<table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 5%; text-align: right;">\$</td><td style="width: 15%; text-align: right;">29,331</td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td></tr> <tr><td></td><td style="text-align: right;">4</td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td style="text-align: right;">1</td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td style="text-align: right;">50</td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td style="text-align: right;">367</td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td style="text-align: right; border-top: 1px solid black;">29,753</td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td style="text-align: right;">-</td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td style="text-align: right;">-</td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td style="text-align: right;">-</td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td style="text-align: right;">562</td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td style="text-align: right;">10,268</td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td style="text-align: right;">-</td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td style="text-align: right; border-top: 1px solid black;">10,830</td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td style="text-align: right; border-top: 1px solid black;">40,583</td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td style="text-align: right;">338</td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td style="text-align: right;">2,246</td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td style="text-align: right;">6,533</td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td style="text-align: right;">231</td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td style="text-align: right;">15</td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td style="text-align: right;">1,083</td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td style="text-align: right;">-</td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td style="text-align: right;">-</td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td style="text-align: right;">-</td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td style="text-align: right; border-top: 1px solid black;">10,446</td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td style="text-align: right;">14,926</td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td style="text-align: right;">-</td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td style="text-align: right;">-</td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td style="text-align: right;">290</td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td style="text-align: right;">-</td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td style="text-align: right; border-top: 1px solid black;">15,216</td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td style="text-align: right; border-top: 1px solid black;">25,662</td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td style="text-align: right;">10,830</td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td style="text-align: right; border-top: 1px solid black;">4,091</td><td></td><td></td><td></td><td></td></tr> <tr><td></td><td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 14,921</td><td></td><td></td><td></td><td></td></tr> </table>	\$	29,331						4						1						50						367						29,753						-						-						-						562						10,268						-						10,830						40,583						338						2,246						6,533						231						15						1,083						-						-						-						10,446						14,926						-						-						290						-						15,216						25,662						10,830						4,091						\$ 14,921					<p><u>Assets</u></p> <p>Current Assets:</p> <ul style="list-style-type: none"> <li>Cash and cash equivalents</li> <li>Accounts receivable, net</li> <li>Other receivables</li> <li>Due from other county funds</li> <li>Inventory</li> <li>Total current assets</li> </ul> <p>Noncurrent assets:</p> <ul style="list-style-type: none"> <li>Restricted cash with fiscal agent</li> <li>Capital assets:           <ul style="list-style-type: none"> <li>Nondepreciable:               <ul style="list-style-type: none"> <li>Land</li> <li>Construction in progress</li> <li>Other capital assets</li> </ul> </li> <li>Depreciable:               <ul style="list-style-type: none"> <li>Structures &amp; improvements, net</li> <li>Equipment, net</li> </ul> </li> </ul> </li> <li>Other noncurrent assets</li> <li>Total noncurrent assets</li> </ul> <p>Total assets</p> <p><u>Liabilities</u></p> <p>Current liabilities:</p> <ul style="list-style-type: none"> <li>Salaries and benefits payable</li> <li>Accounts payable</li> <li>Self insurance payable</li> <li>Deposits from others</li> <li>Due to other county funds</li> <li>Accrued vacation - current</li> <li>Deferred revenue</li> <li>Notes and bonds payable - current</li> <li>Other short term debt</li> <li>Total current liabilities</li> </ul> <p>Noncurrent liabilities:</p> <ul style="list-style-type: none"> <li>Self insurance liability</li> <li>Advances from other funds</li> <li>Notes and bonds payable</li> <li>Accrued vacation and sick leave</li> <li>Other long-term debt</li> <li>Total noncurrent liabilities</li> <li>Total liabilities</li> </ul> <p><u>Net assets</u></p> <ul style="list-style-type: none"> <li>Invested in capital assets, net of related d</li> <li>Unrestricted</li> <li>Total net assets</li> </ul>
\$	29,331																																																																																																																																																																																																												
	4																																																																																																																																																																																																												
	1																																																																																																																																																																																																												
	50																																																																																																																																																																																																												
	367																																																																																																																																																																																																												
	29,753																																																																																																																																																																																																												
	-																																																																																																																																																																																																												
	-																																																																																																																																																																																																												
	-																																																																																																																																																																																																												
	562																																																																																																																																																																																																												
	10,268																																																																																																																																																																																																												
	-																																																																																																																																																																																																												
	10,830																																																																																																																																																																																																												
	40,583																																																																																																																																																																																																												
	338																																																																																																																																																																																																												
	2,246																																																																																																																																																																																																												
	6,533																																																																																																																																																																																																												
	231																																																																																																																																																																																																												
	15																																																																																																																																																																																																												
	1,083																																																																																																																																																																																																												
	-																																																																																																																																																																																																												
	-																																																																																																																																																																																																												
	-																																																																																																																																																																																																												
	10,446																																																																																																																																																																																																												
	14,926																																																																																																																																																																																																												
	-																																																																																																																																																																																																												
	-																																																																																																																																																																																																												
	290																																																																																																																																																																																																												
	-																																																																																																																																																																																																												
	15,216																																																																																																																																																																																																												
	25,662																																																																																																																																																																																																												
	10,830																																																																																																																																																																																																												
	4,091																																																																																																																																																																																																												
	\$ 14,921																																																																																																																																																																																																												

COUNTY OF SAN LUIS OBISPO  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Reprographics	Garage	Public Works	Combined Insurance (4 funds)
<u>Operating revenues:</u>				
Charges for current services	\$ 574	\$ 3,212	\$ 52,028	\$ 6,979
Total operating revenues	<u>574</u>	<u>3,212</u>	<u>52,028</u>	<u>6,979</u>
<u>Operating expenses</u>				
Salaries and benefits	215	665	13,516	-
Services and supplies	344	1,513	36,524	1,998
Other charges	-	-	796	-
Insurance benefit payments				7,843
Insurance premiums				903
Depreciation	37	1,224	622	-
Countywide cost allocation	-	-	1,249	380
Total operating expenses	<u>596</u>	<u>3,402</u>	<u>52,707</u>	<u>11,124</u>
Operating income (loss)	<u>(22)</u>	<u>(190)</u>	<u>(679)</u>	<u>(4,145)</u>
<u>Nonoperating revenues (expenses):</u>				
Interest income	1	30	125	450
Other revenue	1	160	113	-
Other (expense)	(8)	-	-	-
Total nonoperating revenue (expenses)	<u>(6)</u>	<u>190</u>	<u>238</u>	<u>450</u>
Income (loss) before contribution and transfers	<u>(28)</u>	<u>-</u>	<u>(441)</u>	<u>(3,695)</u>
Change in net assets	<u>(28)</u>	<u>-</u>	<u>(441)</u>	<u>(3,695)</u>
Net assets - beginning	<u>175</u>	<u>7,161</u>	<u>10,466</u>	<u>1,283</u>
Total net assets - ending	<u>\$ 147</u>	<u>\$ 7,161</u>	<u>\$ 10,025</u>	<u>\$ (2,412)</u>

COUNTY OF SAN LUIS OBISPO  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

Total Internal Service Funds
\$ 62,793
62,793
14,396
40,379
796
7,843
903
1,883
1,629
67,829
(5,036)
606
274
(8)
872
(4,164)
(4,164)
19,085
\$ 14,921

Operating revenues:  
 Charges for current services  
 Total operating revenues

Operating expenses  
 Salaries and benefits  
 Services and supplies  
 Other charges  
 Insurance benefit payments  
 Insurance premiums  
 Depreciation  
 Countywide cost allocation  
 Total operating expenses  
 Operating income (loss)

Nonoperating revenues (expenses):  
 Interest income  
 Other revenue  
 Other (expense)  
 Total nonoperating revenue (expenses)  
 Income (loss) before contribution  
 and transfers  
 Change in net assets  
 Net assets - beginning  
 Total net assets - ending

COUNTY OF SAN LUIS OBISPO  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2001 (in thousands)

	Reprographics	Garage	Public Works	Insurance (4 Funds)
<u>Cash flows from operating activities:</u>				
Receipts from interfund billings	\$ 574	\$ 3,250	\$ 53,364	\$ 6,979
Payments for goods and services	(347)	(1,522)	(37,574)	(2,376)
Payments to employees for service	(215)	(641)	(13,353)	
Payments for insurance benefits	-	-	-	(7,442)
Payments for premiums	-	-	-	(903)
Net cash provided by operating activities	<u>12</u>	<u>1,087</u>	<u>2,437</u>	<u>(3,742)</u>
<u>Cash flows from capital and related financing activities:</u>				
Purchases and construction of capital assets	(8)	(1,132)	(1,240)	-
Proceeds from sale of capital assets	-	162	42	-
Capital contributions	-	-	-	-
Net cash used by capital and related financing activities	<u>(8)</u>	<u>(970)</u>	<u>(1,198)</u>	<u>-</u>
<u>Cash flows from investing activities:</u>				
Interest received	1	30	125	450
Other investing activities	1	49	-	-
Net (decrease) in cash and cash equivalents	<u>6</u>	<u>196</u>	<u>1,364</u>	<u>(3,292)</u>
Total cash and cash equivalents, beginning of year	<u>92</u>	<u>1,716</u>	<u>6,802</u>	<u>22,447</u>
Total cash and cash equivalents, end of year	<u>\$ 98</u>	<u>\$ 1,912</u>	<u>\$ 8,166</u>	<u>\$ 19,155</u>

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss)	\$ (22)	\$ (190)	\$ (679)	\$ (4,145)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	37	1,224	622	-
Other nonoperating revenue (expense)	-	-	238	-
Change in assets and liabilities:				
Receivables, net	-	38	1,139	-
Inventory	2	(4)	(1)	-
Accounts Payable	(4)	(5)	956	99
Accrued payroll liabilities	1	9	162	-
Accrued vacation	(2)	15	-	-
Self insurance liability	-	-	-	304
Net cash provided by operating activities	<u>\$ 12</u>	<u>\$ 1,087</u>	<u>\$ 2,437</u>	<u>\$ (3,742)</u>

Noncash investing, capital and financing activities:

Variours departments transferred vehicles to the garage internal service fund with a total net book value of \$219

COUNTY OF SAN LUIS OBISPO  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2001 (in thousands)

<u>Total</u>																																																							
<table border="0" style="width: 100%;"> <tr><td style="width: 5%;">\$</td><td style="width: 10%;">64,167</td><td></td></tr> <tr><td></td><td>(41,819)</td><td></td></tr> <tr><td></td><td>(14,209)</td><td></td></tr> <tr><td></td><td>(7,442)</td><td></td></tr> <tr><td></td><td>(903)</td><td></td></tr> <tr><td></td><td><u>(206)</u></td><td></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td></td><td>(2,380)</td><td></td></tr> <tr><td></td><td>204</td><td></td></tr> <tr><td></td><td>-</td><td></td></tr> <tr><td></td><td><u>(2,176)</u></td><td></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td></td><td>606</td><td></td></tr> <tr><td></td><td>50</td><td></td></tr> <tr><td></td><td><u>(1,726)</u></td><td></td></tr> <tr><td></td><td><u>31,057</u></td><td></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td>\$</td><td><u>29,331</u></td><td></td></tr> </table>	\$	64,167			(41,819)			(14,209)			(7,442)			(903)			<u>(206)</u>						(2,380)			204			-			<u>(2,176)</u>						606			50			<u>(1,726)</u>			<u>31,057</u>					\$	<u>29,331</u>		<p><u>Cash flows from operating activities:</u></p> <ul style="list-style-type: none"> <li>Receipts from interfund billings</li> <li>Payments for goods and services</li> <li>Payments to employees for service</li> <li>Payments for insurance benefits</li> <li>Payments for premiums</li> <li>Net cash provided by operating activities</li> </ul> <p><u>Cash flows from capital and related financing activities</u></p> <ul style="list-style-type: none"> <li>Purchases and construction of capital assets</li> <li>Proceeds from sale of capital assets</li> <li>Capital contributions</li> <li>Net cash used by capital and related financing activities</li> </ul> <p><u>Cash flows from investing activities:</u></p> <ul style="list-style-type: none"> <li>Interest received</li> <li>Other investing activities</li> <li>Net (decrease) in cash and cash equivalents</li> </ul> <p>Total cash and cash equivalents, beginning of year</p> <p>Total cash and cash equivalents, end of year</p>
\$	64,167																																																						
	(41,819)																																																						
	(14,209)																																																						
	(7,442)																																																						
	(903)																																																						
	<u>(206)</u>																																																						
	(2,380)																																																						
	204																																																						
	-																																																						
	<u>(2,176)</u>																																																						
	606																																																						
	50																																																						
	<u>(1,726)</u>																																																						
	<u>31,057</u>																																																						
\$	<u>29,331</u>																																																						
<table border="0" style="width: 100%;"> <tr><td style="width: 5%;">\$</td><td style="width: 10%;">(5,036)</td><td></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td></td><td>1,883</td><td></td></tr> <tr><td></td><td>238</td><td></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td></td><td>1,177</td><td></td></tr> <tr><td></td><td>(3)</td><td></td></tr> <tr><td></td><td>1,046</td><td></td></tr> <tr><td></td><td>172</td><td></td></tr> <tr><td></td><td>13</td><td></td></tr> <tr><td></td><td><u>304</u></td><td></td></tr> <tr><td></td><td></td><td></td></tr> <tr><td>\$</td><td><u>(206)</u></td><td></td></tr> </table>	\$	(5,036)						1,883			238						1,177			(3)			1,046			172			13			<u>304</u>					\$	<u>(206)</u>		<p><u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u></p> <ul style="list-style-type: none"> <li>Operating income (loss)</li> <li>Adjustments to reconcile operating income to net cash provided by operating activities:           <ul style="list-style-type: none"> <li>Depreciation expense</li> <li>Other nonoperating revenue (expense)</li> </ul> </li> <li>Change in assets and liabilities:           <ul style="list-style-type: none"> <li>Receivables, net</li> <li>Inventory</li> <li>Accounts Payable</li> <li>Accrued payroll liabilities</li> <li>Accrued vacation</li> <li>Self insurance liability</li> </ul> </li> <li>Net cash provided by operating activities</li> </ul>															
\$	(5,036)																																																						
	1,883																																																						
	238																																																						
	1,177																																																						
	(3)																																																						
	1,046																																																						
	172																																																						
	13																																																						
	<u>304</u>																																																						
\$	<u>(206)</u>																																																						

COUNTY OF SAN LUIS OBISPO  
 COMBINING STATEMENT OF NET ASSETS  
 INTERNAL SERVICE FUNDS - INSURANCE  
 JUNE 30, 2003 (in thousands)

	<u>Workers'</u> <u>Compensation</u>	<u>Protected</u> <u>Self-Insurance</u>	<u>Unemployment</u> <u>Insurance</u>	<u>Dental</u> <u>Insurance</u>
<u>Assets</u>				
Current Assets:				
Cash and cash equivalents	\$ 12,812	\$ 4,412	\$ 1,311	\$ 620
Total current assets	<u>12,812</u>	<u>4,412</u>	<u>1,311</u>	<u>620</u>
Total assets	<u>12,812</u>	<u>4,412</u>	<u>1,311</u>	<u>620</u>
 <u>Liabilities</u>				
Current liabilities:				
Accounts payable	99	9	-	-
Self insurance payable	<u>4,376</u>	<u>1,537</u>	<u>-</u>	<u>620</u>
Total current liabilities	<u>4,475</u>	<u>1,546</u>	<u>-</u>	<u>620</u>
Noncurrent liabilities:				
Self insurance liability	<u>11,167</u>	<u>2,448</u>	<u>1,311</u>	<u>-</u>
Total noncurrent liabilities	<u>11,167</u>	<u>2,448</u>	<u>1,311</u>	<u>-</u>
Total liabilities	<u>15,642</u>	<u>3,994</u>	<u>1,311</u>	<u>620</u>
 <u>Net assets</u>				
Unrestricted	<u>(2,830)</u>	<u>418</u>	<u>-</u>	<u>-</u>
Total net assets	<u>\$ (2,830)</u>	<u>\$ 418</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF SAN LUIS OBISPO  
 COMBINING STATEMENT OF NET ASSETS  
 INTERNAL SERVICE FUNDS - INSURANCE  
 JUNE 30, 2003 (in thousands)

Total Insurance Funds	
\$ 19,155	
<u>19,155</u>	
<u>19,155</u>	
108	
<u>6,533</u>	
<u>6,641</u>	
14,926	
<u>14,926</u>	
<u>21,567</u>	
(2,412)	
<u>\$ (2,412)</u>	

<u>Assets</u>
Current Assets:
Cash and cash equivalents
Total current assets
Total assets
 <u>Liabilities</u>
Current liabilities:
Accounts payable
Self insurance payable
Total current liabilities
Noncurrent liabilities:
Self insurance liability
Total noncurrent liabilities
Total liabilities
 <u>Net assets</u>
Unrestricted
Total net assets

