

**County of San Luis Obispo, California
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2005**

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, 2005
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Front Cover:

"Shell Creek Road, Spring 2005"
by Geert de Lange



INTRODUCTORY SECTION



County of San Luis Obispo
Office of the Auditor-Controller
1055 Monterey Street Room D220
San Luis Obispo, California 93408
(805) 781-5040 FAX (805) 781-1220



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

November 22, 2005

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, 2005, 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, 2005, 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, 2005, 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 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 259,714 residents. Approximately 43% 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 10th 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 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 4.0%, which is much lower than the state (5.2%) and national average (4.9%). 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 show sustainable growth in FY 04-05. Property tax revenue grew at a significant rate with an increase in assessed values of \$3.2 billion, a 9.5% increase over the prior year. This growth, along with people's desire to live in the area, is reflected in a median home price of \$510,000, a jump of 12.1% within the last year. Property transfer tax also grew by 16% demonstrating an active real estate market. Other economic indicators grew moderately over the last year and are expected to continue along this trend.

Long-term financial planning. The State's budget solutions continue to threaten the ability of San Luis Obispo County to provide adequate services to the community. The 05-06 FY budget was developed to minimize service reductions by maintaining a "status quo" budget with an overall increase of 2.9% over the 04-05 FY. The general fund included \$330 million appropriated to finance the current year's expenditures including contingencies, of which \$8 million was placed in general reserves, and \$6.29 million was earmarked for designations. One-time reserves were used to help fund the budget. Absent the State's budget problems, the County's budget would be in relatively good shape, with local revenues continuing to experience moderate to average growth.

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 less than one year. The net interest earned on investments was 1.85% during fiscal year 2004-05. At June 30, 2005, the County had \$451.8 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. Workers Compensation costs continue to be a concern due to higher insurance premiums, the volume of outstanding claims, and costs related to temporary disability. To address the problem the County has worked aggressively within the last year with their third party administrator to reduce the number of outstanding claims and implement a return-to-work program. These cost saving controls have demonstrated some success to curb the program's spending trend and work towards the ultimate goal of rebuilding reserves.

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 19.49% 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, real estate, real estate investment trusts and other short-term investments. As of December 31, 2004, the Plan had 31.9% of its net assets invested in the Mellon Equity Market Fund.

The Pension Plan uses the calendar year for financial reporting purposes. The Plan's net assets as of December 31, 2004 were \$667,539 with a \$56,398 increase from the prior year primarily as a result of earnings on investments. As of December 31, 2003 (January 1, 2004), the date of the last actuarial evaluation, the funded ratio for all Pension Trust's agencies was 94.1% indicating that

Honorable Board of Supervisors
November 22, 2005

for every dollar of benefits due approximately \$0.94 of assets were available for payment as of this date.

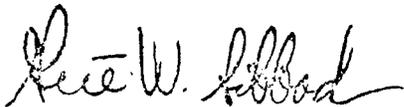
Additional information on the County of San Luis Obispo's Pension Plan's actuarial information and Plan provisions can be found in the notes to the financial statements.

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, 2004. This was the nineteenth 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 General Accounting 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,

A handwritten signature in cursive script, appearing to read "Gere W. Sibbach".

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, 2004

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.



Nancy L. Ziehl

President

Jeffrey R. Emer

Executive Director

COUNTY OF SAN LUIS OBISPO

LIST OF ELECTED AND APPOINTED OFFICIALS

JUNE 30, 2005

Elected Officials

Board of Supervisors

District #1..... Harry L. Ovitt
District #2..... Shirley Bianchi
District #3..... Jerry Lenthall
District #4..... K.H. "Katcho" Achadjian
District #5..... James R. Patterson

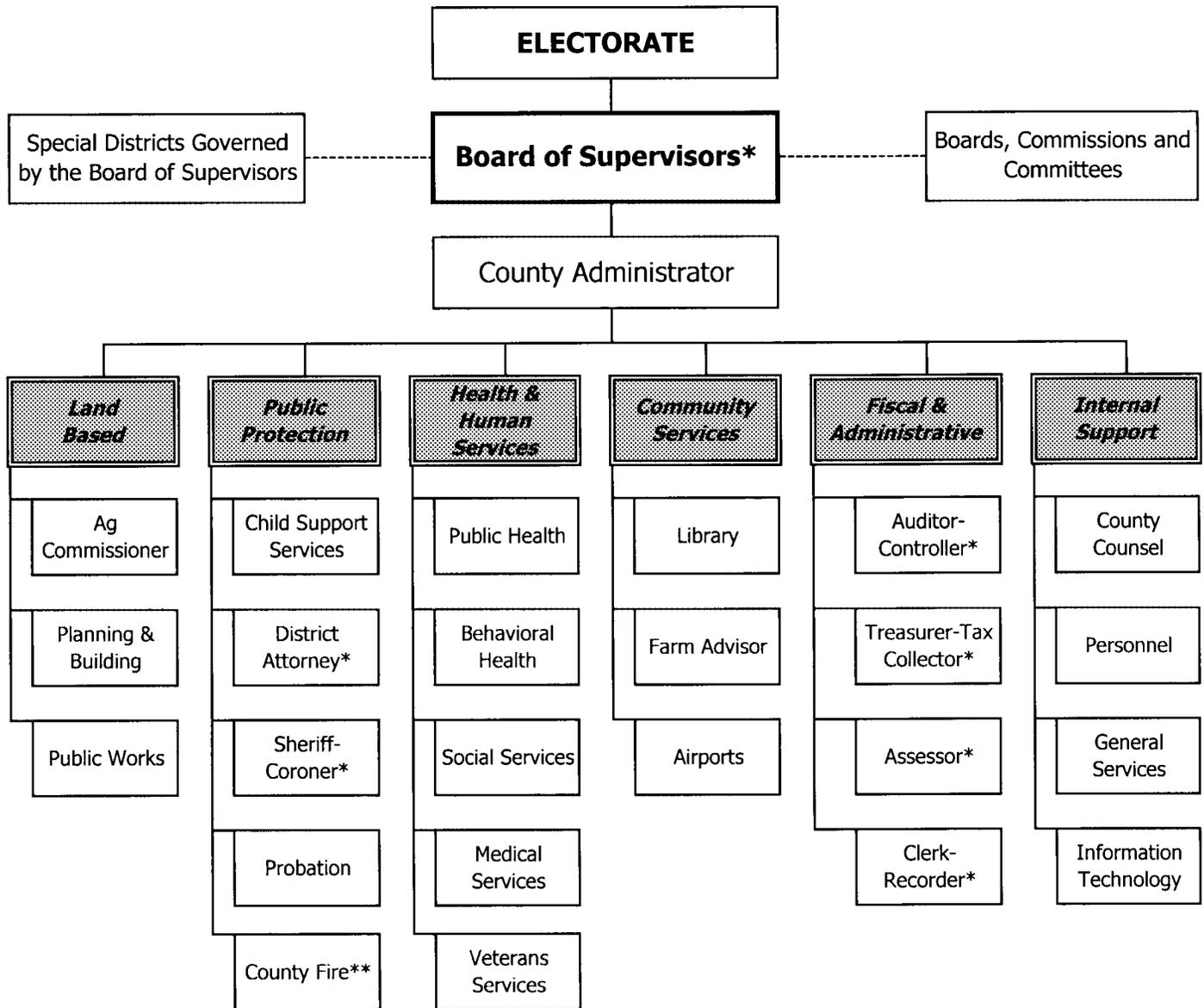
Other Elected Officials

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 Michael Pupenberg

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
Brad W. Constantine
Bruce W. Stephenson
Roseanne M. Lopez
Jason J. Cardinet
Tyler K. Hunt

Curtis A. Orgill
M. Elba Zuniga

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, 2005, 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 did not audit the financial statements of the San Luis Obispo County Pension Trust Fund, a Fiduciary Fund, which statements reflect total assets of \$668,108,780 as of December 31, 2004, and total revenues of \$77,554,796 million for the year then ended. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and in our opinion, insofar as it relates to the amounts included in the San Luis Obispo Pension Trust Fund, is based solely on the report of the other auditors.