COUNTY OF SAN LUIS OBISPO  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 INTERNAL SERVICE FUNDS - INSURANCE  
 FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Workers' Compensation	Protected Self-Insurance	Unemployment Insurance	Dental Insurance
<u>Operating revenues:</u>				
Charges for current services	\$ 4,853	\$ 484	\$ 2	\$ 1,640
Total operating revenues	<u>4,853</u>	<u>484</u>	<u>2</u>	<u>1,640</u>
<u>Operating expenses</u>				
Services and supplies	822	1,034	2	140
Insurance benefit payments	5,894	403	32	1,514
Insurance premiums	510	393	-	-
Countywide cost allocation	272	106	-	2
Total operating expenses	<u>7,498</u>	<u>1,936</u>	<u>34</u>	<u>1,656</u>
Operating income (loss)	<u>(2,645)</u>	<u>(1,452)</u>	<u>(32)</u>	<u>(16)</u>
<u>Nonoperating revenues (expenses):</u>				
Interest income	286	116	32	16
Total nonoperating revenue (expenses)	<u>286</u>	<u>116</u>	<u>32</u>	<u>16</u>
Income (loss) before contribution and transfers	<u>(2,359)</u>	<u>(1,336)</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>(2,359)</u>	<u>(1,336)</u>	<u>-</u>	<u>-</u>
Net assets - beginning	<u>(471)</u>	<u>1,754</u>	<u>-</u>	<u>-</u>
Total net assets - ending	<u>\$ (2,830)</u>	<u>\$ 418</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF SAN LUIS OBISPO  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 INTERNAL SERVICE FUNDS - INSURANCE  
 FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

Total Insurance Funds	
\$ 6,979	
6,979	
1,998	
7,843	
903	
380	
11,124	
(4,145)	
450	
450	
(3,695)	
-	
(3,695)	
1,283	
\$ (2,412)	

Operating revenues:

Charges for current services

Total operating revenues

Operating expenses

Services and supplies

Insurance benefit payments

Insurance premiums

Countywide cost allocation

Total operating expenses

Operating income (loss)

Nonoperating revenues (expenses):

Interest income

Total nonoperating revenue (expenses)

Income (loss) before contribution  
and transfers

Change in net assets

Net assets - beginning

Total net assets - ending

COUNTY OF SAN LUIS OBISPO  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS - INSURANCE  
 FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	Workers' Compensation	Protected Self-Insurance	Unemployment Insurance	Dental Insurance
<u>Cash flows from operating activities:</u>				
Receipts from interfund billings	\$ 4,853	\$ 484	\$ 2	\$ 1,640
Payments for goods and services	(1,093)	(1,139)	(2)	(142)
Payments for insurance benefits	(4,826)	(805)	(298)	(1,513)
Payments for premiums	(510)	(393)	-	-
Net cash provided by operating activities	<u>(1,576)</u>	<u>(1,853)</u>	<u>(298)</u>	<u>(15)</u>
<u>Cash flows from noncapital financing activities:</u>				
Net cash used by noncapital				
<u>Cash flows from capital and related financing activities:</u>				
Net cash used by capital and related				
<u>Cash flows from investing activities:</u>				
Interest received	286	116	32	16
Net cash used by capital and related investing activities	<u>286</u>	<u>116</u>	<u>32</u>	<u>16</u>
Net (decrease) in cash and cash equivalents	(1,290)	(1,737)	(266)	1
Total cash and cash equivalents, beginning of year	<u>14,102</u>	<u>6,149</u>	<u>1,577</u>	<u>619</u>
Total cash and cash equivalents, end of year	<u>\$ 12,812</u>	<u>\$ 4,412</u>	<u>\$ 1,311</u>	<u>\$ 620</u>
<u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>				
Operating income (loss)	\$ (2,645)	\$ (1,452)	\$ (32)	\$ (16)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Accounts Payable	91	8	-	-
Self insurance liability	978	(409)	(266)	1
Net cash provided by operating activities	<u>\$ (1,576)</u>	<u>\$ (1,853)</u>	<u>\$ (298)</u>	<u>\$ (15)</u>

COUNTY OF SAN LUIS OBISPO  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS - INSURANCE  
 FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

Total  
Insurance Funds

\$ 6,979  
 (2,376)  
 (7,442)  
(903)  
(3,742)

---



---

450

450

(3,292)  
22,447

\$ 19,155

\$ (4,145)

99

304

\$ (3,742)

Cash flows from operating activities:

Receipts from interfund billings  
 Payments for goods and services  
 Payments for insurance benefits  
 Payments for premiums  
 Net cash provided by operating activities

Cash flows from noncapital financing activities:

Net cash used by noncapital

Cash flows from capital and related financing activities:

Net cash used by capital and related

Cash flows from investing activities:

Interest received  
 Net cash used by capital and related investing activities

Net (decrease) in cash and cash equivalents

Total cash and cash equivalents, beginning of year

Total cash and cash equivalents, end of year

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss)  
 Adjustments to reconcile operating income to net cash provided by operating activities:  
 Accounts Payable  
 Self insurance liability

Net cash provided by operating activities



---

**COMBINING FINANCIAL STATEMENTS  
FIDUCIARY FUNDS**

---



## **FIDUCIARY FUNDS**

### **AGENCY FUNDS:**

These funds account for assets held by the County as an agent for various local governments. The County has the following types of Agency Funds:

#### 1915 Act

Accounts for temporary holding of funds for tax assessment areas created under the 1915 Improvement Act.

#### Clearing Funds

Serves as a temporary holding fund for subsequent disposition to an outside agency or taxing authority.

#### Other Funds

Accounts for temporary holding of funds that are not specifically classified in other agency categories.

### **INVESTMENT TRUST FUNDS**

These funds are used by the County to account for the assets of legally separate entities who deposit cash with the County Treasurer. These include school and community college districts, other special districts governed by local boards, regional boards and authorities, courts and pass through funds for tax collections for cities. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand. The County combines Investment Trust Funds into four reporting types because of their similar nature: School Districts (187 funds), Special Districts (30 funds), Courts (7 funds), and Other Local Boards (15 funds)

COUNTY OF SAN LUIS OBISPO  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 AGENCY FUNDS  
 JUNE 30, 2003 (in thousands)

	<u>Clearing Funds</u> (68 Funds)	1915 Act <u>Service Funds</u> (25 Funds)	Other <u>Agency Funds</u> (32 Funds)	Total <u>Agency Funds</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 4,488	\$ 2,120	\$ 20,604	\$ 27,212
Due from others	11	-	-	11
	<u>4,499</u>	<u>2,120</u>	<u>20,604</u>	<u>27,223</u>
<u>Liabilities</u>				
Assets held as agency for others	4,499	2,120	20,604	27,223
	<u>\$ 4,499</u>	<u>\$ 2,120</u>	<u>\$ 20,604</u>	<u>\$ 27,223</u>

COUNTY OF OF SAN LUIS OBISPO  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2003 (in thousands)

	July 1, 2002	Additions	Deductions	June 30, 2003
<u>Clearing and Revolving Funds</u>				
Assets:				
Cash and investments	\$ 17,091	\$ (1,858,249)	\$ 1,862,737	\$ 4,488
Due from others	-	(588)	599	11
Total assets	<u>17,091</u>	<u>(1,858,837)</u>	<u>1,863,336</u>	<u>4,499</u>
Liabilities:				
Funds held as agency for others	<u>17,091</u>	<u>(1,858,837)</u>	<u>1,863,336</u>	<u>4,499</u>
Total liabilities	<u>\$ 17,091</u>	<u>\$ (1,858,837)</u>	<u>\$ 1,863,336</u>	<u>\$ 4,499</u>
 <u>1915 Act Service Funds</u>				
Assets:				
Cash and investments	\$ 2,794	\$ 1,417	\$ 703	\$ 2,120
Due from others	-	(1,296)	1,296	-
Total assets	<u>2,794</u>	<u>121</u>	<u>1,999</u>	<u>2,120</u>
Liabilities:				
Funds held as agency for others	<u>2,794</u>	<u>121</u>	<u>1,999</u>	<u>2,120</u>
Total liabilities	<u>\$ 2,794</u>	<u>\$ 121</u>	<u>\$ 1,999</u>	<u>\$ 2,120</u>
 <u>Other Agency Funds</u>				
Assets:				
Cash and investments	\$ 19,517	\$ (53,069)	\$ 73,673	\$ 20,604
Due from others	-	-	-	-
Total assets	<u>19,517</u>	<u>(53,069)</u>	<u>73,673</u>	<u>20,604</u>
Liabilities:				
Funds held as agency for others	<u>19,517</u>	<u>(53,069)</u>	<u>73,673</u>	<u>20,604</u>
Total liabilities	<u>\$ 19,517</u>	<u>\$ (53,069)</u>	<u>\$ 73,673</u>	<u>\$ 20,604</u>
 <u>Total All Agency Funds</u>				
Assets:				
Cash and investments	\$ 39,402	\$ (1,909,901)	\$ 1,937,113	\$ 27,212
Due from others	-	(1,884)	1,895	11
Total assets	<u>39,402</u>	<u>(1,911,785)</u>	<u>1,939,008</u>	<u>27,223</u>
Liabilities:				
Assets held as agency for others	<u>39,402</u>	<u>(1,911,785)</u>	<u>1,939,008</u>	<u>27,223</u>
Total liabilities	<u>\$ 39,402</u>	<u>\$ (1,911,785)</u>	<u>\$ 1,939,008</u>	<u>\$ 27,223</u>

COUNTY OF SAN LUIS OBISPO  
 COMBING STATEMENT OF FIDUCIARY NET ASSETS  
 INVESTMENT TRUST FUNDS  
 JUNE 30, 2003 (in thousands)

	School Districts (187 Funds)	Special Districts (30 Funds)	Courts (7 Funds)	Other Local Boards (14 Funds)
<u>Assets</u>				
Cash and cash equivalents	\$ 159,097	\$ 11,319	\$ 6,805	\$ 12,552
	<u>159,097</u>	<u>11,319</u>	<u>6,805</u>	<u>12,552</u>
<u>Net assets</u>				
Assets held in trust for investment pool participants	<u>159,097</u>	<u>11,319</u>	<u>6,805</u>	<u>12,552</u>
	<u>\$ 159,097</u>	<u>\$ 11,319</u>	<u>\$ 6,805</u>	<u>\$ 12,552</u>

COUNTY OF SAN LUIS OBISPO  
COMBING STATEMENT OF FIDUCIARY NET ASSETS  
INVESTMENT TRUST FUNDS  
JUNE 30, 2003 (in thousands)

Total  
Investment  
Trust Funds

---

\$ 189,773

---

189,773

Assets  
Cash and cash equivalents

189,773

---

\$ 189,773

Net assets  
Funds held in trust for investment  
pool participants

COUNTY OF SAN LUIS OBISPO  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 INVESTMENT TRUST FUNDS  
 FOR FISCAL YEAR ENDED JUNE 30, 2003 (in thousands)

	School Districts (187 Funds)	Special Districts (30 Funds)	Courts (7 Funds)	Other Local Boards (14 Funds)
<u>Additions</u>				
Contributions to pooled investments	\$ 898,234	\$ 5,334	\$ 31,518	\$ 19,008
Interest	2,797	262	100	173
Total additions	<u>901,031</u>	<u>5,596</u>	<u>31,618</u>	<u>19,181</u>
<u>Deductions</u>				
Distributions from investment pool	846,761	4,416	36,364	18,660
Total deductions	<u>846,761</u>	<u>4,416</u>	<u>36,364</u>	<u>18,660</u>
Change in net assets	54,270	1,180	(4,746)	521
Net assets - beginning	<u>104,827</u>	<u>10,139</u>	<u>11,551</u>	<u>12,031</u>
Net assets - ending	<u>\$ 159,097</u>	<u>\$ 11,319</u>	<u>\$ 6,805</u>	<u>\$ 12,552</u>

COUNTY OF SAN LUIS OBISPO  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 INVESTMENT TRUST FUNDS  
 FOR FISCAL YEAR ENDED JUNE 30, 2003 (in thousands)

Total Investment Trust Funds	
\$ 954,094 3,332 <u>957,426</u>	
906,201 <u>906,201</u>	
51,225	
138,548 <u>138,548</u>	
<u>\$ 189,773</u>	

Additions

Contributions to pooled investments  
 Interest  
 Total additions

Deductions

Distributions from investment pool  
 Total deductions

Change in net assets

Net assets - beginning

Net assets - ending



---

**DETAIL BUDGET SCHEDULES**

---



---

**GENERAL FUND DETAIL BUDGET SCHEDULE**

---

COUNTY OF SAN LUIS OBISPO  
GENERAL FUND  
DETAIL SCHEDULE OF REVENUES  
BUDGET TO ACTUAL COMPARISON (in thousands)  
FOR THE YEAR ENDED JUNE 30, 2003

Description	Original Budget	Adjusted Budget	Actual	Variance with Final Budget Positive (Negative)
<b>NON DEPARTMENTAL REVENUES</b>				
Taxes	\$ 70,318	\$ 70,318	\$ 75,112	\$ 4,794
Licenses, Permits & Franchises	1,700	1,700	2,392	692
Fines, Forfeits & Penalties	1,275	1,275	1,275	-
Revs from Use of Money/Prop	3,000	3,000	1,305	(1,695)
Aid from Govt Agencies	15,635	15,635	19,839	4,204
Charges for Current Services	1,620	1,620	1,964	344
Other Revenues	-	-	63	63
<b>TOTAL NON DEPARTMENTAL REVENUES</b>	<b>93,548</b>	<b>93,548</b>	<b>101,950</b>	<b>8,402</b>
<b>GENERAL GOVERNMENT - REVENUES</b>				
<u>Legislative and Administrative</u>				
Administrative Office				
Aid from Govt Agencies	30	30	-	(30)
Charges for Current Services	151	151	75	(76)
Other Revenues	-	-	1	1
Total	181	181	76	(105)
Board of Supervisors				
Total	-	-	-	-
Clerk/Recorder				
Licenses, Permits & Franchises	6	6	6	-
Aid from Govt Agencies	157	157	4	(153)
Charges for Current Services	1,449	1,642	3,276	1,634
Total	1,612	1,805	3,286	1,481
Total Legislative and Administrative	1,793	1,986	3,362	1,376
<u>Finance</u>				
Assessor				
Aid from Govt Agencies	911	1,310	930	(380)
Charges for Current Services	205	205	191	(14)
Other Revenues	3	3	7	4
Total	1,119	1,518	1,128	(390)
Auditor-Controller				
Taxes	238	238	238	-
Aid from Govt Agencies	30	30	-	(30)
Charges for Current Services	200	214	264	50
Other Revenues	5	5	6	1
Total	473	487	508	21
Treas-Tax Coll-Public Adm				
Taxes	174	174	161	(13)
Licenses, Permits & Franchises	50	50	57	7
Charges for Current Services	593	593	595	2
Other Revenues	38	38	29	(9)
Total	855	855	842	(13)
Total Finance	2,447	2,860	2,478	(382)

Continued on next page

COUNTY OF SAN LUIS OBISPO  
GENERAL FUND  
DETAIL SCHEDULE OF REVENUES  
BUDGET TO ACTUAL COMPARISON (in thousands)  
FOR THE YEAR ENDED JUNE 30, 2003

Description	Original Budget	Adjusted Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Counsel</u>				
County Counsel				
Aid from Govt Agencies	11	11	1	(10)
Charges for Current Services	64	64	66	2
Other Revenues	1	1	12	11
Total	<u>76</u>	<u>76</u>	<u>79</u>	<u>3</u>
Total Counsel	<u>76</u>	<u>76</u>	<u>79</u>	<u>3</u>
<u>Personnel</u>				
Personnel				
Aid from Govt Agencies	1	1	2	1
Charges for Current Services	-	-	1	1
Total	<u>1</u>	<u>1</u>	<u>3</u>	<u>2</u>
Total Personnel	<u>1</u>	<u>1</u>	<u>3</u>	<u>2</u>
<u>Property Management</u>				
General Services				
Revs from Use of Money/Prop	301	301	304	3
Aid from Govt Agencies	5	5	7	2
Charges for Current Services	2,413	2,428	2,626	198
Other Revenues	20	20	19	(1)
Total	<u>2,739</u>	<u>2,754</u>	<u>2,956</u>	<u>202</u>
Maintenance Projects				
Fines, Forfeits & Penalties	-	219	162	(57)
Aid from Govt Agencies	-	1,100	485	(615)
Charges for Current Services	443	1,558	707	(851)
Other Revenues	-	2	2	-
Total	<u>443</u>	<u>2,879</u>	<u>1,356</u>	<u>(1,523)</u>
Operations Center				
Charges for Current Services	48	48	28	(20)
Total	<u>48</u>	<u>48</u>	<u>28</u>	<u>(20)</u>
Total Property Management	<u>3,230</u>	<u>5,681</u>	<u>4,340</u>	<u>(1,341)</u>
<u>Other General</u>				
Development Services				
Licenses, Permits & Franchises	48	48	36	(12)
Charges for Current Services	553	553	546	(7)
Other Revenues	1	1	3	2
Total	<u>602</u>	<u>602</u>	<u>585</u>	<u>(17)</u>
Information Technology				
Aid from Govt Agencies	50	50	51	1
Charges for Current Services	2,054	2,006	1,774	(232)
Other Revenues	45	45	7	(38)
Total	<u>2,149</u>	<u>2,101</u>	<u>1,832</u>	<u>(269)</u>
Retirement Plans				
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Continued on next page

COUNTY OF SAN LUIS OBISPO  
GENERAL FUND  
DETAIL SCHEDULE OF REVENUES  
BUDGET TO ACTUAL COMPARISON (in thousands)  
FOR THE YEAR ENDED JUNE 30, 2003

Description	Original Budget	Adjusted Budget	Actual	Variance with Final Budget Positive (Negative)
Risk Management				
Charges for Current Services	661	661	654	(7)
Total	661	661	654	(7)
Non-Department Financing Uses				
Charges for Current Services	2,007	2,007	1,847	(160)
Total	2,007	2,007	1,847	(160)
Services to Spcl Districts				
Revs from Use of Money/Prop	6	6	7	1
Aid from Govt Agencies	16	16	13	(3)
Charges for Current Services	2	138	(59)	(197)
Other Revenues	1	1	-	(1)
Total	25	161	(39)	(200)
Total Other General	5,444	5,532	4,879	(653)
<b>TOTAL GENERAL GOVERNMENT</b>	<b>12,991</b>	<b>16,136</b>	<b>15,141</b>	<b>(995)</b>
<b>PUBLIC PROTECTION - REVENUES</b>				
<u>Judicial</u>				
Court Operations Fund				
Fines, Forfeits & Penalties	3,320	3,320	2,888	(432)
Charges for Current Services	298	298	692	394
Total	3,618	3,618	3,580	(38)
District Attorney				
Fines, Forfeits & Penalties	39	39	44	5
Aid from Govt Agencies	2,822	2,947	2,685	(262)
Charges for Current Services	262	262	297	35
Other Revenues	81	81	13	(68)
Total	3,204	3,329	3,039	(290)
Family Support				
Revs from Use of Money/Prop	-	-	4	4
Aid from Govt Agencies	4,909	4,909	4,460	(449)
Charges for Current Services	5	5	5	-
Total	4,914	4,914	4,469	(445)
Grand Jury				
Total	-	-	-	-
Public Defender				
Aid from Govt Agencies	180	180	202	22
Charges for Current Services	3	3	-	(3)
Total	183	183	202	19
Total Judicial	11,919	12,044	11,290	(754)

Continued on next page

COUNTY OF SAN LUIS OBISPO  
GENERAL FUND  
DETAIL SCHEDULE OF REVENUES  
BUDGET TO ACTUAL COMPARISON (in thousands)  
FOR THE YEAR ENDED JUNE 30, 2003

Description	Original Budget	Adjusted Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Police Protection</u>				
Sheriff-Coroner				
Licenses, Permits & Franchises	15	15	16	1
Fines, Forfeits & Penalties	149	174	210	36
Aid from Govt Agencies	10,206	12,278	11,188	(1,090)
Charges for Current Services	3,646	3,692	3,473	(219)
Other Revenues	38	38	54	16
Total	<u>14,054</u>	<u>16,197</u>	<u>14,941</u>	<u>(1,256)</u>
Total Police Protection	<u>14,054</u>	<u>16,197</u>	<u>14,941</u>	<u>(1,256)</u>
<u>Detention and Correction</u>				
Probation Department				
Taxes	-	-	846	846
Fines, Forfeits & Penalties	23	26	25	(1)
Aid from Govt Agencies	5,873	6,636	6,050	(586)
Charges for Current Services	389	390	295	(95)
Other Revenues	24	45	108	63
Total	<u>6,309</u>	<u>7,097</u>	<u>7,324</u>	<u>227</u>
Total Detention and Correction	<u>6,309</u>	<u>7,097</u>	<u>7,324</u>	<u>227</u>
<u>Fire Protection</u>				
County Fire				
Licenses, Permits & Franchises	90	90	158	68
Revs from Use of Money/Prop	10	10	5	(5)
Aid from Govt Agencies	1,573	1,650	1,774	124
Charges for Current Services	509	541	562	21
Other Revenues	57	57	164	107
Total	<u>2,239</u>	<u>2,348</u>	<u>2,663</u>	<u>315</u>
Total Fire Protection	<u>2,239</u>	<u>2,348</u>	<u>2,663</u>	<u>315</u>
<u>Protective Inspection</u>				
Agricultural Commissioner				
Licenses, Permits & Franchises	91	91	90	(1)
Fines, Forfeits & Penalties	-	-	7	7
Aid from Govt Agencies	1,898	1,971	1,651	(320)
Charges for Current Services	154	154	161	7
Other Revenues	2	2	7	5
Total	<u>2,145</u>	<u>2,218</u>	<u>1,916</u>	<u>(302)</u>
Total Protective Inspection	<u>2,145</u>	<u>2,218</u>	<u>1,916</u>	<u>(302)</u>
<u>Other Protection</u>				
Animal Services				
Licenses, Permits & Franchises	359	359	324	(35)
Aid from Govt Agencies	296	296	267	(29)
Charges for Current Services	147	147	201	54
Other Revenues	2	2	10	8
Total	<u>804</u>	<u>804</u>	<u>802</u>	<u>(2)</u>

Continued on next page

COUNTY OF SAN LUIS OBISPO  
GENERAL FUND  
DETAIL SCHEDULE OF REVENUES  
BUDGET TO ACTUAL COMPARISON (in thousands)  
FOR THE YEAR ENDED JUNE 30, 2003

Description	Original Budget	Adjusted Budget	Actual	Variance with Final Budget Positive (Negative)
Emergency Services				
Aid from Govt Agencies	625	800	831	31
Total	625	800	831	31
Intergovtl Services/LAFCO				
Total	-	-	-	-
Planning Department				
Licenses, Permits & Franchises	4,977	5,423	5,553	130
Fines, Forfeits & Penalties	76	76	57	(19)
Aid from Govt Agencies	1,557	2,676	796	(1,880)
Charges for Current Services	1,022	1,028	908	(120)
Other Revenues	226	226	369	143
Total	7,858	9,429	7,683	(1,746)
Public Guardian				
Total	-	-	-	-
Waste Management				
Charges for Current Services	-	-	116	116
Total	-	-	116	116
Total Other Protection	9,287	11,033	9,432	(1,601)
<b>TOTAL PUBLIC PROTECTION</b>	<b>45,953</b>	<b>50,937</b>	<b>47,566</b>	<b>(3,371)</b>
<b>HEALTH AND SANITATION - REVENUES</b>				
<u>Health</u>				
Drug & Alcohol Services				
Fines, Forfeits & Penalties	190	274	202	(72)
Aid from Govt Agencies	4,125	4,320	3,765	(555)
Charges for Current Services	389	404	393	(11)
Other Revenues	125	125	132	7
Total	4,829	5,123	4,492	(631)
Health Agency				
Licenses, Permits & Franchises	4	4	4	-
Fines, Forfeits & Penalties	-	-	31	31
Revs from Use of Money/Prop	1	1	1	-
Aid from Govt Agencies	10,659	11,323	11,031	(292)
Charges for Current Services	4,632	4,928	4,696	(232)
Other Revenues	29	29	90	61
Total	15,325	16,285	15,853	(432)
Mental Health				
Aid from Govt Agencies	16,840	17,288	17,144	(144)
Charges for Current Services	1,776	1,776	2,790	1,014
Other Revenues	277	277	39	(238)
Total	18,893	19,341	19,973	632
SART				
Aid from Govt Agencies	25	25	-	(25)
Total	25	25	-	(25)
Total Health	39,072	40,774	40,318	(456)
<b>TOTAL HEALTH AND SANITATION</b>	<b>39,072</b>	<b>40,774</b>	<b>40,318</b>	<b>(456)</b>

Continued on next page

COUNTY OF SAN LUIS OBISPO  
GENERAL FUND  
DETAIL SCHEDULE OF REVENUES  
BUDGET TO ACTUAL COMPARISON (in thousands)  
FOR THE YEAR ENDED JUNE 30, 2003

Description	Original Budget	Adjusted Budget	Actual	Variance with Final Budget Positive (Negative)
<b>PUBLIC ASSISTANCE - REVENUES</b>				
<u>Administration</u>				
Department of Social Services				
Aid from Govt Agencies	41,275	41,427	37,854	(3,573)
Charges for Current Services	70	70	77	7
Other Revenues	141	155	196	41
Total	<u>41,486</u>	<u>41,652</u>	<u>38,127</u>	<u>(3,525)</u>
 Total Administration	 <u>41,486</u>	 <u>41,652</u>	 <u>38,127</u>	 <u>(3,525)</u>
<u>Aid Programs</u>				
Aid Foster Care Non-Fed				
Aid from Govt Agencies	12,509	12,509	11,771	(738)
Other Revenues	266	266	353	87
Total	<u>12,775</u>	<u>12,775</u>	<u>12,124</u>	<u>(651)</u>
 Calworks Assistance				
Aid from Govt Agencies	10,147	10,147	9,704	(443)
Other Revenues	51	51	134	83
Total	<u>10,198</u>	<u>10,198</u>	<u>9,838</u>	<u>(360)</u>
 Total Aid Programs	 <u>22,973</u>	 <u>22,973</u>	 <u>21,962</u>	 <u>(1,011)</u>
<u>Medical Services</u>				
Medical Assistance Prog				
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total Medical Services	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
<u>General Relief</u>				
General Relief				
Licenses, Permits & Franchises	4	4	6	2
Aid from Govt Agencies	492	576	186	(390)
Other Revenues	-	-	362	362
Total	<u>496</u>	<u>580</u>	<u>554</u>	<u>(26)</u>
 Total General Relief	 <u>496</u>	 <u>580</u>	 <u>554</u>	 <u>(26)</u>
<u>Veterans Service</u>				
Veterans Service				
Aid from Govt Agencies	45	52	76	24
Total	<u>45</u>	<u>52</u>	<u>76</u>	<u>24</u>
 Total Veterans Service	 <u>45</u>	 <u>52</u>	 <u>76</u>	 <u>24</u>
<u>Other Assistance</u>				
Contrib's to Other Agencies				
Charges for Current Services	375	375	550	175
Other Revenues	-	3	7	4
Total	<u>375</u>	<u>378</u>	<u>557</u>	<u>179</u>

Continued on next page

COUNTY OF SAN LUIS OBISPO  
GENERAL FUND  
DETAIL SCHEDULE OF REVENUES  
BUDGET TO ACTUAL COMPARISON (in thousands)  
FOR THE YEAR ENDED JUNE 30, 2003

Description	Original Budget	Adjusted Budget	Actual	Variance with Final Budget Positive (Negative)
Law Enforcement Med Care				
Aid from Govt Agencies	557	560	580	20
Charges for Current Services	13	13	25	12
Other Revenues	15	15	15	-
Total	<u>585</u>	<u>588</u>	<u>620</u>	<u>32</u>
Victim/Witness Assistance				
Licenses, Permits & Franchises	54	54	55	1
Fines, Forfeits & Penalties	-	-	1	1
Aid from Govt Agencies	524	524	458	(66)
Other Revenues	2	2	6	4
Total	<u>580</u>	<u>580</u>	<u>520</u>	<u>(60)</u>
Total Other Assistance	<u>1,540</u>	<u>1,546</u>	<u>1,697</u>	<u>151</u>
<b>TOTAL PUBLIC ASSISTANCE</b>	<u>66,540</u>	<u>66,803</u>	<u>62,416</u>	<u>(4,387)</u>
<b>EDUCATION - REVENUES</b>				
<u>Agricultural Education</u>				
Farm Advisor				
Aid from Govt Agencies	10	10	6	(4)
Total	<u>10</u>	<u>10</u>	<u>6</u>	<u>(4)</u>
Total Agricultural Education	<u>10</u>	<u>10</u>	<u>6</u>	<u>(4)</u>
<b>TOTAL EDUCATION</b>	<u>10</u>	<u>10</u>	<u>6</u>	<u>(4)</u>
<b>DEBT SERVICE - REVENUES</b>				
<u>Interest on Notes and Warrants</u>				
Short-Term Financing				
Taxes	60	60	60	-
Revs from Use of Money/Prop	340	340	915	575
Total	<u>400</u>	<u>400</u>	<u>975</u>	<u>575</u>
Total Interest on Notes and Warrants	<u>400</u>	<u>400</u>	<u>975</u>	<u>575</u>
<b>TOTAL DEBT SERVICE</b>	<u>400</u>	<u>400</u>	<u>975</u>	<u>575</u>
<b>TOTAL GENERAL FUND REVENUES</b>	<u>\$ 258,514</u>	<u>\$ 268,608</u>	<u>\$ 268,372</u>	<u>\$ (236)</u>

COUNTY OF SAN LUIS OBISPO  
GENERAL FUND  
DETAIL SCHEDULE OF EXPENDITURES  
BUDGET TO ACTUAL COMPARISON (in thousands)  
FOR THE YEAR ENDED JUNE 30, 2003

Description	Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
<b>GENERAL GOVERNMENT - EXPENDITURES</b>				
<u>Legislative and Administrative</u>				
Administrative Office				
Salaries Wages Benefits	\$ 1,283	\$ 1,283	\$ 1,170	\$ 113
Services and Supplies	197	197	162	35
Exp Tfrs & Reimbursement	(71)	(71)	(71)	-
Total	1,409	1,409	1,261	148
Board of Supervisors				
Salaries Wages Benefits	905	949	948	1
Services and Supplies	238	238	220	18
Total	1,143	1,187	1,168	19
Clerk/Recorder				
Salaries Wages Benefits	1,258	1,410	1,408	2
Services and Supplies	1,249	1,317	1,283	34
Fixed Assets - Equipment	25	25	25	-
Exp Tfrs & Reimbursement	-	-	(1)	1
Total	2,532	2,752	2,715	37
Total Legislative and Administrative	5,084	5,348	5,144	204
<u>Finance</u>				
Assessor				
Salaries Wages Benefits	5,232	5,284	5,277	7
Services and Supplies	793	1,099	794	305
Fixed Assets - Equipment	14	77	-	77
Total	6,039	6,460	6,071	389
Auditor-Controller				
Salaries Wages Benefits	2,904	3,091	3,085	6
Services and Supplies	606	606	603	3
Fixed Assets - Equipment	27	27	27	-
Exp Tfrs & Reimbursement	(107)	(111)	(118)	7
Total	3,430	3,613	3,597	16
Treas-Tax Coll-Public Adm				
Salaries Wages Benefits	1,659	1,775	1,757	18
Services and Supplies	357	325	316	9
Fixed Assets - Equipment	12	8	8	-
Total	2,028	2,108	2,081	27
Total Finance	11,497	12,181	11,749	432
<u>Counsel</u>				
County Counsel				
Salaries Wages Benefits	2,602	2,782	2,740	42
Services and Supplies	306	410	356	54
Total	2,908	3,192	3,096	96
Total Counsel	2,908	3,192	3,096	96

Continued on next page

COUNTY OF SAN LUIS OBISPO  
GENERAL FUND  
DETAIL SCHEDULE OF EXPENDITURES  
BUDGET TO ACTUAL COMPARISON (in thousands)  
FOR THE YEAR ENDED JUNE 30, 2003

Description	Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Personnel</u>				
Personnel				
Salaries Wages Benefits	1,407	1,527	1,524	3
Services and Supplies	345	451	416	35
Fixed Assets - Equipment	15	8	8	-
Exp Tfrs & Reimbursement	(2)	(2)	(26)	24
Total	<u>1,765</u>	<u>1,984</u>	<u>1,922</u>	<u>62</u>
Total Personnel	<u>1,765</u>	<u>1,984</u>	<u>1,922</u>	<u>62</u>
<u>Property Management</u>				
General Services				
Salaries Wages Benefits	6,011	6,276	6,268	8
Services and Supplies	3,702	3,604	3,581	23
Other Charges	29	104	93	11
Fixed Assets - Land	25	197	109	88
Fixed Assets - Equipment	27	27	27	-
Exp Tfrs & Reimbursement	(1,188)	(1,248)	(1,355)	107
Total	<u>8,606</u>	<u>8,960</u>	<u>8,723</u>	<u>237</u>
Maintenance Projects				
Services and Supplies	2,539	8,147	6,589	1,558
Other Charges	-	150	118	32
Exp Tfrs & Reimbursement	-	(93)	(27)	(66)
Total	<u>2,539</u>	<u>8,204</u>	<u>6,680</u>	<u>1,524</u>
Operations Center				
Services and Supplies	705	705	596	109
Total	<u>705</u>	<u>705</u>	<u>596</u>	<u>109</u>
Total Property Management	<u>11,850</u>	<u>17,869</u>	<u>15,999</u>	<u>1,870</u>
<u>Other General</u>				
Development Services				
Services and Supplies	961	961	924	37
Total	<u>961</u>	<u>961</u>	<u>924</u>	<u>37</u>
Information Technology				
Salaries Wages Benefits	9,410	8,331	8,262	69
Services and Supplies	4,269	4,875	3,873	1,002
Fixed Assets - Equipment	177	364	298	66
Exp Tfrs & Reimbursement	(4,409)	(2,976)	(2,674)	(302)
Total	<u>9,447</u>	<u>10,594</u>	<u>9,759</u>	<u>835</u>
Retirement Plans				
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Risk Management				
Salaries Wages Benefits	456	456	442	14
Services and Supplies	944	944	924	20
Exp Tfrs & Reimbursement	(40)	(40)	(40)	-
Total	<u>1,360</u>	<u>1,360</u>	<u>1,326</u>	<u>34</u>
Non-Department Financing Uses				
Exp Tfrs & Reimbursement	(9,095)	(9,095)	(9,108)	13
Total	<u>(9,095)</u>	<u>(9,095)</u>	<u>(9,108)</u>	<u>13</u>