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, based on our audit, and the report of the other auditors, 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, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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Member: American Institute of Certified Public Accountants, Private Companies Practice Section, California Society of Certified Public Accountants, Nevada Society of Certified Public Accountants, PKF North American Network

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

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

In accordance with *Government Auditing Standards*, we have also issued a report dated October 28, 2005 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section, 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 28, 2005
Roseville, California

MANAGEMENT'S DISCUSSION AND ANALYSIS



**COUNTY OF SAN LUIS OBISPO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2005**

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, 2005. 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 begin on page 33. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS (in thousands)

- ❖ The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$1,287,968 (*net assets*). Of this amount \$143,499 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors, \$48,141 is restricted for specific purposes (*restricted net assets*), and \$1,096,328 is invested in capital assets, net of related debt. (Table A)
- ❖ The County's net assets increased by \$28,758 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 expenditures. 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, 2005, the County's governmental activities reported combined ending net assets of \$1,160,316 an increase of \$28,037 in comparison with the prior year. Approximately 11.3% of the combined fund balances, or \$130,632 is available for spending at the County's discretion for current and future needs (*unrestricted net assets*). (Table A)
- ❖ Business-type activities posted a net loss of \$138 before general revenues, contributions and transfers from other funds. This was due mainly to the operating losses of \$1,069 experienced by the Medical Services fund and \$1,720 by nonmajor enterprise funds. The Medical Services fund was responsible for operating the County's outpatient clinics, pharmacy and laboratory services.
- ❖ At the end of the fiscal year, unreserved fund balance of the general fund was \$76,200, or 28.2% 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 include four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and 4) required supplementary information. This report also contains other supplementary information in addition to the basic financial statements.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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 airport, golf courses, 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 33 to 35 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 statements, 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 forty-one individual governmental funds organized according to their type: *general, special revenue, debt service, and capital projects*. Information is presented separately in the governmental funds' balance sheet and in the governmental funds' statement of revenues, expenditures, and changes in fund balances for the general fund, the capital projects fund and the pension obligation bond fund, which

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

are considered to be major funds. Data from the remaining thirty-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 found in the other supplementary information section of this report.

A budgetary comparison statement has been provided for the general fund and any major special revenue fund to demonstrate compliance with this budget and can be located in the required supplementary section of the report. Individual budgetary data for each of the non-major governmental funds is provided in the other supplementary information section of this report.

The basic governmental fund financial statements can be found on pages 40 to 46 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, 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 statements*, only in more detail. The airport, golf courses, Medical Services, 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 in the other supplementary section of this report.

The basic proprietary fund financial statements can be found on pages 48 to 57 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 59 to 60 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 basic financial statements can be found on pages 63 to 94 of this report.

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

The required supplementary information can be found on pages 99 to 103 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)

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 109 to 187 of this report.

Budgetary comparison schedules - Budgetary comparison schedules for major funds (other than the General and major special revenue funds that are Required Supplementary Information). The budgetary comparison schedules for the Capital Projects, Pension Obligation Bond, Public Financing Corporation and Public Financing Authority funds can be found on pages 192 and 195 of this report.

Detail Budgetary schedules demonstrating legal level of compliance with budgetary control are presented as other supplementary information. Detail budget information for the General Fund and special revenue funds can be found on pages 198 to 223 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 \$1,287,968.

Table A
Statement of Net Assets
June 30, 2005
(in thousands)

| | June 30, 2005 | | | June 30, 2004 | | | 2004-2005 |
|--|-------------------------|--------------------------|--------------------------|-------------------------|--------------------------|--------------------------|-------------|
| | Governmental Activities | Business-Type Activities | Total Primary Government | Governmental Activities | Business-Type Activities | Total Primary Government | Total % Chg |
| Assets: | | | | | | | |
| Current assets | \$ 245,030 | \$ 28,048 | \$ 273,078 | \$ 241,128 | \$ 33,044 | \$ 274,172 | (0.4%) |
| Other long-term assets | 138,352 | - | 138,352 | 132,713 | 53 | 132,766 | 4.2% |
| Capital assets | 1,006,866 | 153,015 | 1,159,881 | 983,260 | 148,976 | 1,132,236 | 2.4% |
| Total assets | 1,390,248 | 181,063 | 1,571,311 | 1,357,101 | 182,073 | 1,539,174 | 2.1% |
| Liabilities: | | | | | | | |
| Long-term liabilities | 210,521 | 38,437 | 248,958 | 208,233 | 39,394 | 247,627 | 0.5% |
| Other liabilities | 24,575 | 9,810 | 34,385 | 21,852 | 10,485 | 32,337 | 6.3% |
| Internal balances | (5,164) | 5,164 | - | (5,263) | 5,263 | - | - |
| Total liabilities | 229,932 | 53,411 | 283,343 | 224,822 | 55,142 | 279,964 | 1.2% |
| Net assets: | | | | | | | |
| Invested in capital assets, net related debt | 981,543 | 114,785 | 1,096,328 | 956,773 | 109,785 | 1,066,558 | 2.8% |
| Restricted | 48,141 | - | 48,141 | 66,474 | - | 66,474 | (27.6%) |
| Unrestricted | 130,632 | 12,867 | 143,499 | 109,032 | 17,146 | 126,178 | 13.7% |
| Total net assets | \$ 1,160,316 | \$ 127,652 | \$ 1,287,968 | \$ 1,132,279 | \$ 126,931 | \$ 1,259,210 | 2.3% |

Analysis of Net Assets

Approximately 11%, or \$143,499, 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The most significant portion of the County's net assets, \$1,096,328 or 85%, 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 \$48,141, or 4%, 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 total net assets increased by \$28,758. Net assets invested in capital assets net of related debt increased by \$29,770. This increase is due primarily to Governmental Activities Construction in Progress related to ongoing construction of the new County Government Center (\$13.8 million increase) and implementation of the County's Enterprise Financial System (\$5.8 million increase). Airport facility, water treatment and water supply projects resulted in a \$5 million increase in the net assets invested in capital assets of Business Activities.

Unrestricted net assets increased by \$17,321. Of this change, an increase of \$18,874 is the result of the reclassification of certain types of internal budgetary commitments from restricted net assets to unrestricted net assets. The remaining change represents the net effect of the use of existing designations and the establishment of new designations by actions of the Board and management (designations are summarized in Note 11 to the financial statements).

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, 2005
(in thousands)

| | June 30, 2005 | | | June 30, 2004 | | | 2004-2005 Total % Chg |
|--|----------------------------|---------------------------------|-----------------------------|----------------------------|---------------------------------|-----------------------------|--------------------------------|
| | Governmental Activities | Business- Type Activities | Total Primary Government | Governmental Activities | Business- Type Activities | Total Primary Government | |
| Revenues: | | | | | | | |
| Program revenues: | | | | | | | |
| Charges for services | \$ 58,358 | \$ 19,792 | \$ 78,150 | \$ 52,049 | \$ 27,336 | \$ 79,385 | (1.6%) |
| Operating grants and contributions | 151,703 | 1,081 | 152,784 | 151,194 | 1,316 | 152,510 | 0.2% |
| Capital grants and contributions | 5,997 | 3,188 | 9,185 | 7,764 | 1,126 | 8,890 | 3.3% |
| General revenues: | | | | | | | |
| Property taxes | 98,025 | 1,765 | 99,790 | 75,559 | 3,073 | 78,632 | 26.9% |
| Other taxes | 14,333 | - | 14,333 | 15,422 | - | 15,422 | (7.1%) |
| Interest and investment income | 4,420 | 406 | 4,826 | 3,221 | 318 | 3,539 | 36.4% |
| Grants not restricted to specific programs | 4,609 | - | 4,609 | 15,681 | - | 15,681 | (70.6%) |
| Other revenues | 331 | 182 | 513 | 83 | 151 | 234 | 119.2% |
| Total revenues | 337,776 | 26,414 | 364,190 | 320,973 | 33,320 | 354,293 | 2.8% |
| Expenses: | | | | | | | |
| General government | 29,565 | - | 29,565 | 34,862 | - | 34,862 | (15.2%) |
| Public protection | 106,402 | - | 106,402 | 104,594 | - | 104,594 | 1.8% |
| Public ways and facilities | 23,647 | - | 23,647 | 23,147 | - | 23,147 | 2.2% |
| Health sanitation | 52,540 | - | 52,540 | 50,240 | - | 50,240 | 4.6% |
| Public assistance | 83,209 | - | 83,209 | 82,461 | - | 82,461 | 0.9% |
| Education | 7,459 | - | 7,459 | 7,969 | - | 7,969 | (6.4%) |
| Recreational and cultural services | 4,238 | - | 4,238 | 5,762 | - | 5,762 | (26.5%) |
| Interest on Long-term debt | 4,173 | - | 4,173 | 4,379 | - | 4,379 | (4.7%) |
| Airport | - | 3,628 | 3,628 | - | 3,116 | 3,116 | 16.4% |
| Golf | - | 2,905 | 2,905 | - | 3,132 | 3,132 | (7.3%) |
| Hospital | - | 2,149 | 2,149 | - | 17,987 | 17,987 | (88.1%) |
| State water contract | - | 5,451 | 5,451 | - | 5,045 | 5,045 | 8.1% |
| Lopez dam | - | 3,928 | 3,928 | - | 3,449 | 3,449 | 13.9% |
| Non major special districts | - | 6,138 | 6,138 | - | 6,598 | 6,598 | (7.0%) |
| Total expenses | 311,233 | 24,199 | 335,432 | 313,414 | 39,327 | 352,741 | (4.9%) |
| Excess before transfers | 26,543 | 2,215 | 28,758 | 7,559 | (6,007) | 1,552 | 1,753.0% |
| Transfers | 1,494 | (1,494) | - | (10,214) | 10,214 | - | 0% |
| Change in net assets | 28,037 | 721 | 28,758 | (2,655) | 4,207 | 1,552 | 1,753.0% |
| Net assets at beginning of year | 1,132,279 | 126,931 | 1,259,210 | 1,134,934 | 122,724 | 1,257,658 | 0.1% |
| Net assets at end of year | \$ 1,160,316 | \$ 127,252 | \$ 1,287,968 | \$ 1,132,279 | \$ 126,931 | \$ 1,259,210 | 2.3% |

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Analysis of Governmental and Business-type Activities

Governmental Activities

Total net assets of Governmental Activities increased \$28 million for the current fiscal year compared to a decrease of \$2.7 million in the previous fiscal year. Factors contributing to the increase are as follows:

Total revenues of Governmental Activities increased by \$17 million. This is primarily due to an increase in property tax revenue, a result of higher assessed property valuations. The County also experienced an increase in revenue from Charges for Services. This increase was driven by a demand for additional fire protection services and the inclusion of revenue from clinical lab services. Clinical lab services were previously reported as revenue in the Hospital Enterprise fund.