Continued on next page

COUNTY OF SAN LUIS OBISPO  
GENERAL FUND  
DETAIL SCHEDULE OF EXPENDITURES  
BUDGET TO ACTUAL COMPARISON (in thousands)  
FOR THE YEAR ENDED JUNE 30, 2003

Description	Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
Services to Spcl Districts				
Services and Supplies	408	544	369	175
Total	408	544	369	175
 Total Other General	 3,081	 4,364	 3,270	 1,094
<b>TOTAL GENERAL GOVERNMENT</b>	<b>36,185</b>	<b>44,938</b>	<b>41,180</b>	<b>3,758</b>
 <b>PUBLIC PROTECTION - EXPENDITURES</b>				
<u>Judicial</u>				
Court Operations Fund				
Services and Supplies	240	240	233	7
Other Charges	2,037	2,037	2,037	-
Total	2,277	2,277	2,270	7
District Attorney				
Salaries Wages Benefits	7,958	8,339	8,335	4
Services and Supplies	949	1,011	987	24
Exp Tfrs & Reimbursement	(578)	(578)	(550)	(28)
Total	8,329	8,772	8,772	-
Family Support				
Salaries Wages Benefits	2,713	2,945	2,944	1
Services and Supplies	2,190	1,957	1,955	2
Fixed Assets - Equipment	12	12	12	-
Total	4,915	4,914	4,911	3
Grand Jury				
Salaries Wages Benefits	22	23	23	-
Services and Supplies	90	88	80	8
Total	112	111	103	8
Public Defender				
Services and Supplies	3,976	4,170	4,164	6
Exp Tfrs & Reimbursement	-	(87)	(87)	-
Total	3,976	4,083	4,077	6
Total Judicial	19,609	20,157	20,133	24
<u>Police Protection</u>				
Sheriff-Coroner				
Salaries Wages Benefits	29,899	30,569	30,506	63
Services and Supplies	4,317	4,676	4,264	412
Other Charges	-	606	-	606
Fixed Assets - Equipment	12	1,023	375	648
Exp Tfrs & Reimbursement	(93)	(93)	(92)	(1)
Total	34,135	36,781	35,053	1,728
Total Police Protection	34,135	36,781	35,053	1,728

Continued on next page

COUNTY OF SAN LUIS OBISPO  
GENERAL FUND  
DETAIL SCHEDULE OF EXPENDITURES  
BUDGET TO ACTUAL COMPARISON (in thousands)  
FOR THE YEAR ENDED JUNE 30, 2003

Description	Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Detention and Correction</u>				
Probation Department				
Salaries Wages Benefits	9,014	9,463	9,414	49
Services and Supplies	2,975	3,389	3,368	21
Other Charges	41	92	92	-
Exp Tfrs & Reimbursement	(146)	(271)	(196)	(75)
Total	<u>11,884</u>	<u>12,673</u>	<u>12,678</u>	<u>(5)</u>
Total Detention and Correction	<u>11,884</u>	<u>12,673</u>	<u>12,678</u>	<u>(5)</u>
<u>Fire Protection</u>				
County Fire				
Services and Supplies	8,506	8,615	8,199	416
Fixed Assets - Building	-	1,291	-	1,291
Fixed Assets - Equipment	591	706	629	77
Total	<u>9,097</u>	<u>10,612</u>	<u>8,828</u>	<u>1,784</u>
Total Fire Protection	<u>9,097</u>	<u>10,612</u>	<u>8,828</u>	<u>1,784</u>
<u>Protective Inspection</u>				
Agricultural Commissioner				
Salaries Wages Benefits	2,872	3,100	3,086	14
Services and Supplies	846	772	728	44
Fixed Assets - Equipment	-	15	15	-
Total	<u>3,718</u>	<u>3,887</u>	<u>3,829</u>	<u>58</u>
Total Protective Inspection	<u>3,718</u>	<u>3,887</u>	<u>3,829</u>	<u>58</u>
<u>Other Protection</u>				
Animal Services				
Salaries Wages Benefits	1,131	1,163	1,072	91
Services and Supplies	453	421	398	23
Total	<u>1,584</u>	<u>1,584</u>	<u>1,470</u>	<u>114</u>
Emergency Services				
Salaries Wages Benefits	457	474	420	54
Services and Supplies	376	499	286	213
Fixed Assets - Equipment	8	82	73	9
Total	<u>841</u>	<u>1,055</u>	<u>779</u>	<u>276</u>
Intergovtl Services/LAFCO				
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Planning Department				
Salaries Wages Benefits	7,160	7,764	7,282	482
Services and Supplies	4,916	4,799	4,478	321
Other Charges	1,245	2,331	1,184	1,147
Fixed Assets - Equipment	65	65	65	-
Total	<u>13,386</u>	<u>14,959</u>	<u>13,009</u>	<u>1,950</u>
Public Guardian				
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Continued on next page

COUNTY OF SAN LUIS OBISPO  
GENERAL FUND  
DETAIL SCHEDULE OF EXPENDITURES  
BUDGET TO ACTUAL COMPARISON (in thousands)  
FOR THE YEAR ENDED JUNE 30, 2003

Description	Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
Waste Management				
Services and Supplies	463	463	396	67
Total	463	463	396	67
 Total Other Protection	 16,274	 18,061	 15,654	 2,407
<b>TOTAL PUBLIC PROTECTION</b>	<b>94,717</b>	<b>102,171</b>	<b>96,175</b>	<b>5,996</b>

**HEALTH AND SANITATION - EXPENDITURES**

Health

Drug & Alcohol Services				
Salaries Wages Benefits	3,448	3,586	3,556	30
Services and Supplies	1,592	1,704	1,425	279
Other Charges	691	737	737	-
Exp Tfrs & Reimbursement	(858)	(858)	(922)	64
Total	4,873	5,169	4,796	373
Health Agency				
Salaries Wages Benefits	11,279	11,815	11,441	374
Services and Supplies	5,163	5,547	5,421	126
Fixed Assets - Equipment	-	40	32	8
Exp Tfrs & Reimbursement	(248)	(248)	(214)	(34)
Total	16,194	17,154	16,680	474
Mental Health				
Salaries Wages Benefits	11,814	12,408	12,246	162
Services and Supplies	10,941	10,795	9,724	1,071
Other Charges	17	17	-	17
Exp Tfrs & Reimbursement	(2,318)	(2,318)	(1,005)	(1,313)
Total	20,454	20,902	20,965	(63)
SART				
Services and Supplies	220	220	218	2
Total	220	220	218	2
 Total Health	 41,741	 43,445	 42,659	 786
<b>TOTAL HEALTH AND SANITATION</b>	<b>41,741</b>	<b>43,445</b>	<b>42,659</b>	<b>786</b>

**PUBLIC ASSISTANCE - EXPENDITURES**

Administration

Department of Social Services				
Salaries Wages Benefits	25,317	25,903	25,010	893
Services and Supplies	12,528	12,053	11,103	950
Other Charges	6,539	6,550	5,542	1,008
Fixed Assets - Equipment	84	477	267	210
Exp Tfrs & Reimbursement	(146)	(186)	(275)	89
Total	44,322	44,797	41,647	3,150
 Total Administration	 44,322	 44,797	 41,647	 3,150

*Continued on next page*

COUNTY OF SAN LUIS OBISPO  
GENERAL FUND  
DETAIL SCHEDULE OF EXPENDITURES  
BUDGET TO ACTUAL COMPARISON (in thousands)  
FOR THE YEAR ENDED JUNE 30, 2003

Description	Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
<u>Aid Programs</u>				
Aid Foster Care Non-Fed Other Charges	13,506	13,506	13,172	334
Total	13,506	13,506	13,172	334
Calworks Assistance Other Charges	10,347	10,347	10,059	288
Total	10,347	10,347	10,059	288
Total Aid Programs	23,853	23,853	23,231	622
<u>Medical Services</u>				
Medical Assistance Prog Other Charges	-	2,973	2,973	-
Total	-	2,973	2,973	-
Total Medical Services	-	2,973	2,973	-
<u>General Relief</u>				
General Relief Services and Supplies Other Charges	155 475	155 594	155 591	- 3
Total	630	749	746	3
Total General Relief	630	749	746	3
<u>Veterans Service</u>				
Veterans Service Salaries Wages Benefits Services and Supplies	238 27	251 20	247 19	4 1
Total	265	271	266	5
Total Veterans Service	265	271	266	5
<u>Other Assistance</u>				
Contrib's to Other Agencies Services and Supplies	1,570	1,597	1,591	6
Total	1,570	1,597	1,591	6
Law Enforcement Med Care Salaries Wages Benefits Services and Supplies Exp Tfrs & Reimbursement	989 363 (402)	994 361 (402)	994 354 (363)	- 7 (39)
Total	950	953	985	(32)
Victim/Witness Assistance Salaries Wages Benefits Services and Supplies	848 206	858 205	858 175	- 30
Total	1,054	1,063	1,033	30
Total Other Assistance	3,574	3,613	3,609	4
<b>TOTAL PUBLIC ASSISTANCE</b>	<b>72,644</b>	<b>76,256</b>	<b>72,472</b>	<b>3,784</b>

Continued on next page

COUNTY OF SAN LUIS OBISPO  
GENERAL FUND  
DETAIL SCHEDULE OF EXPENDITURES  
BUDGET TO ACTUAL COMPARISON (in thousands)  
FOR THE YEAR ENDED JUNE 30, 2003

Description	Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
<b>EDUCATION - EXPENDITURES</b>				
<u>Agricultural Education</u>				
Farm Advisor				
Salaries Wages Benefits	212	212	195	17
Services and Supplies	89	89	85	4
Total	<u>301</u>	<u>301</u>	<u>280</u>	<u>21</u>
Total Agricultural Education	<u>301</u>	<u>301</u>	<u>280</u>	<u>21</u>
<b>TOTAL EDUCATION</b>	<u>301</u>	<u>301</u>	<u>280</u>	<u>21</u>
<b>DEBT SERVICE - EXPENDITURES</b>				
<u>Interest on Notes and Warrants</u>				
Short-Term Financing				
Services and Supplies	60	60	60	-
Other Charges	340	340	235	105
Total	<u>400</u>	<u>400</u>	<u>295</u>	<u>105</u>
Total Interest on Notes and Warrants	<u>400</u>	<u>400</u>	<u>295</u>	<u>105</u>
<b>TOTAL DEBT SERVICE</b>	<u>400</u>	<u>400</u>	<u>295</u>	<u>105</u>
<b>TOTAL GENERAL FUND - EXPENDITURES</b>				
(Before Contingencies)	<u>245,988</u>	<u>267,511</u>	<u>253,061</u>	<u>14,450</u>
<b>CONTINGENCIES</b>				
<u>Appropriation for Contingencies</u>				
Contingencies - General Fund				
Approp for Contingency	14,141	8,025	-	8,025
Total	<u>14,141</u>	<u>8,025</u>	<u>-</u>	<u>8,025</u>
Total Appropriation for Contingencies	<u>14,141</u>	<u>8,025</u>	<u>-</u>	<u>8,025</u>
<b>TOTAL CONTINGENCIES</b>	<u>14,141</u>	<u>8,025</u>	<u>-</u>	<u>8,025</u>
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<u>\$ 260,129</u>	<u>\$ 275,536</u>	<u>\$ 253,061</u>	<u>\$ 22,475</u>



---

**SPECIAL REVENUE – NON SPECIAL DISTRICTS  
DETAIL BUDGET SCHEDULE**

---

COUNTY OF SAN LUIS OBISPO  
SPECIAL REVENUE - NON SPECIAL DISTRICTS  
DETAIL SCHEDULE OF REVENUES  
BUDGET TO ACTUAL COMPARISON (in thousands)  
FOR THE YEAR ENDED JUNE 30, 2003

Description	Original Budget	Adjusted Budget	Actual	Variance with Final Budget Positive (Negative)
<b>GENERAL GOVERNMENT - REVENUES</b>				
Co-Wide Automatrn Replcmnt				
Revs from Use of Money/Prop	\$ -	\$ -	\$ 218	\$ 218
Charges for Current Services	1,373	1,373	1,374	1
Total	<u>1,373</u>	<u>1,373</u>	<u>1,592</u>	<u>219</u>
General Govt Building Replacement				
Revs from Use of Money/Prop	-	-	86	86
Charges for Current Services	826	826	826	-
Total	<u>826</u>	<u>826</u>	<u>912</u>	<u>86</u>
Organizational Effectiveness				
Revs from Use of Money/Prop	-	-	37	37
Charges for Current Services	-	-	7	7
Total	<u>-</u>	<u>-</u>	<u>44</u>	<u>44</u>
Tax Reduction Reserve				
Revs from Use of Money/Prop	-	-	255	255
Total	<u>-</u>	<u>-</u>	<u>255</u>	<u>255</u>
Governmental Leasing				
Taxes	500	500	322	(178)
Fines, Forfeits & Penalties	284	284	284	-
Revs from Use of Money/Prop	53	53	-	(53)
Charges for Current Services	635	635	634	(1)
Total	<u>1,472</u>	<u>1,472</u>	<u>1,240</u>	<u>(232)</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>3,671</u>	<u>3,671</u>	<u>4,043</u>	<u>372</u>
<b>PUBLIC PROTECTION - REVENUES</b>				
Fish And Game				
Fines, Forfeits & Penalties	10	10	7	(3)
Total	<u>10</u>	<u>10</u>	<u>7</u>	<u>(3)</u>
Wildlife Grazing				
Revs from Use of Money/Prop	2	2	1	(1)
Aid from Govt Agencies	8	8	8	-
Total	<u>10</u>	<u>10</u>	<u>9</u>	<u>(1)</u>
<b>TOTAL PUBLIC PROTECTION</b>	<u>20</u>	<u>20</u>	<u>16</u>	<u>(4)</u>
<b>PUBLIC WAYS AND FACILITIES - REVENUES</b>				
Impact Fee - Traffic				
Revs from Use of Money/Prop	250	250	224	(26)
Charges for Current Services	600	600	2,386	1,786
Total	<u>850</u>	<u>850</u>	<u>2,610</u>	<u>1,760</u>
Public Facilities Fee				
Revs from Use of Money/Prop	-	-	233	233
Charges for Current Services	2,665	2,665	3,353	688
Total	<u>2,665</u>	<u>2,665</u>	<u>3,586</u>	<u>921</u>

Continued on next page

COUNTY OF SAN LUIS OBISPO  
SPECIAL REVENUE - NON SPECIAL DISTRICTS  
DETAIL SCHEDULE OF REVENUES  
BUDGET TO ACTUAL COMPARISON (in thousands)  
FOR THE YEAR ENDED JUNE 30, 2003

Description	Original Budget	Adjusted Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Roads</b>				
Taxes	986	986	991	5
Licenses, Permits & Franchises	-	-	3	3
Fines, Forfeits & Penalties	25	25	47	22
Revs from Use of Money/Prop	90	90	100	10
Aid from Govt Agencies	12,575	27,952	11,885	(16,067)
Charges for Current Services	1,971	5,542	1,435	(4,107)
Other Revenues	150	-	253	253
Total	<u>15,797</u>	<u>34,595</u>	<u>14,714</u>	<u>(19,881)</u>
<b>TOTAL PUBLIC WAYS AND FACILITIES</b>	<u>19,312</u>	<u>38,110</u>	<u>20,910</u>	<u>(17,200)</u>
<b>HEALTH AND SANITATION - REVENUES</b>				
Community Development				
Revs from Use of Money/Prop	-	-	64	64
Aid from Govt Agencies	-	6,199	4,967	(1,232)
Other Revenues	-	-	875	875
Total	<u>-</u>	<u>6,199</u>	<u>5,906</u>	<u>(293)</u>
<b>TOTAL HEALTH AND SANITATION</b>	<u>-</u>	<u>6,199</u>	<u>5,906</u>	<u>(293)</u>
<b>PUBLIC ASSISTANCE - REVENUES</b>				
Ca Health Care Indigent Program				
Revs from Use of Money/Prop	3	3	4	1
Aid from Govt Agencies	567	567	441	(126)
Charges for Current Services	296	351	376	25
Total	<u>866</u>	<u>921</u>	<u>821</u>	<u>(100)</u>
County Medical Services Prog.				
Revs from Use of Money/Prop	10	10	18	8
Aid from Govt Agencies	2,472	2,472	2,473	1
Charges for Current Services	203	203	169	(34)
Total	<u>2,685</u>	<u>2,685</u>	<u>2,660</u>	<u>(25)</u>
Emergency Medical Services				
Fines, Forfeits & Penalties	378	478	455	(23)
Revs from Use of Money/Prop	2	2	9	7
Charges for Current Services	725	725	725	-
Other Revenues	-	247	247	-
Total	<u>1,105</u>	<u>1,452</u>	<u>1,436</u>	<u>(16)</u>
<b>TOTAL PUBLIC ASSISTANCE</b>	<u>4,656</u>	<u>5,058</u>	<u>4,917</u>	<u>(141)</u>
<b>EDUCATION - REVENUES</b>				
First Offender/Drunk Driver				
Revs from Use of Money/Prop	10	10	3	(7)
Charges for Current Services	1,396	1,396	1,103	(293)
Other Revenues	-	-	1	1
Total	<u>1,406</u>	<u>1,406</u>	<u>1,107</u>	<u>(299)</u>