Total expenses of Governmental Activities decreased by \$2.2 million from the prior year. This decrease is due in part to a \$4.2 million reduction of internal service fund operating losses, which are allocated among governmental functions in the Statement of Activities.

Transfers from governmental activities to business activities decreased by \$11.7 million from the prior year, primarily due to discontinued General Fund subsidies to fund Hospital operations.

Business-type Activities

Business-type activities accounted for an increase in net assets of \$ 0.7 million for the current fiscal year compared to an increase of \$4.2 million in the prior fiscal year. The closure of the Hospital is the primary contributing factor, resulting in decreased total business-type revenues of \$6.9 million, decreased expenses of \$15.1 million, and a decrease of transfers-in of \$10.1 million.

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 \$198,887, an increase of 0.6%, or \$1,222 in comparison with the prior year. Approximately 69.8% of the combined fund balances, or \$138,905, constitutes unreserved fund balance, which is available to meet the County's current and future needs. The remainder of fund balance, \$59,982, is reserved for the following reasons: 1) liquidate contracts and purchase orders of the prior period (\$7,409); 2) amounts reserved by outside agencies or legislation to pay for specific programs or specific use (\$42,090); 3) amounts due from other funds or governments that are long-term in nature and do not represent available spendable resources (\$3,201); 4) to pay debt service of (\$6,888); and 5) other restricted purposes (\$394).

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 \$76,200 while total fund balance reached \$94,455. 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 \$270,551. Unreserved fund balance represents 28.2% of the total fund expenditures, while total fund balance represents 34.9% of the same amount. During the current fiscal year the fund balance of general fund increased by \$16,156.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The following provides an explanation for the change in fund balance.

- ❖ Total revenues exceeded total expenditures by \$29,001 as general fund revenues rose \$17.7 million from the prior year with an increase in total expenditures of \$9.0 million.
- ❖ Two main components contributed to the large increase in revenue. Current Property Taxes increased \$8.9 million due to an increase in assessed property valuations. Charges for current services increased \$5.7 million. The most notable revenue increases in charges for current services occurred in fire protection services, environmental assessment fees, and clinical lab services.
- ❖ Public Protection expenditures increased \$6.6 million and Health and Sanitation expenditures increased \$4.2 million. A majority of the increase in Public Protection expenditures, or \$4.5 million, was due to rising labor costs. Negotiated salary increases for the Deputy Sheriff's Association, prevailing wage increases and higher worker's compensation rates drove salary costs up. The County also experienced an increase in costs associated with providing Health and Sanitation services in fiscal year 2004/2005. Contributing factors included prevailing wage increases, liability and medical malpractice insurance rate increases, and increased costs associated with mental health social rehabilitation programs.
- ❖ Transfers out from general fund decreased \$20.6 million. In fiscal year 2003/2004 \$9.8 million was transferred to the Countywide Automation Replacement Fund to finance the County's new EFS System and an additional \$10.1 million was transferred to the County's Hospital Enterprise fund to finance the County's outpatient primary care clinics and ancillary services. In fiscal year 2004/2005 the County closed the outpatient clinics and contracted out for these medical services.

Capital Projects

The *capital projects fund* handles construction projects for the County's governmental funds. The fund has a total fund balance of \$21,746 of which \$1,180 is reserved for prior year's contract commitments. The net decrease in the fund balance for the current year was \$13,437. The decrease in fund balance is mainly due to final construction costs incurred for the completion of the new County 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 \$356,303 in the current fiscal year, which represents an increase of approximately 4.4% or \$14,869 from the prior fiscal year revenues of \$341,434.

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 are displayed.

Table C
Revenues Classified by Source
Governmental Funds
Fund Financial Statements
For the Year Ended June 30, 2005
(in thousands)

| | 2004/2005 | | 2003/2004 | | Increase/(Decrease) | |
|---|-------------------|------------------|-------------------|------------------|---------------------|-------------------|
| | Amount | Percent of Total | Amount | Percent of Total | Amount | Percent of Change |
| Revenues by Source: | | | | | | |
| Taxes | \$ 112,565 | 31.6% | \$ 90,553 | 26.5% | \$ 22,012 | 24.3% |
| Licenses, Permits, Franchises | 13,637 | 3.8% | 8,674 | 2.5% | 4,963 | 57.2% |
| Fines, Forfeits, and Penalties | 6,105 | 1.7% | 7,901 | 2.3% | (1,796) | (22.7%) |
| Revenues from Use of Money and Property | 4,063 | 1.1% | 2,973 | 0.9% | 1,090 | 36.7% |
| Aid from Governmental Agencies | 160,452 | 45.1% | 172,425 | 50.5% | (11,973) | (6.9%) |
| Charges for Current Services | 54,769 | 15.4% | 54,300 | 15.9% | 469 | 0.9% |
| Other Revenues | 4,712 | 1.3% | 4,608 | 1.3% | 104 | 2.3% |
| Total | \$ 356,303 | 100% | \$ 341,434 | 100% | \$ 14,869 | 4.4% |

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

- ❖ *Taxes* increased \$22.0 million or 24.3%. In fiscal year 2003/2004, the State enacted legislation that terminated VLF payments to counties and replaced VLF with property tax revenue previously distributed in the County for education funding. These *Taxes in Lieu of VLF* totaled \$17.4 million in fiscal year 2004/2005. The State also reduced the County's portion of sales tax by .25% to repay bonds. The State replaced this lost sales tax with property tax. This revenue known as *Property tax in Lieu of Sales Tax* totaled \$1.5 million during the year.
- ❖ *Licenses, Permits, and Franchises* increased \$5.0 million or 57.2%. In fiscal year 2004/2005, the County received a \$3.1 million one-time settlement payment from a telecommunications ordinance lawsuit between the County and AT&T & MCI.
- ❖ *Fines, forfeitures and penalties* decreased \$1.8 million or 22.7%. In fiscal year 2003/2004, the County received a \$0.8 million one-time settlement related to a consumer protection lawsuit. End-of-year receivables from the County's share of Court operations decreased \$1.3 million in fiscal year 2004/2005.
- ❖ *Revenues from the Use of Money and Property* increased \$1.1 million or 36.7%. Rising interest rates led to a higher rate of return on investments in the County treasury pool.
- ❖ *Aid from Governmental Agencies* decreased \$12.0 million or 6.9%. VLF revenue from the State decreased from \$12.8 million in FY 03/04 to \$1.2 million in FY 04/05. The State terminated VLF payments to the counties and replaced it with property taxes. See discussion under *Taxes* above.

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, 2005
(in thousands)

| | 2004/2005 | | 2003/2004 | | Increase/(Decrease) | |
|------------------------------------|-------------------|------------------|-------------------|------------------|---------------------|-------------------|
| | Amount | Percent of Total | Amount | Percent of Total | Amount | Percent of Change |
| Expenditures by Function: | | | | | | |
| General Government | \$ 49,074 | 13.8% | \$ 49,491 | 14.2% | \$ (417) | (0.8%) |
| Public Protection | 107,355 | 30.2% | 101,203 | 29.0% | 6,152 | 6.1% |
| Public Ways and Facilities | 24,096 | 6.8% | 29,718 | 8.5% | (5,622) | (18.9%) |
| Health and Sanitation | 52,894 | 14.9% | 49,542 | 14.2% | 3,352 | 6.8% |
| Public Assistance | 82,673 | 23.2% | 81,616 | 23.4% | 1,057 | 1.3% |
| Education | 7,802 | 2.2% | 7,606 | 2.2% | 196 | 2.6% |
| Recreational and Cultural Services | 5,092 | 1.4% | 5,645 | 1.6% | (553) | (9.8%) |
| Principal payments | 1,895 | .5% | 1,815 | 0.5% | 80 | 4.4% |
| Interest on Long-Term Debt | 6,154 | 1.7% | 5,105 | 1.5% | 1,049 | 20.5% |
| Debt issuance costs | 72 | 0.0% | 2,173 | 0.6% | (2,101) | (96.7%) |
| Capital outlay | 18,673 | 5.3% | 14,490 | 4.2% | 4,183 | 28.9% |
| Total | \$ 355,780 | 100% | \$ 348,404 | 100% | \$ 7,376 | 2.1% |

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

- ❖ *Public Protection* expenditures increased by a total of \$6.2 million or 6.1%. Wages and benefits for public protection employees attributed to \$3.9 million of the increase. The Deputy Sheriff's Association negotiated salary and benefits enhancements that had a \$2.5 million impact in FY 2004/2005. Other factors contributing to the increase in expenditures include worker's compensation insurance increases and higher costs associated with maintaining technology systems.
- ❖ *Public Ways and Facilities* decreased \$5.6 million or 18.9%. This fluctuation is attributable to decreased construction and maintenance activity in the Roads Fund. Due to financial constraints, the Pavement Management Program was temporarily suspended during FY 04/05.
- ❖ *Debt issuance* costs decreased \$2.1 million. The County did not issue new debt during FY 2004/2005. In FY 2003/2004, the County issued \$137 million of Pension Obligation Bonds.
- ❖ *Capital outlay* increased \$4.2 million or 28.9%. The County continued work on various construction projects during the year. This work included the New County Government Center, the Los Osos Skate Park, the El Chorro Maintenance Building, and the North County Regional Center.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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 2004/2005 fiscal year.

Table E
Statement of Revenues, Expenses and Results of Operations
Proprietary Funds
Fund Financial Statements
For the Year Ended June 30, 2005
(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 | \$ 4,206 | \$ 2,685 | \$ - | \$ 5,506 | \$ 3,027 | \$ 4,317 | \$ 19,741 |
| Operating expenses | <u>3,571</u> | <u>2,881</u> | <u>1,069</u> | <u>5,377</u> | <u>2,492</u> | <u>6,037</u> | <u>21,427</u> |
| Operating income (loss) | <u>635</u> | <u>(196)</u> | <u>(1,069)</u> | <u>129</u> | <u>535</u> | <u>(1,720)</u> | <u>(1,686)</u> |
| Non-operating revenues (expenses), net | <u>3,204</u> | <u>129</u> | <u>(1,021)</u> | <u>820</u> | <u>(392)</u> | <u>1,339</u> | <u>4,079</u> |
| Net income (loss) before contributions and transfers | 3,839 | (67) | (2,090) | 949 | 143 | (381) | 2,393 |
| Contributions and transfers, net | <u>(53)</u> | <u>(35)</u> | <u>(1,544)</u> | <u>-</u> | <u>7</u> | <u>131</u> | <u>(1,494)</u> |
| Change in net assets | <u>\$ 3,786</u> | <u>\$ (102)</u> | <u>\$ (3,634)</u> | <u>\$ 949</u> | <u>\$ 150</u> | <u>\$ (250)</u> | <u>\$ 899</u> |

All the enterprise funds are expected to continue to meet all ongoing cost of operations and in the long term be able to maintain sufficient reserves.

- ❖ The *Airport* reported operating income of \$635 and an increase in net assets of \$3,786. Overall, the change in net assets is due to non-operating revenues consisting of state and federal aid and rental income.
- ❖ The *Golf Course* sustained an operating loss of \$196. The loss is primarily due to a shortfall in revenue from current services, which consists of green-fees, and revenue from concessionaires.
- ❖ The *State Water Project* fund experienced operating income of \$129 and an increase in net assets of \$949. Revenue from property taxes, interest, and DWR refunds contributed to the overall increase in net assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

GENERAL FUND BUDGETARY HIGHLIGHTS

The final amended budget for general fund expenditures and transfers out increased during the year by a total of \$17.1 million. This increase was funded in part by increases in budgeted revenues of \$12.5 million and the use of reserves and designations for the balance. The major increases in expenditures were in the functional areas of the general government (\$4.1 million) and public protection (\$10.6 million). Unanticipated revenues totaling \$8.8 million from State and Federal Aid and \$2.1 million from Charges for Current Services were used to finance the budget augmentations.

General Fund ended the year with a higher than anticipated fund balance. The main contributing factor was that expenditures were less than budgetary estimates. As a result, the County was able to increase 2005/2006 General Fund Contingencies, the Designation for Internal Loans, the Automation Replacement Reserve, and appropriations for the Road Fund and Capital Projects Fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2005, the County had \$1,159,881 invested in a broad range of capital assets, including land, buildings, 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 \$27,645 or 2.4% over last year.

Table F
Capital Assets
June 30, 2005
(in thousands)

| | Governmental Activities June 30, 2005 | Governmental Activities July 1, 2004 | Business Type Activities June 30, 2005 | Business Type Activities July 1, 2004 | Total Capital Assets June 30, 2005 | Total Capital Assets July 1, 2004 | Total Percent Change |
|--------------------------------------|--|---|--|---|--|---|----------------------------|
| Land | \$ 13,750 | \$ 13,344 | \$ 16,838 | \$ 17,105 | \$ 30,588 | \$ 30,449 | .5% |
| Water Rights | - | - | 34,162 | 32,720 | 34,162 | 32,720 | 4.4% |
| Infrastructure Non Depreciable | 757,696 | 757,696 | - | - | 757,696 | 757,696 | - |
| Construction- in-progress | 68,174 | 35,978 | 18,353 | 12,700 | 86,527 | 48,678 | 77.8% |
| Structures & Improvements | 89,934 | 87,785 | 105,786 | 112,296 | 195,720 | 200,081 | (2.2%) |
| Equipment | 44,150 | 42,326 | 1,880 | 1,793 | 46,030 | 44,119 | 4.3% |
| Infrastructure Depreciable | <u>195,589</u> | <u>195,500</u> | <u>-</u> | <u>-</u> | <u>195,589</u> | <u>195,500</u> | - |
| Subtotal | 1,169,293 | 1,132,629 | 177,019 | 176,614 | 1,346,312 | 1,309,243 | 2.8% |
| Less Accumulated Depreciation | <u>(162,427)</u> | <u>(149,369)</u> | <u>(24,004)</u> | <u>(27,638)</u> | <u>(186,431)</u> | <u>(177,007)</u> | 5.3% |
| Total | \$ <u>1,006,866</u> | \$ <u>983,260</u> | \$ <u>153,015</u> | \$ <u>148,976</u> | \$ <u>1,159,881</u> | \$ <u>1,132,236</u> | 2.4% |

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Major additions and future commitments in capital assets - Governmental activities

The County completed construction of the new General Government Facility in May 2005. This \$40 million project enabled the County to consolidate operations in the downtown business area and eliminate the need for many leased spaces. Phase I, on-line budgetary and financial reporting, of the County's \$15.7 million Enterprise Financial System came on-line January 3, 2005. Phase II of this fully integrated financial and human resources system is scheduled to go live December 18, 2005. In addition, the County plans to begin work on the \$4.2 million Health Campus Renovations project. County health related services and offices will be relocating to the new Health Campus, the former General Hospital site.

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

Future capital projects scheduled for the 2005/2006 fiscal year include \$14.5 million for Airport runway and taxiway improvements, 65 T-hangars, and a new rental car facility. These projects are financed by FAA grants, passenger facility charges, customer facility charges, and a loan from Cal-Trans.

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 \$200,747. The County issued \$137,194 in Pension Obligation Bonds in July 2003. The Pension Obligation Bonds debt service payments are funded by County payroll benefits. Of the balance remaining, \$12,510 is backed by the full faith and credit of the County. The remainder of the County's debt consists of: \$47,900 in certificates of participation, which are repaid from a variety of revenues; \$3,077 in State loans and \$66 in revenue bonds which are repaid with water service revenue. Additionally, the County is liable for \$2,950 of special assessment debt in the event of default by the property owner subject to the assessment.

Table G
Outstanding Debt
June 30, 2005
(in thousands)

| | Govern- mental Activities June 30, 2005 | Govern- mental Activities June 30, 2004 | Business Type Activities June 30, 2005 | Business Type Activities June 30, 2004 | Total June 30, 2005 | Total June 30, 2004 | Total Percent Change |
|-------------------------------------|---|---|--|--|---------------------------|---------------------------|----------------------------|
| Certificates of participation | \$ 25,323 | \$ 26,487 | \$ 22,577 | \$ 23,068 | \$ 47,900 | \$ 49,555 | (3.3%) |
| Pension Obligation Bonds | 137,194 | 137,194 | - | - | 137,194 | 137,194 | - |
| State note | - | - | 3,077 | 3,211 | 3,077 | 3,211 | (4.2%) |
| Revenue bonds | - | - | 66 | 71 | 66 | 71 | (7.0%) |
| General obligation bonds | - | - | 12,510 | 12,750 | 12,510 | 12,750 | (1.9%) |
| | <u>\$ 162,517</u> | <u>\$ 163,681</u> | <u>\$ 38,230</u> | <u>\$ 39,100</u> | <u>\$ 200,747</u> | <u>\$ 202,781</u> | (1.0%) |

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The net decrease over last year for all the County's notes and bonds payable was \$2,034, or 1.0%; due to scheduled debt payments.