Continued on next page

COUNTY OF SAN LUIS OBISPO  
SPECIAL REVENUE - NON SPECIAL DISTRICTS  
DETAIL SCHEDULE OF REVENUES  
BUDGET TO ACTUAL COMPARISON (in thousands)  
FOR THE YEAR ENDED JUNE 30, 2003

Description	Original Budget	Adjusted Budget	Actual	Variance with Final Budget Positive (Negative)
Library				
Taxes	4,183	4,183	4,366	183
Fines, Forfeits & Penalties	73	73	73	-
Revs from Use of Money/Prop	77	77	77	-
Aid from Govt Agencies	556	559	535	(24)
Charges for Current Services	184	184	284	100
Other Revenues	-	440	119	(321)
Total	<u>5,073</u>	<u>5,516</u>	<u>5,454</u>	<u>(62)</u>
<b>TOTAL EDUCATION</b>	<u>6,479</u>	<u>6,922</u>	<u>6,561</u>	<u>(361)</u>
<b>RECREATIONAL AND CULTURAL SERVICES - REVENUES</b>				
Parks				
Fines, Forfeits & Penalties	9	9	9	-
Revs from Use of Money/Prop	65	65	49	(16)
Aid from Govt Agencies	8	1,498	53	(1,445)
Charges for Current Services	2,120	2,277	2,375	98
Other Revenues	3	183	-	(183)
Total	<u>2,205</u>	<u>4,032</u>	<u>2,486</u>	<u>(1,546)</u>
<b>TOTAL RECREATIONAL/CULTURAL</b>	<u>2,205</u>	<u>4,032</u>	<u>2,486</u>	<u>(1,546)</u>
<b>TOTAL SPECIAL REVENUE-NON SPECIAL DISTRICTS - REVENUES</b>	<u>\$ 36,343</u>	<u>\$ 64,012</u>	<u>\$ 44,839</u>	<u>\$ (19,173)</u>

COUNTY OF SAN LUIS OBISPO  
SPECIAL REVENUE NON-SPECIAL DISTRICTS  
DETAIL SCHEDULE OF EXPENDITURES  
BUDGET TO ACTUAL COMPARISON (in thousands)  
FOR THE YEAR ENDED JUNE 30, 2003

Description	Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
<b>GENERAL GOVERNMENT - EXPENDITURES</b>				
Co-Wide Automatrn Replcmnt				
Other Financing Uses	\$ -	\$ 794	\$ 794	\$ -
Fixed Assets - Building	100	100	-	100
Fixed Assets - Equipment	1,070	968	851	117
Total	<u>1,170</u>	<u>1,862</u>	<u>1,645</u>	<u>217</u>
General Govt Building Replacement	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Organizational Effectiveness				
Salaries Wages Benefits	-	2	2	-
Services and Supplies	503	500	451	49
Total	<u>503</u>	<u>502</u>	<u>453</u>	<u>49</u>
Tax Reduction Reserve	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Governmental Leasing				
Other Charges	1,955	1,955	1,240	715
Total	<u>1,955</u>	<u>1,955</u>	<u>1,240</u>	<u>715</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>3,628</u>	<u>4,319</u>	<u>3,338</u>	<u>981</u>
<b>PUBLIC PROTECTION - EXPENDITURES</b>				
Fish And Game				
Services and Supplies	20	20	12	8
Total	<u>20</u>	<u>20</u>	<u>12</u>	<u>8</u>
Wildlife Grazing				
Services and Supplies	33	33	27	6
Total	<u>33</u>	<u>33</u>	<u>27</u>	<u>6</u>
<b>TOTAL PUBLIC PROTECTION</b>	<u>53</u>	<u>53</u>	<u>39</u>	<u>14</u>
<b>PUBLIC WAYS AND FACILITIES - EXPENDITURES</b>				
Impact Fee - Traffic				
Services and Supplies	1,907	5,478	1,343	4,135
Total	<u>1,907</u>	<u>5,478</u>	<u>1,343</u>	<u>4,135</u>
Public Facilities Fee				
Services and Supplies	-	35	40	(5)
Other Charges	1,957	-	-	-
Other Financing Uses	500	8,645	1,121	7,524
Total	<u>2,457</u>	<u>8,680</u>	<u>1,161</u>	<u>7,519</u>
Roads				
Services and Supplies	9,650	12,048	12,048	-
Other Charges	16,893	33,856	12,593	21,263
Total	<u>26,543</u>	<u>45,904</u>	<u>24,641</u>	<u>21,263</u>
<b>TOTAL PUBLIC WAYS AND FACILITIES</b>	<u>30,907</u>	<u>60,062</u>	<u>27,145</u>	<u>32,917</u>

Continued on next page

COUNTY OF SAN LUIS OBISPO  
SPECIAL REVENUE NON-SPECIAL DISTRICTS  
DETAIL SCHEDULE OF EXPENDITURES  
BUDGET TO ACTUAL COMPARISON (in thousands)  
FOR THE YEAR ENDED JUNE 30, 2003

Description	Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
<b>HEALTH AND SANITATION - EXPENDITURES</b>				
Community Development				
Services and Supplies	582	692	357	335
Other Charges	3,671	9,761	5,019	4,742
Approp for Contingency	29	29	-	29
Total	<u>4,282</u>	<u>10,482</u>	<u>5,376</u>	<u>5,106</u>
<b>TOTAL HEALTH AND SANITATION</b>	<u>4,282</u>	<u>10,482</u>	<u>5,376</u>	<u>5,106</u>
<b>PUBLIC ASSISTANCE - EXPENDITURES</b>				
Ca Health Care Indigent Program				
Services and Supplies	1,162	1,218	1,122	96
Total	<u>1,162</u>	<u>1,218</u>	<u>1,122</u>	<u>96</u>
County Medical Services Prog.				
Salaries Wages Benefits	851	863	838	25
Services and Supplies	2,793	2,781	2,781	-
Total	<u>3,644</u>	<u>3,644</u>	<u>3,619</u>	<u>25</u>
Emergency Medical Services				
Services and Supplies	1,187	1,542	1,512	30
Approp for Contingency	8	-	-	-
Total	<u>1,195</u>	<u>1,542</u>	<u>1,512</u>	<u>30</u>
<b>TOTAL PUBLIC ASSISTANCE</b>	<u>6,001</u>	<u>6,404</u>	<u>6,253</u>	<u>151</u>
<b>EDUCATION - EXPENDITURES</b>				
First Offender/Drunk Driver				
Salaries Wages Benefits	956	956	856	100
Services and Supplies	463	463	316	147
Fixed Assets - Equipment	7	7	7	-
Approp for Contingency	46	46	-	46
Total	<u>1,472</u>	<u>1,472</u>	<u>1,179</u>	<u>293</u>
Library				
Salaries Wages Benefits	3,454	3,516	3,516	-
Services and Supplies	2,359	2,414	2,205	209
Other Charges	686	1,036	687	349
Approp for Contingency	497	497	-	497
Total	<u>6,996</u>	<u>7,463</u>	<u>6,408</u>	<u>1,055</u>
<b>TOTAL EDUCATION</b>	<u>8,468</u>	<u>8,935</u>	<u>7,587</u>	<u>1,348</u>
<b>RECREATIONAL AND CULTURAL SERVICES - EXPENDITURES</b>				
Parks				
Salaries Wages Benefits	2,777	2,786	2,786	-
Services and Supplies	1,954	1,945	1,921	24
Other Charges	93	1,489	238	1,251
Fixed Assets - Building	-	400	104	296
Fixed Assets - Equipment	20	20	19	1
Approp for Contingency	170	170	-	170
Total	<u>5,014</u>	<u>6,810</u>	<u>5,068</u>	<u>1,742</u>
<b>TOTAL RECREATIONAL/CULTURAL</b>	<u>5,014</u>	<u>6,810</u>	<u>5,068</u>	<u>1,742</u>
<b>TOTAL SPECIAL REVENUE-NON SPECIAL DISTRICTS - EXPENDITURES</b>	<u>\$ 58,353</u>	<u>\$ 97,065</u>	<u>\$ 54,806</u>	<u>\$ 42,259</u>

---

**SPECIAL REVENUE – SPECIAL DISTRICTS  
DETAIL BUDGET SCHEDULES**

---

COUNTY OF SAN LUIS OBISPO  
SPECIAL REVENUE - SPECIAL DISTRICTS  
DETAIL SCHEDULE OF REVENUES  
BUDGET TO ACTUAL COMPARISON (in thousands)  
FOR THE YEAR ENDED JUNE 30, 2003

Description	Original Budget	Adjusted Budget	Actual	Variance with Final Budget Positive (Negative)
<b>PUBLIC PROTECTION - REVENUES</b>				
SLO Flood Control, Water				
Taxes	\$ 477	\$ 477	\$ 652	\$ 175
Fines, Forfeits & Penalties	-	-	10	10
Revs from Use of Money/Prop	100	100	56	(44)
Aid from Govt Agencies	8	8	17	9
Other Revenues	-	-	(136)	(136)
Total	<u>585</u>	<u>585</u>	<u>599</u>	<u>14</u>
Flood Control Zone 1				
Taxes	35	35	40	5
Revs from Use of Money/Prop	2	2	3	1
Aid from Govt Agencies	1	1	1	-
Charges for Current Services	15	15	16	1
Total	<u>53</u>	<u>53</u>	<u>60</u>	<u>7</u>
Flood Control Zone 1-A				
Taxes	8	8	9	1
Revs from Use of Money/Prop	1	1	1	-
Charges for Current Services	2	2	2	-
Total	<u>11</u>	<u>11</u>	<u>12</u>	<u>1</u>
Flood Control Zone 4				
Revs from Use of Money/Prop	1	1	1	-
Charges for Current Services	3	3	3	-
Total	<u>4</u>	<u>4</u>	<u>4</u>	<u>-</u>
Flood Control Zone 9				
Taxes	213	213	259	46
Revs from Use of Money/Prop	29	29	21	(8)
Aid from Govt Agencies	4	4	4	-
Total	<u>246</u>	<u>246</u>	<u>284</u>	<u>38</u>
Flood Control Zone 18				
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Flood Control Zone 16				
Revs from Use of Money/Prop	1	1	-	(1)
Charges for Current Services	11	11	14	3
Total	<u>12</u>	<u>12</u>	<u>14</u>	<u>2</u>
Flood Control Zone Cambria				
Revs from Use of Money/Prop	-	5	9	4
Aid from Govt Agencies	-	99	207	108
Other Revenues	-	208	506	298
Total	<u>-</u>	<u>312</u>	<u>722</u>	<u>410</u>
Nipomo Lighting				
Taxes	20	20	23	3
Revs from Use of Money/Prop	14	14	8	(6)
Charges for Current Services	-	-	2	2
Total	<u>34</u>	<u>34</u>	<u>33</u>	<u>(1)</u>
CSA 9				
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CSA 22 Airport Area				
Revs from Use of Money/Prop	3	3	2	(1)
Total	<u>3</u>	<u>3</u>	<u>2</u>	<u>(1)</u>
<b>TOTAL PUBLIC PROTECTION</b>	<u>\$ 948</u>	<u>\$ 1,260</u>	<u>\$ 1,730</u>	<u>\$ 470</u>

Continued on next page

COUNTY OF SAN LUIS OBISPO  
SPECIAL REVENUE - SPECIAL DISTRICTS  
DETAIL SCHEDULE OF REVENUES  
BUDGET TO ACTUAL COMPARISON (in thousands)  
FOR THE YEAR ENDED JUNE 30, 2003

Description	Original Budget	Adjusted Budget	Actual	Variance with Final Budget Positive (Negative)
<b>PUBLIC WAYS AND FACILITIES - REVENUES</b>				
CSA 7				
Taxes	22	22	26	4
Revs from Use of Money/Prop	2	2	1	(1)
Total	<u>24</u>	<u>24</u>	<u>27</u>	<u>3</u>
CSA 7-B				
Taxes	12	12	15	3
Revs from Use of Money/Prop	5	5	4	(1)
Total	<u>17</u>	<u>17</u>	<u>19</u>	<u>2</u>
CSA 10-Parent (w/ Lighting)				
Taxes	87	87	98	11
Revs from Use of Money/Prop	30	30	19	(11)
Aid from Govt Agencies	1	1	1	-
Total	<u>118</u>	<u>118</u>	<u>118</u>	<u>-</u>
CSA 16				
Taxes	12	12	18	6
Revs from Use of Money/Prop	7	7	4	(3)
Total	<u>19</u>	<u>19</u>	<u>22</u>	<u>3</u>
CSA 17				
Revs from Use of Money/Prop	4	4	2	(2)
Total	<u>4</u>	<u>4</u>	<u>2</u>	<u>(2)</u>
CSA 17-1 G/O DSF				
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CSA 21				
Revs from Use of Money/Prop	2	2	1	(1)
Charges for Current Services	10	10	8	(2)
Total	<u>12</u>	<u>12</u>	<u>9</u>	<u>(3)</u>
CSA 21 Coop Rd Imp Constr				
Revs from Use of Money/Prop	1	1	2	1
Charges for Current Services	-	55	-	(55)
Total	<u>1</u>	<u>56</u>	<u>2</u>	<u>(54)</u>
CSA 21 Coop Rd Imp Assmnt				
Taxes	-	124	168	44
Revs from Use of Money/Prop	2	2	2	-
Charges for Current Services	61	61	21	(40)
Total	<u>63</u>	<u>187</u>	<u>191</u>	<u>4</u>
CSA 9 Coop Road Imp Const				
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CSA 9 Coop Road Imp Assmt				
Revs from Use of Money/Prop	2	2	1	(1)
Charges for Current Services	24	24	16	(8)
Total	<u>26</u>	<u>26</u>	<u>17</u>	<u>(9)</u>
<b>TOTAL PUBLIC WAYS AND FACILITIES</b>	<u>284</u>	<u>463</u>	<u>407</u>	<u>(56)</u>
<b>TOTAL SPECIAL REVENUE - SPECIAL DISTRICTS - REVENUES</b>	<u>\$ 1,232</u>	<u>\$ 1,723</u>	<u>\$ 2,137</u>	<u>\$ 414</u>

COUNTY OF SAN LUIS OBISPO  
SPECIAL REVENUE - SPECIAL DISTRICTS  
DETAIL SCHEDULE OF EXPENDITURES  
BUDGET TO ACTUAL COMPARISON (in thousands)  
FOR THE YEAR ENDED JUNE 30, 2003

Description	Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
<b>PUBLIC PROTECTION - EXPENDITURES</b>				
0643 SLO Flood Control, Water				
Services and Supplies	\$ 1,867	\$ 2,160	\$ 1,853	\$ 307
Other Financing Uses	180	305	-	305
Fixed Assets - Equipment	10	10	-	10
Total	<u>2,057</u>	<u>2,475</u>	<u>1,853</u>	<u>622</u>
0651 Flood Control Zone 1				
Services and Supplies	299	299	124	175
Total	<u>299</u>	<u>299</u>	<u>124</u>	<u>175</u>
0652 Flood Control Zone 1-A				
Services and Supplies	3	3	2	1
Other Financing Uses	6	6	6	-
Total	<u>9</u>	<u>9</u>	<u>8</u>	<u>1</u>
0656 Flood Control Zone 4				
Services and Supplies	5	5	4	1
Total	<u>5</u>	<u>5</u>	<u>4</u>	<u>1</u>
0662 Flood Control Zone 9				
Services and Supplies	153	222	183	39
Fixed Assets - Building	11	11	1	10
Total	<u>164</u>	<u>233</u>	<u>184</u>	<u>49</u>
0665 Flood Control Zone 18				
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
0666 Flood Control Zone 16				
Services and Supplies	23	23	3	20
Total	<u>23</u>	<u>23</u>	<u>3</u>	<u>20</u>
0954 Flood Control Zone Cambria				
Services and Supplies	-	-	246	(246)
Fixed Assets - Building	-	437	340	97
Total	<u>-</u>	<u>437</u>	<u>586</u>	<u>(149)</u>
0687 Nipomo Lighting				
Services and Supplies	16	16	15	1
Total	<u>16</u>	<u>16</u>	<u>15</u>	<u>1</u>
0746 CSA 9				
Services and Supplies	1	1	-	1
Other Financing Uses	1	1	1	-
Total	<u>2</u>	<u>2</u>	<u>1</u>	<u>1</u>
0799 CSA 22 Airport Area				
Services and Supplies	3	3	-	3
Total	<u>3</u>	<u>3</u>	<u>-</u>	<u>3</u>
<b>TOTAL PUBLIC PROTECTION</b>	<u>2,578</u>	<u>3,502</u>	<u>2,778</u>	<u>724</u>
<b>PUBLIC WAYS AND FACILITIES EXPENDITURES</b>				
0741 CSA 7				
Services and Supplies	2	2	1	1
Other Financing Uses	22	22	-	22
Total	<u>24</u>	<u>24</u>	<u>1</u>	<u>23</u>
0743 CSA 7-B				
Services and Supplies	31	31	2	29
Total	<u>31</u>	<u>31</u>	<u>2</u>	<u>29</u>