The County's recent debt issues have maintained an "AAA" rating from Standard & Poor's and an "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 \$374,334.

Additional information on the County's long-term debt can be found in Note 10 to the financial statements.

Other liabilities include compensated absences (\$18.9 million), landfill post-closure costs (\$2.8 million), and self-insurance (\$26.5 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 2005/2006 fiscal year is a "status quo" budget with a moderate growth rate of 4.8%
- ❖ The 2005/2006 budget is designed to maintain existing service levels and overall staffing levels.
- ❖ The states ongoing fiscal crisis slowed or eliminated growth in many of the health and human service programs.
- ❖ The County's unemployment rate is at 4.1%, considerably lower than the state rate of 5.1% and the national rate of 5.0%.
- ❖ The major sources of revenues stimulated by the economy have held steady or had modest increases:
 - County assessed property tax valuations grew \$2.6 billion.
 - The median price of homes in San Luis Obispo County rose to \$566,510 within the last year.
 - Transit occupancy tax collections held steady at \$4.9 million.
- ❖ General fund's ending fund balance for fiscal year 2004/2005 was higher than anticipated. This enabled the County to pay down \$1.1 million on the 1994 Certificates of Participation and \$2 million on the Pension Obligation Bonds.
- ❖ The Board of Supervisors adopted the 2005-2006 budget in June 2004, with a \$45.2 million fund balance in the general fund, of which \$25.9 million was appropriated to finance the current year's expenditures including contingencies, \$8 million was placed in general reserves, and \$4.7 million was earmarked for designations. The County budget also included community-wide results and indicators as well as department goals and performance measures that gauge how departments are meeting the needs of the community.

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 D220, San Luis Obispo, California 93408.

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



COUNTY OF SAN LUIS OBISPO
STATEMENT OF NET ASSETS
JUNE 30, 2005 (in thousands)

| | Primary Government | | |
|---|----------------------------|-----------------------------|---------------------|
| | Governmental Activities | Business-type Activities | Total |
| Assets | | | |
| Cash and cash equivalents | \$ 210,791 | \$ 26,767 | \$ 237,558 |
| Accounts receivable, net | 208 | 682 | 890 |
| Property taxes receivable | 6,593 | - | 6,593 |
| Other receivables | 9,612 | 58 | 9,670 |
| Due from other governments | 17,018 | 506 | 17,524 |
| Deposits with others | - | 13 | 13 |
| Inventories | 486 | - | 486 |
| Prepaid items | 322 | 22 | 344 |
| Total current assets | <u>245,030</u> | <u>28,048</u> | <u>273,078</u> |
| Loans receivable | 1,235 | - | 1,235 |
| Restricted cash with fiscal agent | 3,357 | - | 3,357 |
| Prepaid pension contributions | 129,306 | - | 129,306 |
| Prepaid bond issuance costs | 2,029 | - | 2,029 |
| Other assets | 2,425 | - | 2,425 |
| Capital assets: | | | |
| Nondepreciable | 839,620 | 69,353 | 908,973 |
| Depreciable, net | 167,246 | 83,662 | 250,908 |
| Total non-current assets | <u>1,145,218</u> | <u>153,015</u> | <u>1,298,233</u> |
| Total assets | <u>1,390,248</u> | <u>181,063</u> | <u>1,571,311</u> |
| Liabilities | | | |
| Salaries and benefits payable | 6,693 | 77 | 6,770 |
| Accounts payable | 9,323 | 5,424 | 14,747 |
| Trust deposits | 123 | - | 123 |
| Internal balances | (5,164) | 5,164 | - |
| Deposits from others | 1,521 | 2,759 | 4,280 |
| Unearned revenue | 5,525 | 1,550 | 7,075 |
| Accrued interest | 1,302 | - | 1,302 |
| Other current liabilities | 88 | - | 88 |
| Long Term Liabilities: | | | |
| Portion due or payable within one year: | | | |
| Bonds and notes payable | 3,213 | 900 | 4,113 |
| Compensated absences | 13,206 | 146 | 13,352 |
| Landfill closure/postclosure costs | 217 | - | 217 |
| Self insurance payable | 6,843 | - | 6,843 |
| Portion due or payable after one year: | | | |
| Bonds and notes payable | 159,304 | 37,330 | 196,634 |
| Compensated absences | 5,445 | 61 | 5,506 |
| Landfill closure/postclosure costs | 2,606 | - | 2,606 |
| Self-insurance payable | 19,687 | - | 19,687 |
| Total liabilities | <u>229,932</u> | <u>53,411</u> | <u>283,343</u> |
| Net Assets | | | |
| Invested in capital assets, net of related debt | 981,543 | 114,785 | 1,096,328 |
| Restricted | 48,141 | - | 48,141 |
| Unrestricted | 130,632 | 12,867 | 143,499 |
| Total net assets | <u>\$ 1,160,316</u> | <u>\$ 127,652</u> | <u>\$ 1,287,968</u> |

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, 2005 (in thousands)

| Functions / Programs | Program Revenues | | | |
|------------------------------------|-------------------|-------------------------|--|--|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental activities: | | | | |
| General government | \$ 29,565 | \$ 29,911 | \$ 2,404 | \$ 311 |
| Public protection | 106,402 | 7,642 | 33,888 | 935 |
| Public ways and facilities | 23,647 | 6,607 | 9,099 | 4,091 |
| Health and sanitation | 52,540 | 8,555 | 37,474 | 177 |
| Public assistance | 83,209 | 2,680 | 67,559 | 80 |
| Education | 7,459 | 1,853 | 250 | - |
| Recreational and cultural services | 4,238 | 1,110 | 1,029 | 403 |
| Interest on long-term debt | 4,173 | - | - | - |
| Total governmental activities | <u>311,233</u> | <u>58,358</u> | <u>151,703</u> | <u>5,997</u> |
| Business-type activities: | | | | |
| Airport | 3,628 | 4,206 | 11 | 3,188 |
| Golf | 2,905 | 2,719 | 75 | - |
| Hospital | 2,149 | - | - | - |
| State Water Contract | 5,451 | 5,506 | 8 | - |
| Lopez Dam | 3,928 | 3,027 | 14 | - |
| Other Special Districts | 6,138 | 4,334 | 973 | - |
| Total business-type activities | <u>24,199</u> | <u>19,792</u> | <u>1,081</u> | <u>3,188</u> |
| Total primary government | <u>\$ 335,432</u> | <u>\$ 78,150</u> | <u>\$ 152,784</u> | <u>\$ 9,185</u> |

General revenues:
 Property taxes
 Sales taxes
 Transient occupancy tax
 Transfer tax
 Other taxes
 Grants not restricted to specific programs
 Interest earnings 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

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, 2005 (in thousands)

| Net (Expenses) Revenues and Changes in Net Assets | | |
|---|---------------------------------|---------------------|
| Primary Government | | |
| Governmental Activities | Business- type Activities | Total |
| \$ 3,061 | \$ - | \$ 3,061 |
| (63,937) | - | (63,937) |
| (3,850) | - | (3,850) |
| (6,334) | - | (6,334) |
| (12,890) | - | (12,890) |
| (5,356) | - | (5,356) |
| (1,696) | - | (1,696) |
| (4,173) | - | (4,173) |
| <u>(95,175)</u> | <u>-</u> | <u>(95,175)</u> |
| - | 3,777 | 3,777 |
| - | (111) | (111) |
| - | (2,149) | (2,149) |
| - | 63 | 63 |
| - | (887) | (887) |
| - | (831) | (831) |
| <u>-</u> | <u>(138)</u> | <u>(138)</u> |
| <u>(95,175)</u> | <u>(138)</u> | <u>(95,313)</u> |
| 98,025 | 1,765 | 99,790 |
| 5,608 | - | 5,608 |
| 4,799 | - | 4,799 |
| 3,612 | - | 3,612 |
| 314 | - | 314 |
| 4,609 | - | 4,609 |
| 4,420 | 406 | 4,826 |
| 331 | 182 | 513 |
| 1,494 | (1,494) | - |
| <u>123,212</u> | <u>859</u> | <u>124,071</u> |
| 28,037 | 721 | 28,758 |
| <u>1,132,279</u> | <u>126,931</u> | <u>1,259,210</u> |
| <u>\$ 1,160,316</u> | <u>\$ 127,652</u> | <u>\$ 1,287,968</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:

Property taxes
Sales taxes
Transient Occupancy Tax
Transfer tax
Other taxes
Grants not restricted to specific programs
Interest earnings 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, 2005 (in thousands)

| | General Fund | Capital Projects | Debt Service Pension Obligation Bonds | Nonmajor Governmental Funds |
|---|-------------------|---------------------|---|-----------------------------------|
| <u>Assets</u> | | | | |
| Cash and cash equivalents | \$ 80,449 | \$ 21,909 | \$ 4,504 | \$ 78,860 |
| Accounts receivable, net | 204 | - | - | - |
| Accrued property taxes receivable | 6,593 | - | - | - |
| Loans receivable | 17 | - | - | - |
| Other receivables | 9,048 | 61 | - | 503 |
| Due from other governments | 15,290 | 866 | - | 862 |
| Inventories | 72 | - | - | - |
| Prepaid items | 322 | - | - | - |
| Advances to other funds | 2,609 | - | - | 592 |
| Restricted cash with fiscal agent | - | 28 | 19 | 3,310 |
| Other assets | - | - | 1,901 | 1,742 |
| | <u>\$ 114,604</u> | <u>\$ 22,864</u> | <u>\$ 6,424</u> | <u>\$ 85,869</u> |
| <u>Liabilities and fund balances:</u> | | | | |
| <u>Liabilities:</u> | | | | |
| Salaries and benefits payable | 5,821 | - | - | 306 |
| Accounts payable | 5,842 | 135 | - | 1,917 |
| Trust deposits | 123 | - | - | - |
| Deposits from others | 196 | - | - | 744 |
| Deferred revenue | 8,127 | 983 | - | 1,151 |
| Other current liabilities | 40 | - | 1,995 | 1,536 |
| Advances from other county funds | - | - | - | 1,958 |
| Total liabilities | <u>20,149</u> | <u>1,118</u> | <u>1,995</u> | <u>7,612</u> |
| <u>Fund balances:</u> | | | | |
| <u>Reserved for:</u> | | | | |
| Encumbrances | 2,663 | 1,180 | - | 3,566 |
| Advances to other funds | 2,609 | - | - | 592 |
| Inventories | 72 | - | - | - |
| Prepays | 322 | - | - | - |
| Debt Service | - | - | 4,429 | 2,459 |
| Construction of roads and public facilities | - | - | - | 24,572 |
| Specific program or grants | 12,589 | 689 | - | 4,240 |
| Unreserved | 76,200 | 19,877 | - | - |
| Unreserved, reported in nonmajor | | | | |
| Special revenue funds | - | - | - | 42,828 |
| Total fund balance | <u>94,455</u> | <u>21,746</u> | <u>4,429</u> | <u>78,257</u> |
| Total liabilities and fund balances | <u>\$ 114,604</u> | <u>\$ 22,864</u> | <u>\$ 6,424</u> | <u>\$ 85,869</u> |

Continued on next page

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

COUNTY OF SAN LUIS OBISPO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2005 (in thousands)

| | |
|--------------------------------|---------|
| Total Governmental Funds | |
| \$ | 185,722 |
| | 204 |
| | 6,593 |
| | 17 |
| | 9,612 |
| | 17,018 |
| | 72 |
| | 322 |
| | 3,201 |
| | 3,357 |
| | 3,643 |
| \$ | 229,761 |

| | |
|--|--------|
| | 6,127 |
| | 7,894 |
| | 123 |
| | 940 |
| | 10,261 |
| | 3,571 |
| | 1,958 |
| | 30,874 |

| | |
|----|---------|
| | 7,409 |
| | 3,201 |
| | 72 |
| | 322 |
| | 6,888 |
| | 24,572 |
| | 17,518 |
| | 96,077 |
| | 42,828 |
| | 198,887 |
| \$ | 229,761 |

Assets

Cash and cash equivalents
Accounts receivable, net
Accrued property taxes receivable
Loans receivable
Other receivables
Due from other governments
Inventories
Prepaid items
Advances to other funds
Restricted cash with fiscal agent
Other assets

Total assets

Liabilities and fund balances:

Liabilities:

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

Fund balances:

Reserved for:

Encumbrances
Advances to other funds
Inventories
Prepays
Debt Service
Construction of roads & public facilities
Specific program or grants

Unreserved

Unreserved, reported in nonmajor

Special revenue funds
Total fund balance

Total liabilities and fund balances

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

COUNTY OF SAN LUIS OBISPO
RECONCILIATION OF THE BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
JUNE 30, 2005 (in thousands)

| | Amount |
|---|--------------|
| <u>Fund balances - total governmental funds</u> | \$ 198,887 |
| 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. | 997,967 |
| Accrued Property tax revenues are not available to pay for current-period expenditures and, therefore, are deferred in the funds. | 4,736 |
| The pension assets resulting from contributions in excess of the annual required contribution are not financial resources and therefore not reported in the funds. | 129,306 |
| Cost of issuance on pension obligation bonds are not recognized as current expenditures are deferred. | \$ 2,173 |
| Less: Accumulated amortization of cost of issuance on pension obligation bonds. | (144) |
| | 2,029 |
| 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. | 3,621 |
| 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. | 3,921 |
| Interest on long-term debt is recognized as it accrues, regardless of when it is due. | (974) |
| 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. | (179,177) |
| Net assets of governmental activities | \$ 1,160,316 |

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



COUNTY OF SAN LUIS OBISPO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2005 (in thousands)

| | General Fund | Capital Projects | Debt Service Pension Obligation Bonds | Nonmajor Governmental Funds |
|--|------------------|---------------------|---|-----------------------------------|
| <u>Revenues:</u> | | | | |
| Taxes | \$ 105,244 | \$ - | \$ - | \$ 7,321 |
| Licenses, permits, and franchises | 10,417 | - | - | 3,220 |
| Fines, forfeits, and penalties | 3,796 | 1,516 | - | 793 |
| Revenues from use of money and property | 2,113 | 407 | 61 | 1,482 |
| Aid from governmental agencies | 138,803 | 403 | - | 21,246 |
| Charges for current services | 36,137 | 527 | - | 18,105 |
| Other revenues | 3,042 | 130 | 292 | 1,248 |
| Total revenues | <u>299,552</u> | <u>2,983</u> | <u>353</u> | <u>53,415</u> |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| General government | 38,395 | - | - | 10,679 |
| Public protection | 106,246 | - | - | 1,109 |
| Public ways and facilities | - | - | - | 24,096 |
| Health and sanitation | 47,941 | - | - | 4,953 |
| Public assistance | 77,669 | - | - | 5,004 |
| Education | 270 | - | - | 7,532 |
| Recreational and cultural services | - | - | - | 5,092 |
| Debt service: | | | | |
| Principal payments | - | - | - | 1,895 |
| Interest and fiscal charges | 30 | - | 3,083 | 3,113 |
| Capital outlay | - | 18,673 | - | - |
| Total expenditures | <u>270,551</u> | <u>18,673</u> | <u>3,083</u> | <u>63,473</u> |
| Excess (deficiency) of revenues over expenditures | <u>29,001</u> | <u>(15,690)</u> | <u>(2,730)</u> | <u>(10,058)</u> |
| <u>Other financing sources (uses):</u> | | | | |
| Transfers in | 757 | 2,253 | 4,434 | 12,348 |
| Transfers (out) | (13,602) | - | - | (5,491) |
| Total other financing sources and (uses) | <u>(12,845)</u> | <u>2,253</u> | <u>4,434</u> | <u>6,857</u> |
| Net change in fund balances | 16,156 | (13,437) | 1,704 | (3,201) |
| Fund balances - beginning | <u>78,299</u> | <u>35,183</u> | <u>2,725</u> | <u>81,458</u> |
| Fund balances - ending | <u>\$ 94,455</u> | <u>\$ 21,746</u> | <u>\$ 4,429</u> | <u>\$ 78,257</u> |

Continued on next page

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

COUNTY OF SAN LUIS OBISPO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2005 (in thousands)

| Total Governmental Funds | |
|--------------------------------|----------|
| \$ | 112,565 |
| | 13,637 |
| | 6,105 |
| | 4,063 |
| | 160,452 |
| | 54,769 |
| | 4,712 |
| | 356,303 |
| | |
| | 49,074 |
| | 107,355 |
| | 24,096 |
| | 52,894 |
| | 82,673 |
| | 7,802 |
| | 5,092 |
| | 1,895 |
| | 6,226 |
| | 18,673 |
| | 355,780 |
| | |
| | 523 |
| | |
| | 19,792 |
| | (19,093) |
| | 699 |
| | 1,222 |
| | 197,665 |
| | |
| \$ | 198,887 |

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
Debt service:
Principal payments
Interest and fiscal charges
Capital outlay
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