Continued on next page

COUNTY OF SAN LUIS OBISPO  
SPECIAL REVENUE - SPECIAL DISTRICTS  
DETAIL SCHEDULE OF EXPENDITURES  
BUDGET TO ACTUAL COMPARISON (in thousands)  
FOR THE YEAR ENDED JUNE 30, 2003

Description	Original Budget	Adjusted Budget	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
0755 CSA 10-Parent (w/ Lighting) Services and Supplies	303	303	94	209
Total	303	303	94	209
0773 CSA 16 Services and Supplies	8	8	8	-
Fixed Assets - Building	3	3	-	3
Total	11	11	8	3
0775 CSA 17 Services and Supplies	1	1	1	-
Total	1	1	1	-
0796 CSA 17-1 G/O DSF	-	-	-	-
Total	-	-	-	-
0798 CSA 21 Services and Supplies	13	13	1	12
Other Financing Uses	-	13	13	-
Total	13	26	14	12
0917 CSA 21 Coop Rd Imp Constr Services and Supplies	-	-	29	(29)
Other Charges	-	487	327	160
Total	-	487	356	131
0918 CSA 21 Coop Rd Imp Assmt Services and Supplies	1	1	-	1
Other Financing Uses	60	184	57	127
Total	61	185	57	128
0919 CSA 9 Coop Road Imp Const	-	-	-	-
Total	3	-	-	-
0920 CSA 9 Coop Road Imp Assmt Services and Supplies	1	1	-	1
Other Financing Uses	23	23	6	17
Total	24	24	6	18
<b>TOTAL PUBLIC WAYS AND FACILITIES</b>	<b>471</b>	<b>1,092</b>	<b>539</b>	<b>553</b>
<b>TOTAL SPECIAL REVENUE - SPECIAL DISTRICTS - EXPENDITURES</b>	<b>\$ 3,049</b>	<b>\$ 4,594</b>	<b>\$ 3,317</b>	<b>\$ 1,277</b>



---

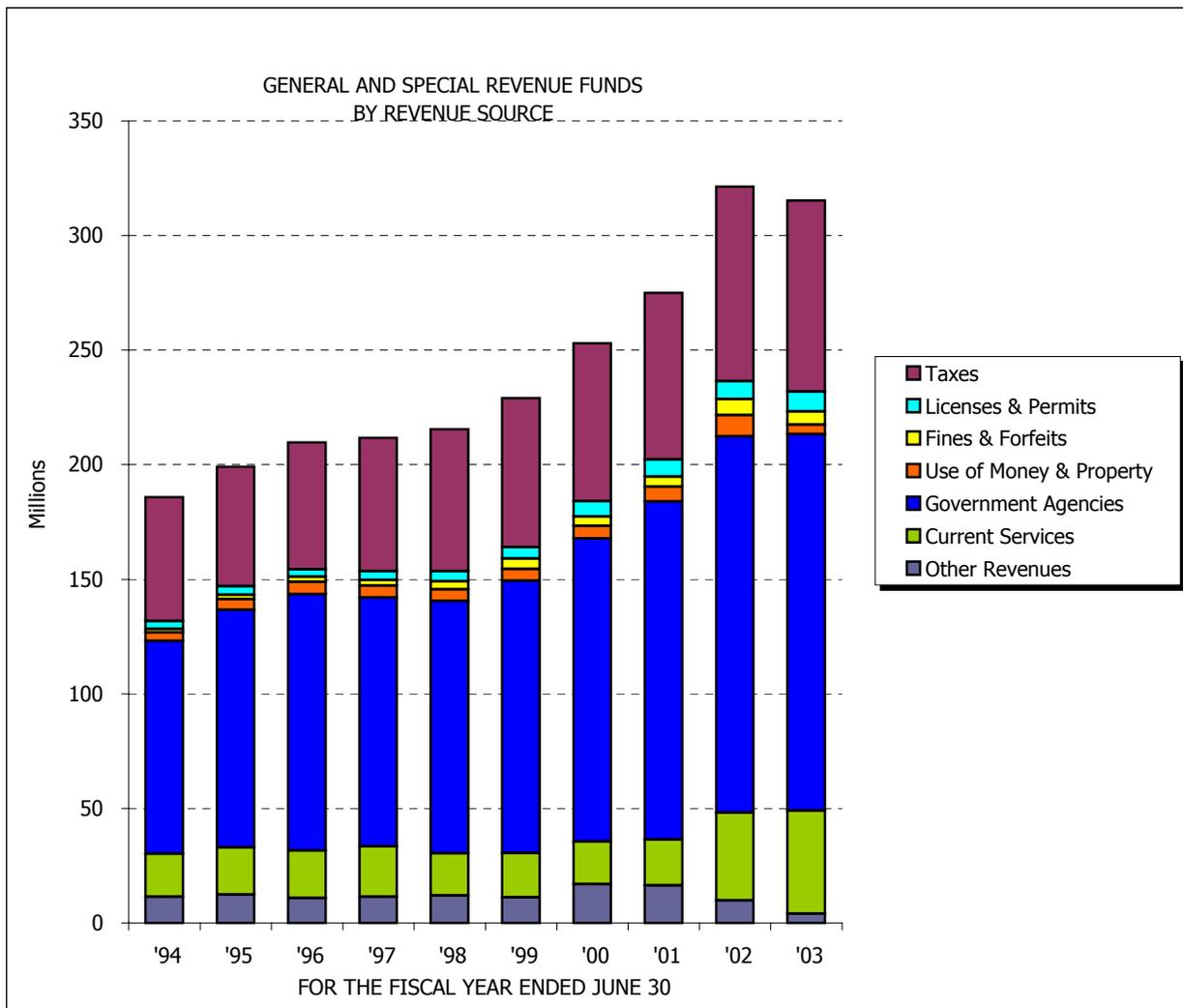
**STATISTICAL SECTION**

---



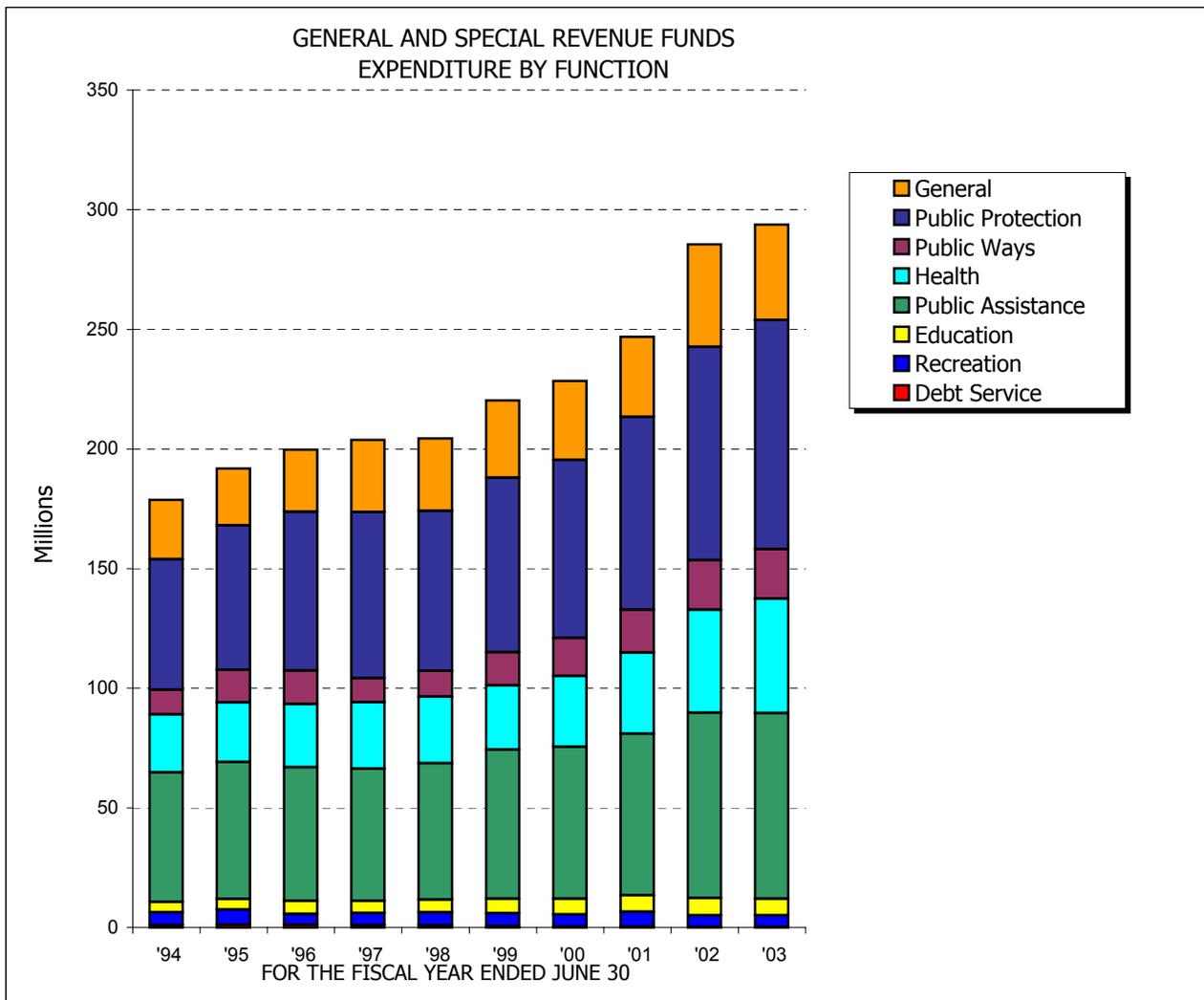
COUNTY OF SAN LUIS OBISPO  
 GENERAL AND SPECIAL REVENUE FUND REVENUES BY SOURCE  
 LAST TEN FISCAL YEARS  
 (in thousands)  
 (UNAUDITED)

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses, Permits &amp; Franchises</u>	<u>Fines Forfeits &amp; Penalties</u>	<u>Revenues from Use of Money &amp; Property</u>	<u>Aid from Governmental Agencies</u>	<u>Charges for Current Services</u>	<u>Other Revenues</u>	<u>Total Revenues</u>	<u>Percentage Change From Prior Year</u>
1993-94	54,010	3,495	1,473	3,784	92,750	18,849	11,429	185,790	3.46
1994-95	52,144	3,753	1,879	4,750	103,641	20,564	12,388	199,119	7.17
1995-96	55,288	3,295	2,233	5,321	111,918	20,797	10,834	209,686	5.31
1996-97	58,228	3,824	2,461	5,202	108,580	22,029	11,412	211,736	0.98
1997-98	61,993	4,339	3,467	5,172	110,187	18,441	11,902	215,501	1.78
1998-99	65,076	4,913	4,533	5,071	118,996	19,294	11,182	229,065	6.29
1999-00	69,011	6,606	4,145	5,433	132,404	18,451	16,975	253,025	10.46
2000-01	72,601	7,592	4,352	6,518	147,509	19,980	16,438	274,990	8.68
2001-02	84,972	7,849	6,905	9,266	164,337	38,233	9,874	321,436	16.89
2002-03	83,404	8,700	5,787	4,056	164,403	44,929	4,069	315,348	(1.89)

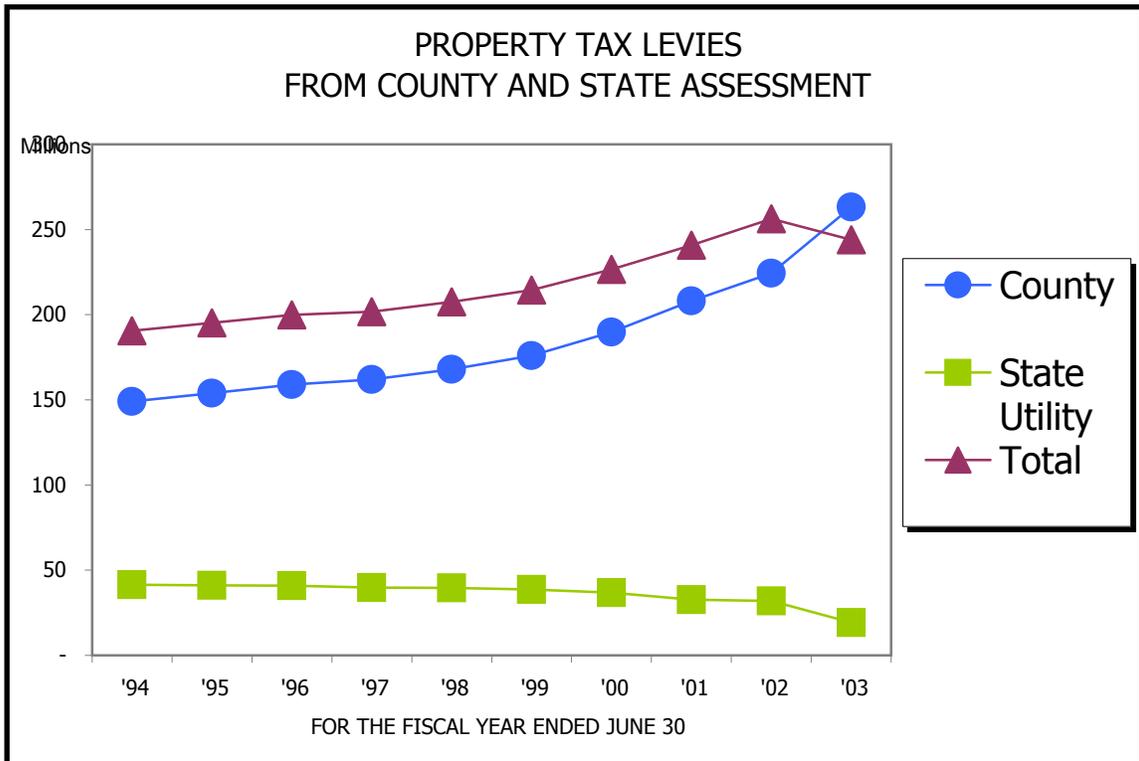
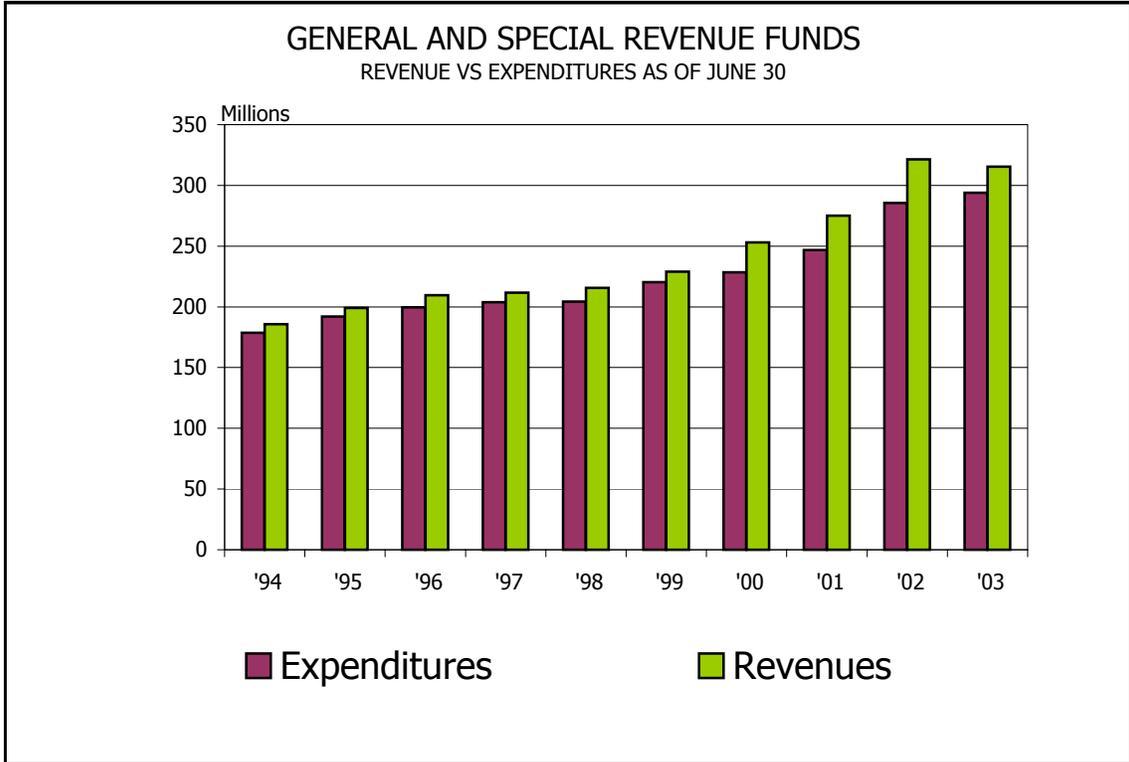