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

COUNTY OF SAN LUIS OBISPO
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2005 (in thousands)

| | Amount |
|--|-----------|
| Net change in fund balances - total governmental funds | \$ 1,222 |
| 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. | (207) |
| Governmental funds report capital outlays as expenditures. These expenditures have no effect on net assets. | |
| Capital outlay expenditures that have no effect on net assets are reported in the following functional categories: | |
| Capital projects fund | 18,673 |
| General government | 8,008 |
| Public protection | 1,142 |
| Public ways and facilities | 8,484 |
| Health and sanitation | 185 |
| Recreation | 488 |
| Education | 518 |
| Public assistance | 27 |
| | 37,525 |
| In the statement of activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense. | (13,656) |
| The net effect of various miscellaneous transactions involving capital assets such as sales, trade-ins and donations is to increase net assets. | 743 |
| 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. | 3,142 |
| 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. | 2,250 |
| 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. | (2,982) |
| Change in net assets of governmental activities | \$ 28,037 |

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, 2005 (in thousands)

| | Business-type Activities - Enterprise Funds | | | |
|--------------------------------|---|---------------|---------------------|------------------------|
| | Airport | Golf | Medical Services | State Water Project |
| <u>Assets</u> | | | | |
| Current Assets: | | | | |
| Cash and cash equivalents | \$ 2,434 | \$ 1,101 | \$ 118 | \$ 10,900 |
| Accounts receivable, net | - | - | - | 527 |
| Other receivables | 3 | 26 | - | - |
| Due from other county funds | - | - | - | - |
| Due from other governments | 505 | - | - | - |
| Deposits with others | - | - | - | - |
| Inventory | - | - | - | - |
| Prepaid items | - | - | - | - |
| Advances to other funds | - | 549 | - | - |
| Total current assets | <u>2,942</u> | <u>1,676</u> | <u>118</u> | <u>11,427</u> |
| Noncurrent assets: | | | | |
| Capital assets: | | | | |
| Nondepreciable: | | | | |
| Land | 13,193 | 1,333 | - | - |
| Construction in progress | 7,177 | 72 | - | 8 |
| Water rights | - | - | - | 32,270 |
| Depreciable: | | | | |
| Structures & improvements, net | 17,152 | 12,138 | - | 8,526 |
| Equipment, net | 16 | 136 | - | 83 |
| Total noncurrent assets | <u>37,538</u> | <u>13,679</u> | <u>-</u> | <u>40,887</u> |
| Total assets | <u>40,480</u> | <u>15,355</u> | <u>118</u> | <u>52,314</u> |

Continued on next page

COUNTY OF SAN LUIS OBISPO
STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2005 (in thousands)

| Business-type Activities - Enterprise Funds | | | Governmental Activities | |
|---|---------------------------------|------------------------------|------------------------------|--------------------------------|
| Lopez Flood Control | Nonmajor Enterprise Funds | Total Enterprise Funds | Internal Service Funds | |
| \$ 4,210 | \$ 8,004 | \$ 26,767 | \$ 25,069 | <u>Assets</u> |
| 30 | 125 | 682 | 4 | Current Assets: |
| - | 29 | 58 | - | Cash and cash equivalents |
| - | 1,400 | 1,400 | - | Accounts receivable, net |
| - | 1 | 506 | - | Other receivables |
| - | 13 | 13 | - | Due from other county funds |
| - | - | - | - | Due from other governments |
| 22 | - | 22 | 414 | Deposits with others |
| - | - | 549 | - | Inventory |
| <u>4,262</u> | <u>9,572</u> | <u>29,997</u> | <u>25,487</u> | Prepaid items |
| | | | | Advances from other funds |
| | | | | Total current assets |
| | | | | Noncurrent assets: |
| | | | | Capital assets: |
| | | | | Nondepreciable: |
| 2,096 | 216 | 16,838 | - | Land |
| 3,811 | 7,285 | 18,353 | - | Construction in progress |
| 1,892 | - | 34,162 | - | Water rights |
| | | | | Depreciable: |
| 37,954 | 7,424 | 83,194 | 462 | Structures & improvements, net |
| 51 | 182 | 468 | 8,437 | Equipment, net |
| <u>45,804</u> | <u>15,107</u> | <u>153,015</u> | <u>8,899</u> | Total noncurrent assets |
| <u>50,066</u> | <u>24,679</u> | <u>183,012</u> | <u>34,386</u> | Total assets |

Continued on next page

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, 2005 (in thousands)

| | Business-type Activities - Enterprise Funds | | | |
|---|---|----------|---------------------|------------------------|
| | Airport | Golf | Medical Services | State Water Project |
| <i>Continued from previous page</i> | | | | |
| <u>Liabilities</u> | | | | |
| Current liabilities: | | | | |
| Salaries and benefits payable | \$ 32 | \$ 45 | \$ - | \$ - |
| Accounts payable | 518 | 412 | 118 | 3,643 |
| Interest payable | - | - | - | - |
| Self insurance payable | - | - | - | - |
| Deposits from others | 298 | - | - | 2,316 |
| Due to other county funds | - | - | - | - |
| Accrued vacation - current | 62 | 84 | - | - |
| Deferred revenue | 22 | - | - | 1,447 |
| Notes and bonds payable - current | - | - | - | - |
| Leases payable - current | - | 212 | - | - |
| Total current liabilities | 932 | 753 | 118 | 7,406 |
| Noncurrent liabilities: | | | | |
| Self insurance liability | - | - | - | - |
| Advances from other funds | 1,626 | - | - | - |
| Notes and bonds payable | - | - | - | - |
| Leases payable | - | 7,474 | - | - |
| Accrued vacation and sick leave | 4 | 57 | - | - |
| Total noncurrent liabilities | 1,630 | 7,531 | - | - |
| Total liabilities | 2,562 | 8,284 | 118 | 7,406 |
| <u>Net assets</u> | | | | |
| Invested in capital assets, net of related debt | 35,912 | 5,993 | - | 40,887 |
| Restricted | - | - | - | - |
| Unrestricted | 2,006 | 1,078 | - | 4,021 |
| Total net assets | \$ 37,918 | \$ 7,071 | \$ - | \$ 44,908 |

Continued on next page

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, 2005 (in thousands)

| Business-type Activities - Enterprise Funds | | | Governmental Activities |
|---|---------------------------------|------------------------------|------------------------------|
| Lopez Flood Control | Nonmajor Enterprise Funds | Total Enterprise Funds | Internal Service Funds |
| \$ - | \$ - | \$ 77 | \$ 566 |
| 105 | 47 | 4,843 | 1,439 |
| 581 | - | 581 | - |
| - | - | - | 6,843 |
| - | 145 | 2,759 | 581 |
| 1,400 | - | 1,400 | - |
| - | - | 146 | 1,224 |
| - | 81 | 1,550 | - |
| - | 143 | 143 | - |
| 545 | - | 757 | - |
| <u>2,631</u> | <u>416</u> | <u>12,256</u> | <u>10,653</u> |
| - | - | - | 19,687 |
| - | 166 | 1,792 | - |
| - | 3,001 | 3,001 | - |
| 26,855 | - | 34,329 | - |
| - | - | 61 | 425 |
| <u>26,855</u> | <u>3,167</u> | <u>39,183</u> | <u>20,112</u> |
| <u>29,486</u> | <u>3,583</u> | <u>51,439</u> | <u>30,765</u> |
| 18,404 | 11,963 | 113,159 | 8,899 |
| - | - | - | 71 |
| <u>2,176</u> | <u>9,133</u> | <u>18,414</u> | <u>(5,349)</u> |
| <u>\$ 20,580</u> | <u>\$ 21,096</u> | 131,573 | <u>\$ 3,621</u> |

Continued from previous page

Liabilities

Current liabilities:

| |
|-----------------------------------|
| Salaries and benefits payable |
| Accounts payable |
| Interest payable |
| Self insurance payable |
| Deposits from others |
| Due to other county funds |
| Accrued vacation - current |
| Deferred revenue |
| Notes and bonds payable - current |
| Leases payable - current |

Total current liabilities

Noncurrent liabilities:

| |
|---------------------------------|
| Self insurance liability |
| Advances from other funds |
| Notes and bonds payable |
| Leases payable |
| Accrued vacation and sick leave |

Total noncurrent liabilities

Total liabilities

Net assets

| |
|---|
| Invested in capital assets, net of related debt |
| Restricted |
| Unrestricted |

Total net assets

Adjustment to reflect the consolidation of internal service activities related to enterprise funds

(3,921)