COUNTY OF SAN LUIS OBISPO  
 GENERAL AND SPECIAL REVENUE FUND EXPENDITURES BY FUNCTION  
 LAST TEN FISCAL YEARS  
 (in thousands)  
 (UNAUDITED)

Fiscal Year	General Government	Public Protection	Public Ways & Facilities	Health & Sanitation	Public Assistance	Education	Recreational & Cultural	Debt Service	Total Expenditures	Percentage Change From Prior Year
1993-94	24,748	54,571	10,315	24,263	54,173	4,316	5,378	969	178,733	4.82
1994-95	23,781	60,446	13,555	24,966	57,168	4,516	6,287	1,185	191,904	7.37
1995-96	25,927	66,308	13,998	26,409	55,872	5,449	4,628	1,084	199,675	4.05
1996-97	30,178	69,359	10,153	27,760	55,162	5,083	5,118	1,024	203,837	2.08
1997-98	30,242	66,941	10,733	27,918	56,926	5,341	5,469	884	204,454	0.30
1998-99	32,354	72,970	13,819	26,887	62,303	6,033	5,343	647	220,356	7.78
1999-00	33,082	74,332	15,858	29,637	63,541	6,500	5,195	327	228,472	3.68
2000-01	33,347	80,691	17,940	33,852	67,611	6,775	6,255	387	246,858	8.05
2001-02	42,765	89,119	20,836	43,071	77,350	7,285	4,800	290	285,516	15.66
2002-03	39,896	95,815	20,741	47,822	77,449	6,972	4,853	295	293,843	2.92



COUNTY OF SAN LUIS OBISPO  
 GENERAL AND SPECIAL RVENUE FUNDS - REVENUES VS EXPENDITURES BAR GRAPH  
 PROPERTY TAX LEVIES FROM COUNTY AND STATE ASSESSMENT - LINE GRAPH  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)



COUNTY OF SAN LUIS OBISPO  
 CURRENT SECURED PROPERTY TAX LEVIES, COLLECTIONS, AND DELINQUENCIES  
 LAST TEN FISCAL YEARS  
 (in thousands)  
 (UNAUDITED)

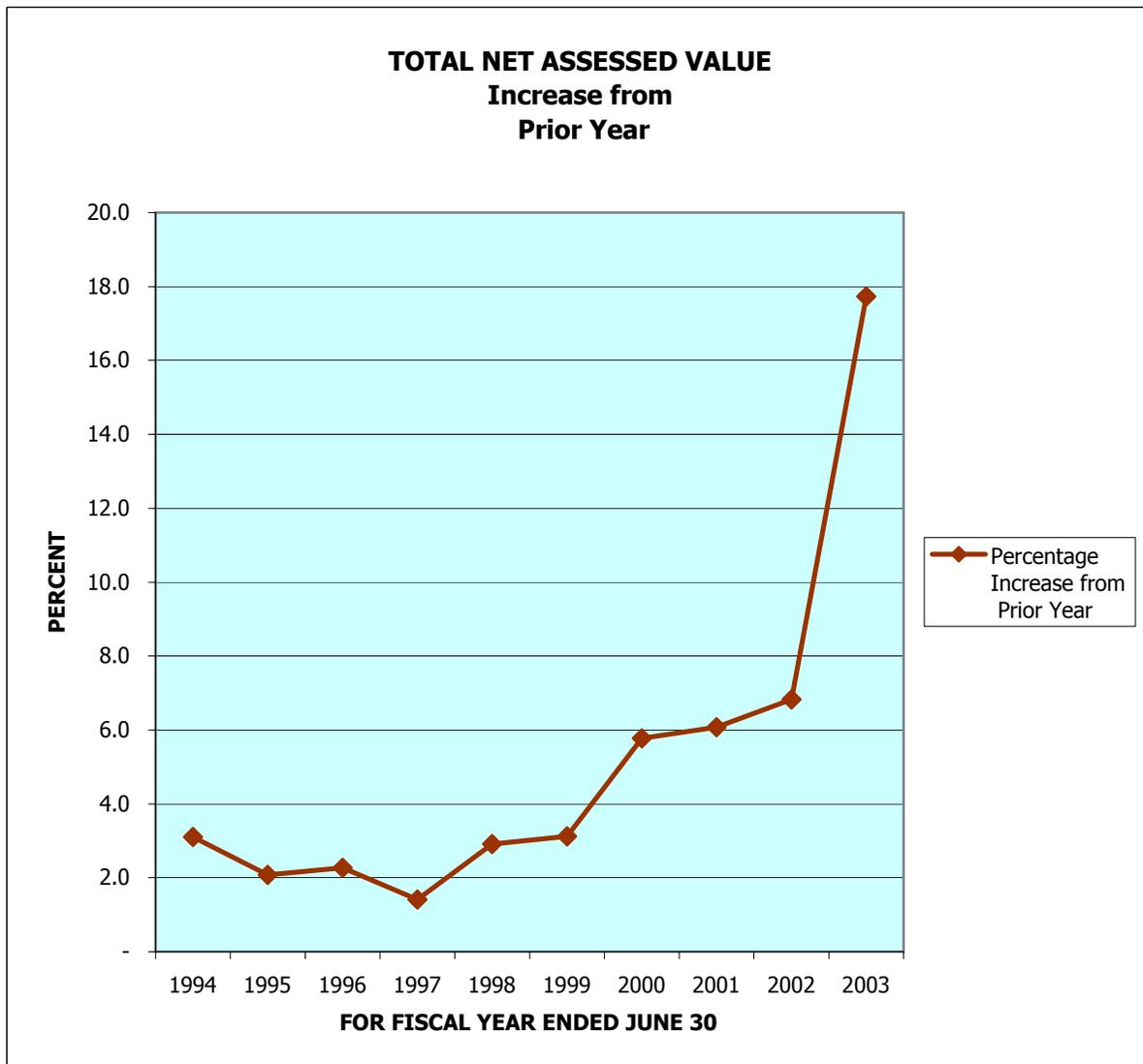
FISCAL YEAR	COUNTY PORTION	COLLECTIONS		DELINQUENCY	
		AMOUNT	PERCENT	AMOUNT	PERCENT
1993-94	46,016	44,450	96.6 %	1,566	3.4 %
1994-95	46,893	45,563	97.2	1,330	2.8
1995-96	47,863	46,719	97.6	1,144	2.4
1996-97	48,541	47,504	97.9	1,037	2.1
1997-98	49,659	48,710	98.1	949	1.9
1998-99	51,425	50,668	98.5	757	1.5
1999-00	53,226	52,546	98.7	680	1.3
2000-01	55,789	55,101	98.8	688	1.2
2001-02	59,352	58,562	98.7	790	1.3
2002-03	64,410	63,484	98.6	926	1.4

Source: County Property Tax System

COUNTY OF SAN LUIS OBISPO  
 ASSESSED VALUATIONS  
 LAST TEN FISCAL YEARS  
 (in thousands)  
 (UNAUDITED)

<u>Fiscal Year</u>	<u>Secured</u>	<u>Unsecured</u>	<u>Exemptions</u>	<u>Net Assessed Valuations</u>	<u>Percentage Increase from Prior Year</u>
1993-94	17,219,741	484,137	(423,451)	17,280,427	3.1
1994-95	17,618,355	463,097	(441,365)	17,640,087	2.1
1995-96	17,991,880	494,255	(446,296)	18,039,839	2.3
1996-97	18,251,950	518,574	(476,056)	18,294,468	1.4
1997-98	18,718,803	601,121	(492,665)	18,827,259	2.9
1998-99	19,358,789	588,429	(532,447)	19,414,771	3.1
1999-00	20,457,019	630,584	(552,477)	20,535,126	5.8
2000-01	21,636,143	712,208	(565,668)	21,782,683	6.1
2001-02	23,038,553	834,800	(603,887)	23,269,466	6.8
2002-03	27,194,503	859,296	(658,326)	27,395,472	17.7

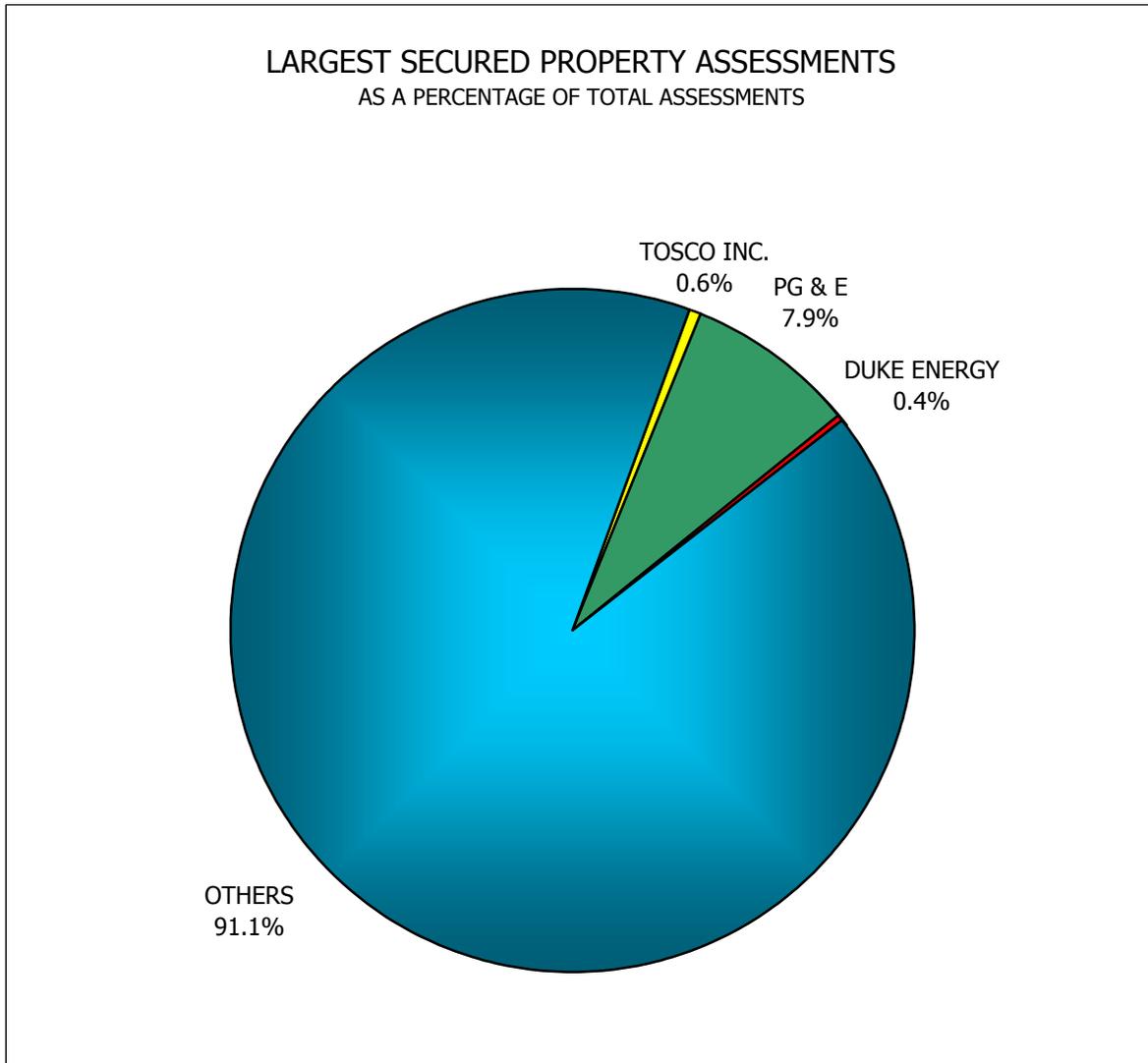
Source: County Property Tax System



COUNTY OF SAN LUIS OBISPO  
 PRINCIPAL TAXPAYERS  
 FISCAL YEAR 2002-03  
 (in thousands)  
 (UNAUDITED)

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Value</u>	<u>Percentage of Total County Assessed Value</u>
Pacific Gas & Electric Co.	Utility	\$ 2,163,485	7.88 %
Tosco Corp A NV Corp.	Oil and Construction	176,951	0.64
Duke Energy Morro Bay LLC	Utility	110,431	0.40
SBC California	Utility	92,297	0.34
Beringer Wine Estates Co.	Agriculture	58,283	0.21
Southern California Gas Company	Utility	48,942	0.18
Sierra Vista Hospital Inc.	Health Care	45,450	0.17
Charter Communications Properties LLC	Utility	42,564	0.16
ESJ Centers LLC ETAL	Real Estate	37,070	0.14
Vons Companies	Grocery Store	32,432	0.12
<b>Total</b>		<b>\$ 2,807,905</b>	<b>10.23 %</b>

Source: County Property Tax System



COUNTY OF SAN LUIS OBISPO  
PROPERTY TAX RATES FOR COUNTY AND MAJOR OVERLAPPING GOVERNMENTS  
(PER \$100 OF ASSESSED VALUES)  
LAST TEN FISCAL YEARS  
(UNAUDITED)

<u>Fiscal Year</u>	<u>County Wide</u>		<u>Cities, Schools and Special Districts Combined Rates</u>						
	<u>General County Tax Rate</u>	<u>State Water Project</u>	<u>Arroyo Grande</u>	<u>Paso Robles</u>	<u>San Luis Obispo</u>	<u>Pismo Beach</u>	<u>Grover Beach</u>	<u>Morro Bay</u>	<u>Atascadero</u>
1993-94	1.0	.0091	.0117	.3575	.1075	.0157	.0191	.1075	.1026
1994-95	1.0	.0087	.0044	.3575	.1075	.0012	.0136	.1075	.1015
1995-96	1.0	.0087	.0089	.3575	.1075	.0140	.0184	.1075	.0990
1996-97	1.0	.0063	.0000	.3575	.1075	.0190	.0184	.1075	.0976
1997-98	1.0	.0049	.0234	.3575	.1075	.0234	.0234	.1075	.0975
1998-99	1.0	.0047	.0224	.3575	.1075	.0224	.0224	.1075	.0975
1999-00	1.0	.0035	.0168	.3575	.1075	.0168	.0168	.0097	.0975
2000-01	1.0	.0023	.0467 *	.3575	.1075	.0467 *	.0467 *	.0086	.0975
2001-02	1.0	.0023	.0365 *	.3575	.1075	.0365 *	.0365 *	.0083	.0975
2002-03	1.0	.0023	.0329	.1775	-	.0329	.0329	.0081	.0975

Note: Rates shown represent the most common rates encountered for the tax rate areas within these cities.

Source: County Property Tax System

\* Figures changed due to updated data

COUNTY OF SAN LUIS OBISPO  
ASSESSED VALUATION AND LEGAL DEBT MARGIN  
FISCAL YEAR 2002-03  
(in thousands)  
(UNAUDITED)

---

SECURED ROLL

Land	\$ 11,466,664	
Improvements	15,080,537	
Personal Property	462,780	
Fixtures	<u>244,056</u>	
Total Secured Roll		\$ 27,254,037

UNSECURED ROLL

Improvements	85,069	
Personal Property	611,183	
Fixtures	<u>163,044</u>	
Total Unsecured Roll		859,296
LESS: EXEMPTIONS		<u>(658,326)</u>
NET ASSESSED VALUE - ALL ROLLS		<u><u>\$ 27,455,006</u></u>

LEGAL DEBT MARGIN

Debt Limitation - 1.25% of net assessed value	\$ 343,188
County Debt Applicable to Limit	12,980
Legal Debt Margin	<u><u>\$ 330,208</u></u>

COUNTY OF SAN LUIS OBISPO  
DIRECT AND OVERLAPPING BONDED DEBT  
LAST TEN FISCAL YEARS  
(in thousands)  
(UNAUDITED)

<u>Fiscal Year</u>	<u>State Water Project (1)</u>	<u>County Schools</u>	<u>County Service Areas</u>	<u>County Flood Control</u>	<u>Waterworks</u>	<u>Assessment and Special Districts (2)</u>	<u>City Bonds</u>	<u>Total Direct and Overlapping Debt</u>
1993-94	97,877	1,465	462	5,340	36	4,381	375	109,936
1994-95	123,292	1,400	444	4,775	630	3,617	265	134,423
1995-96	40,331	1,360	421	4,180	624	3,779	145	50,840
1996-97	52,663	1,325	398	3,580	613	3,214	0	61,793
1997-98	51,523	1,285	375	2,855	602	2,424	0	59,064
1998-99	33,788	26,594	346	2,570	590	5,160	0	69,048
1999-00	38,989	30,255	317	2,045	1,441	4,870	0	77,917
2000-01	36,774	29,974	288	30,395	1,401	4,473	0	103,305
2001-02	35,934	31,971	79	14,105	547	4,035	37,999	124,670
2002-03	34,668	40,302	75	13,610	25	4,093	37,999	130,772

Notes:

- (1) Estimates only. Based on projected capital cost of Water Transportation network including Central Coast Branch.
- (2) Excludes Nipomo Community Services District. Figures not available.

COUNTY OF SAN LUIS OBISPO  
COUNTY BONDED DEBT AS PERCENTAGE OF NET ASSESSED VALUE  
AND IN DOLLARS PER CAPITA  
LAST TEN FISCAL YEARS  
(UNAUDITED)

---

<u>Fiscal Year</u>	<u>Gross General Bonded Debt (in thousands)</u>	<u>Proprietary Fund Debt (in thousands)</u>	<u>Net General Bonded Debt (in thousands)</u>	<u>Net Assessed Value (in thousands)</u>	<u>Ratio of Net General Bonded Debt to Net Assessed Value</u>	<u>Population (1)(2)</u>	<u>Net General Bonded Debt Per Capita</u>
1993-94	5,802	(5,802)	0	17,280,427	0	225,400	0
1994-95	5,219	(5,219)	0	17,640,087	0	227,200	0
1995-96	4,601	(4,601)	0	18,039,843	0	229,500	0
1996-97	3,978	(3,978)	0	18,294,468	0	232,700	0
1997-98	3,230	(3,230)	0	18,827,260	0	236,400	0
1998-99	2,916	(2,916)	0	19,414,771	0	239,300	0
1999-00	2,362	(2,362)	0	20,535,126	0	245,200	0
2000-01	14,978	(14,978)	0	21,782,684	0	252,100	0
2001-02	14,184	(14,184)	0	23,269,466	0	253,600	0
2002-03	13,685	(13,685)	0	27,395,472	0	256,300	0

(1) Source: State Department of Finance as of January 1 of the years shown

(2) See note e, Demographic Statistics

COUNTY OF SAN LUIS OBISPO  
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES  
 LAST TEN FISCAL YEARS  
 (in thousands)  
 (UNAUDITED)

---

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total Governmental Expenditures</u>	<u>Ratio of Debt Service to Governmental Expenditures</u>
1993-94	680	1,772	2,452	178,733	1.37%
1994-95	392	941	1,333	191,904	0.69%
1995-96	478	812	1,290	199,675	0.65%
1996-97	502	791	1,293	203,837	0.63%
1997-98	522	767	1,289	204,454	0.63%
1998-99	547	741	1,288	220,356	0.58%
1999-00	571	712	1,283	228,472	0.56%
2000-01	606	682	1,288	246,858	0.52%
2001-02	4,490	519	5,009	285,516	1.75%
2002-03	575	679	1,254	293,843	0.43%

Note: Total government expenditures includes all special and general fund expenditures.

COUNTY OF SAN LUIS OBISPO  
REVENUE BOND COVERAGE  
LAST TEN FISCAL YEARS  
(in thousands)  
(UNAUDITED)

<u>County Service Area NO. 18</u>				<u>Debt Service Requirements</u>			
<u>Fiscal Year</u>	<u>Gross Revenue</u>	<u>Operating Expenses (1)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage</u>
1993-94	227	180	46	15	28	43	1.09
1994-95	218	174	44	15	27	42	1.06
1995-96	223	152	72	20	26	46	1.57
1996-97	236	143	93	20	24	44	2.11
1997-98	239	214	25	20	23	43	0.59
1998-99	299	252	48	25	21	46	1.03
1999-00	368	265	103	25	19	44	2.32
2000-01	366	289	76	25	18	43	1.80
2001-02	(2)						

(1) Excludes depreciation and revenue bond interest expenses.

(2) This Revenue Bond (County Service Area No. 18) was retired on December 1, 2001.

COUNTY OF SAN LUIS OBISPO  
 DEMOGRAPHIC STATISTICS  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

---

<u>Fiscal Year</u>	<u>Population (1,a,c)</u>	<u>Per Capita Income (2,a,d)</u>	<u>Median Age (5,c)</u>	<u>School Enrollment (3,b)</u>	<u>Unemployment Rate (4,a)</u>
1993-94	225,400	19,115	34.25	38,760	7.5
1994-95	227,200	19,509	34.51	40,056	7.4
1995-96	229,500	20,244	34.75	40,963	6.5
1996-97	232,700	21,412	34.96	42,331	5.5
1997-98	236,400	22,568	35.20	42,951	4.7
1998-99	239,300	24,807	35.43	43,792	4.2
1999-00	245,200	25,888	34.00	44,528	3.3
2000-01	252,100	26,932	33.09	45,141	3.0
2001-02	253,600	27,341 *	33.14	45,665	2.9
2002-03	256,300	27,917	37.30	45,578	3.5

Sources:

1. State Department of Finance
2. U.S. Department of Commerce, Bureau of Economic Analysis
3. San Luis Obispo County Schools & Cuesta College
4. Employment Development Department, Research Division, Los Angeles
5. U.S. Census Bureau

Notes:

- a. Data for calendar years
- b. Data includes kindergarten through grade 12 and Cuesta College
- c. These figures are projections based on the 2000 census.
- d. Prior years were revised per the U.S. Department of Commerce. Income for 2003 not available until after December 2003.

\* Information from prior year made available

COUNTY OF SAN LUIS OBISPO  
PROPERTY VALUES, CONSTRUCTION, AND BANK DEPOSITS  
LAST TEN FISCAL YEARS  
(UNAUDITED)

<u>Calendar Year</u>	<u>Valuation (in thousands) (1) (2)</u>			<u>New Dwelling Units (1) (2)</u>			<u>Bank Deposits (in thousands) (3)</u>
	<u>Residential</u>	<u>Non-Residential</u>	<u>Total Values</u>	<u>Single Family</u>	<u>Multiple Family</u>	<u>Total Units</u>	
1993	122,652	42,720	165,372	779	78	857	1,470,488
1994	146,165	51,984	198,149	995	88	1,083	1,588,170
1995	141,425	32,909	174,334	917	68	985	1,601,076
1996	162,253	40,052	202,305	1,105	71	1,176	1,605,172
1997	194,306	58,596	252,902	1,261	68	1,329	2,288,140
1998	269,367	74,690	344,057	1,680	50	1,730	2,435,501
1999	270,080	93,049	363,129	1,578	86	1,664	2,602,156
2000	293,413	116,607	410,020	1,547	103	1,650	2,775,185
2001	356,243	83,836	440,079	1,687	338	2,025	3,077,442
2002	356,676	124,493	481,168	1,703	269	1,972	3,353,772

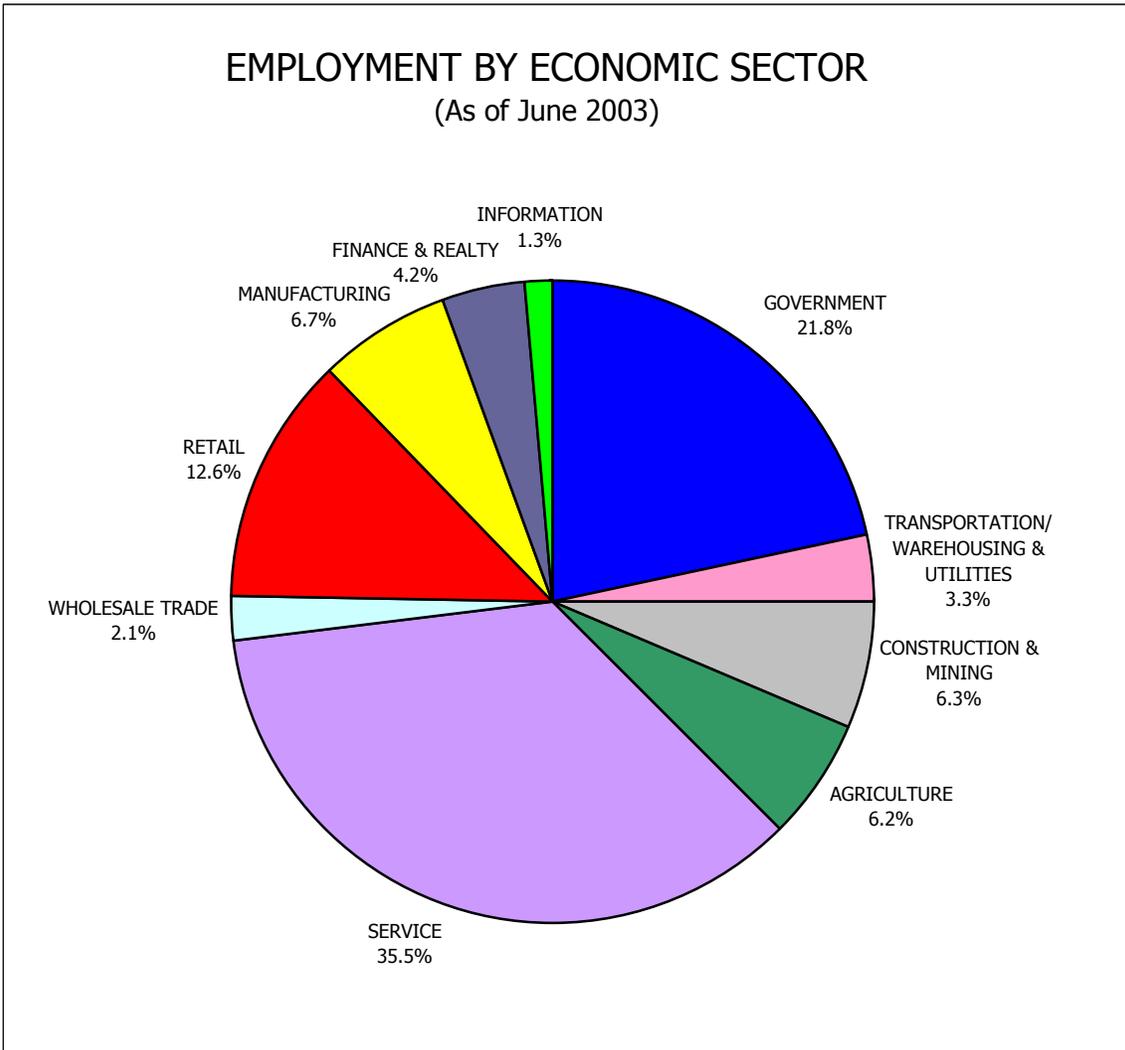
Sources:

1. California State Census Data Center, as of 1990
2. Construction Industry Research Board, as of 1995
3. FDIC, Washington, D.C.

COUNTY OF SAN LUIS OBISPO  
TOP TEN EMPLOYERS  
FISCAL YEAR 2002-03  
(UNAUDITED)

<u>Organization</u>	<u>Number of Employees</u>
County of San Luis Obispo	2,630
California Polytechnic State University, SLO	2,570
Atascadero State Hospital	2,006
California Men's Colony	1,660
Pacific Gas and Electric Company	1,540
Cal Poly Foundation	1,261
Lucia Mar Unified School District	1,015
Paso Robles Public Schools	918
Sierra Vista Regional Medical Center	850
San Luis Coastal Unified School District	<u>820</u>
Total Employees	<u>15,270</u>

**EMPLOYMENT BY ECONOMIC SECTOR**  
(As of June 2003)



COUNTY OF SAN LUIS OBISPO  
 MISCELLANEOUS STATISTICAL DATA  
 FISCAL YEAR 2002-03  
 (UNAUDITED)

Location and Geographical Features

San Luis Obispo County, the fifteenth largest county in the State covering 3,326 square miles, is located on the California Coast midway between San Francisco and Los Angeles. It is bordered by Monterey County to the north, Kern County to the east, Santa Barbara County to the south and the Pacific Ocean to the west. The Santa Lucia Range dominates the western half of the County; the eastern half lies along the Temblor Range. There is little level land except in some coastal valleys, along the northern border and in the Carrisa Plains. Except for a coastal strip, the southern half of the County is within the Los Padres National Forest. Along the coast the climate is moderate. In the City of San Luis Obispo, the mean annual temperature is 59 degrees with an average annual rainfall of 24 inches. The inland areas have higher average temperatures and less rainfall. During the summer, the temperature may be as much as 30 degrees cooler along the coast than it is in the interior regions

Along the coastline of San Luis Obispo are many recreational areas and tourist attractions. Some popular water-related activities include swimming, boating, surfing, fishing, clamming and water skiing at the beaches and lakes in the County. The nationally known Hearst Castle in San Simeon attracts thousands of visitors annually.

County Government

San Luis Obispo County was established in 1850 as one of California's original counties. The City of San Luis Obispo is the County seat. The County has a general law form of government. Its five-member Board of Supervisors is elected by district for four-year terms of office. Other elected officials include the Assessor, Auditor-Controller, County Clerk-Recorder, District Attorney, Sheriff-Coroner and Treasurer-Tax Collector. The County Administrator is appointed by the Board of Supervisors.

Population

	<u>1950</u>	<u>1960</u>	<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2003</u>
Cities							
Arroyo Grande	1,723	3,291	7,454	11,254	14,432	16,450	16,500
Atascadero				16,797	23,138	25,800	27,400
Grover Beach		5,210	5,939	8,833	11,602	12,750	13,100
Morro Bay			7,109	9,078	9,664	9,975	10,500
Paso Robles	4,835	6,677	7,168	9,133	18,583	22,900	26,900
Pismo Beach	1,425	1,762	4,043	5,286	7,669	8,625	8,700
San Luis Obispo	14,180	20,437	28,035	34,184	41,958	43,050	44,400
Unincorporated	29,274	43,667	45,942	60,167	90,116	105,650	108,800
Total	<u>51,437</u>	<u>81,044</u>	<u>105,690</u>	<u>154,732</u>	<u>217,162</u>	<u>245,200</u>	<u>256,300</u>

\*Source: State Department of Finance, as of January 1 of the years shown.

COUNTY OF SAN LUIS OBISPO  
 MISCELLANEOUS STATISTICAL DATA  
 JUNE 30, 2003  
 (UNAUDITED)

---

County Employees

<u>June 30</u>	<u>Number of Employees *</u>
1994	2,480
1995	2,499
1996	2,573
1997	2,605
1998	2,471
1999	2,489
2000	2,521
2001	2,657
2002	2,732
2003	2,630

\* Excludes temporary employees

Special Districts

	<u>Number of Districts</u>
Districts governed by the Board of Supervisors:	
County Service Areas	11
Flood Control and Water Conservation	10
Lighting Districts	1
Transit Services	1
Total	23
Districts governed by Local Board:	
Community Services Districts	14
County Sanitation Districts	3
County Water Districts	2
Fire Protection Districts	2
Harbor Districts	1
Hospital Districts	1
Public Cemetery Districts	10
Resource Conservation Districts	1
Transit Districts	0
Total	34

COUNTY OF SAN LUIS OBISPO  
MISCELLANEOUS STATISTICAL DATA  
JUNE 30, 2003  
(UNAUDITED)

---

<u>Education</u>		Number of
School Districts:		<u>Districts</u>
Elementary		2
High		0
Unified		6
Community College		<u>1</u>
Total		<u>9</u>
State University		1
<u>Hospitals</u>		
Private		4
County		<u>0</u>
Total		<u>4</u>

Note: Joint County Districts are excluded where San Luis Obispo is not the County of control.

Transportation

The more than 2,300 miles of roads in San Luis Obispo County, of which 1,312 miles are County maintained, include U.S. 101 and State Route 1 lying along the coastal edge of the County and State Routes 41 and 46 crossing the County from west to east. In addition, State Route 166 runs from west to east along the San Luis Obispo County and Santa Barbara County line.

Transcontinental rail and bus services are provided by Union Pacific (AMTRAK) and Greyhound Bus Lines. Charter bus service is available along scenic Highway One, between San Luis Obispo and Monterey. There is one intercity bus line that provides local service and one intercounty line for service from Paso Robles to the San Joaquin Valley. Truck service is provided by several common carriers. Commuter air service is available at San Luis Obispo Airport.

COUNTY OF SAN LUIS OBISPO  
 MISCELLANEOUS STATISTICAL DATA  
 JUNE 30, 2003  
 (in thousands)  
 (UNAUDITED)

---

Agriculture

---

<u>Calendar Year</u>	<u>Field Crops</u>	<u>Fruit &amp; Nut Crops</u>	<u>Seed &amp; Nursery Stock</u>	<u>Vegetable Crops</u>	<u>Animal Industry</u>	<u>Total</u>
1993	20,666	60,353	39,783	137,316	33,102	291,220
1994	21,020	65,476	45,517	134,784	31,431	298,228
1995	21,340	70,975	50,534	147,771	26,188	316,808
1996	22,445	89,171	56,399	134,047	26,013	328,075
1997	18,056	120,912	65,486	148,129	29,223	381,806
1998	17,614	109,351	70,296	132,895	28,665	358,821
1999	16,296	122,450	85,353	135,393	36,031	395,523
2000	16,180	166,779	93,171	175,643	35,881	487,654
2001	17,025	182,415	91,296	152,531	46,517	489,784
2002	15,595	163,173	97,377	156,687	46,161	478,993

Source: County Department of Agriculture Annual Report

Elections

Consolidated General Election - November 5, 2002:

Registered Voters	140,659
Number Voting	83,903
Percent Voting	59.6%

Note: Some previous agriculture figures were revised by the San Luis Obispo County Department of Agriculture, Weights, and Measures.