Net assets of business-type activities

\$ 127,652

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, 2005 (in thousands)

| | Business-type Activities - Enterprise Funds | | | |
|--|---|-----------------|---------------------|------------------------|
| | Airport | Golf | Medical Services | State Water Project |
| <u>Operating revenues:</u> | | | | |
| Charges for current services | \$ 4,206 | \$ 2,685 | \$ - | \$ 5,506 |
| Total operating revenues | <u>4,206</u> | <u>2,685</u> | <u>-</u> | <u>5,506</u> |
| <u>Operating expenses</u> | | | | |
| Salaries and benefits | 888 | 1,252 | 416 | - |
| Services and supplies | 2,002 | 892 | 653 | 5,148 |
| Other charges | - | 355 | - | - |
| Insurance benefit payments | - | - | - | - |
| Insurance premiums | - | - | - | - |
| Depreciation | 462 | 382 | - | 202 |
| Countywide cost allocation | 219 | - | - | 27 |
| Total operating expenses | <u>3,571</u> | <u>2,881</u> | <u>1,069</u> | <u>5,377</u> |
| Operating income (loss) | <u>635</u> | <u>(196)</u> | <u>(1,069)</u> | <u>129</u> |
| <u>Nonoperating revenues:</u> | | | | |
| Property taxes | - | - | - | 672 |
| Interest income | 36 | 20 | 14 | 182 |
| Aid from governmental agencies | 3,199 | 75 | - | 8 |
| Gain on sale of assets | - | - | - | - |
| Other nonoperating revenues | - | 34 | - | - |
| Total nonoperating revenue | <u>3,235</u> | <u>129</u> | <u>14</u> | <u>862</u> |
| <u>Nonoperating expenses:</u> | | | | |
| Fiscal charges | - | - | - | - |
| Loss on sale of assets | - | - | 36 | - |
| Interest expense | - | - | - | 42 |
| Other nonoperating expenses | 31 | - | 999 | - |
| Total nonoperating expense | <u>31</u> | <u>-</u> | <u>1,035</u> | <u>42</u> |
| Income (loss) before contribution and transfers | <u>3,839</u> | <u>(67)</u> | <u>(2,090)</u> | <u>949</u> |
| Transfers in | - | - | 350 | - |
| Transfers (out) | (53) | (35) | (1,894) | - |
| Change in net assets | <u>3,786</u> | <u>(102)</u> | <u>(3,634)</u> | <u>949</u> |
| Net assets - beginning | <u>34,132</u> | <u>7,173</u> | <u>3,634</u> | <u>43,959</u> |
| Total net assets - ending | <u>\$ 37,918</u> | <u>\$ 7,071</u> | <u>\$ -</u> | <u>\$ 44,908</u> |

Continued on next page

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, 2005 (in thousands)

| Business-type Activities - Enterprise Funds | | | Governmental |
|---|---------------------------------|------------------------------|------------------------------|
| Lopez Flood Control | Nonmajor Enterprise Funds | Total Enterprise Funds | Internal Service Funds |
| \$ 3,027 | \$ 4,317 | \$ 19,741 | \$ 53,804 |
| 3,027 | 4,317 | 19,741 | 53,804 |
| - | - | 2,556 | 16,171 |
| 1,938 | 191 | 10,824 | 27,622 |
| - | 5,384 | 5,739 | - |
| - | - | - | 7,635 |
| - | - | - | 2,189 |
| 522 | 361 | 1,929 | 2,074 |
| 32 | 101 | 379 | 1,491 |
| 2,492 | 6,037 | 21,427 | 57,182 |
| 535 | (1,720) | (1,686) | (3,378) |
| 883 | 210 | 1,765 | - |
| 96 | 240 | 588 | 395 |
| 14 | 973 | 4,269 | - |
| - | - | - | 138 |
| - | 17 | 51 | 77 |
| 993 | 1,440 | 6,673 | 610 |
| 4 | - | 4 | - |
| - | - | 36 | - |
| 1,381 | 101 | 1,524 | - |
| - | - | 1,030 | - |
| 1,385 | 101 | 2,594 | - |
| 143 | (381) | 2,393 | (2,768) |
| 7 | 141 | 498 | - |
| - | (10) | (1,992) | (392) |
| 150 | (250) | 899 | (3,160) |
| 20,430 | 21,346 | 130,674 | 6,781 |
| \$ 20,580 | \$ 21,096 | 131,573 | \$ 3,621 |
| Reconciliation of enterprise funds change in net assets to statement of activities: | | | |
| Change in net assets | | 899 | |
| Adjustments to reflect to consolidation of internal service fund activities related to enterprise funds | | (178) | |
| Change in net assets of business-type activities | | \$ 721 | |
| 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: | | | |
| Property taxes | | | |
| Interest income | | | |
| Aid from governmental agencies | | | |
| Gain on sale of assets | | | |
| Other nonoperating revenues | | | |
| Total nonoperating revenue | | | |
| Nonoperating expenses: | | | |
| Fiscal charges | | | |
| Loss on sale of assets | | | |
| Interest expense | | | |
| Other nonoperating expenses | | | |
| Total nonoperating expense | | | |
| Income (loss) before contribution and transfers | | | |
| Transfers in | | | |
| Transfers (out) | | | |
| Change in net assets | | | |
| Net assets - beginning | | | |
| Total net assets - ending | | | |

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, 2005 (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 | \$ 3,133 | \$ 3,647 | \$ 1,852 | \$ 5,702 |
| Receipts from interfund billings | - | - | - | - |
| Cash received from other sources | - | - | - | - |
| Payments for goods and services | (1,384) | (1,943) | (1,216) | (5,272) |
| Payments to employees for service | (887) | (901) | (428) | - |
| Payments for insurance benefits | - | - | - | - |
| Payments for premiums | - | - | - | - |
| Payments to other sources | - | - | - | - |
| Net cash provided (used) by by operating activities | <u>862</u> | <u>803</u> | <u>208</u> | <u>430</u> |
| <u>Cash flows from noncapital financing activities:</u> | | | | |
| Property tax proceeds | - | - | - | 672 |
| Grants and subsidies from other gov't agencies | - | - | - | 8 |
| Transfers from other funds | (53) | 46 | 350 | - |
| Transfers to other funds | - | (81) | (707) | - |
| Net cash provided (used) by noncapital financing activities | <u>(53)</u> | <u>(35)</u> | <u>(357)</u> | <u>680</u> |
| <u>Cash flows from capital and related financing activities:</u> | | | | |
| Purchases and construction of capital assets | (3,063) | (850) | - | - |
| Proceeds from sale of capital assets | - | 130 | - | - |
| Principal paid on capital debt | (230) | - | - | - |
| Interest paid on capital debt | - | - | - | - |
| Other capital related activity | 3,585 | - | - | (1,460) |
| Net cash provided (used) by capital and related financing activities | <u>292</u> | <u>(720)</u> | <u>-</u> | <u>(1,460)</u> |
| <u>Cash flows from investing activities:</u> | | | | |
| Interest received | 12 | 42 | 15 | 182 |
| Other investing activities | - | 14 | - | - |
| Net cash provided (used) by investing activities | <u>12</u> | <u>56</u> | <u>15</u> | <u>182</u> |
| Net increase (decrease) in cash and cash equivalents | 1,113 | 104 | (134) | (168) |
| Total cash and cash equivalents, beginning of year | <u>1,321</u> | <u>997</u> | <u>252</u> | <u>11,068</u> |
| Total cash and cash equivalents, end of year | <u>\$ 2,434</u> | <u>\$ 1,101</u> | <u>\$ 118</u> | <u>\$ 10,900</u> |

Continued on next page

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, 2005 (in thousands)

| Business-type Activities - Enterprise Funds | | | Governmental Activities | |
|---|---------------------------------|------------------------------|------------------------------|---|
| Lopez Flood Control | Nonmajor Enterprise Funds | Total Enterprise Funds | Internal Service Funds | |
| \$ 1,587 | \$ 4,302 | \$ 20,223 | \$ - | <u>Cash flows from operating activities:</u> |
| - | - | - | 53,892 | Receipts from customers, patients, third parties |
| - | 7 | 7 | - | Receipts from interfund billings |
| (1,942) | (5,614) | (17,371) | (44,717) | Cash received from other sources |
| - | - | (2,216) | (841) | Payments for goods and services |
| - | - | - | (5,143) | Payments to employees for service |
| - | - | - | (2,189) | Payments for insurance benefits |
| - | (72) | (72) | - | Payments for premiums |
| - | - | - | - | Payments to other sources |
| (355) | (1,377) | 571 | 1,002 | Net cash provided (used) by by operating activities |
| 882 | 209 | 1,763 | - | <u>Cash flows from noncapital financing activities:</u> |
| 15 | 967 | 990 | - | Property tax proceeds |
| 7 | 141 | 491 | - | Grants and subsidies from other gov't agencies |
| - | (7) | (795) | - | Transfers from other funds |
| - | - | - | - | Transfers to other funds |
| 904 | 1,310 | 2,449 | - | Net cash provided (used) by noncapital financing activities |
| (1,320) | (770) | (6,003) | (1,216) | <u>Cash flows from capital and related financing activities:</u> |
| - | - | 130 | 430 | Purchases and construction of capital assets |
| (525) | (164) | (919) | - | Proceeds from sale of capital assets |
| (1,415) | (104) | (1,519) | - | Principal paid on capital debt |
| 904 | (798) | 2,231 | 1 | Interest paid on capital debt |
| - | - | - | - | Other capital related activity |
| (2,356) | (1,836) | (6,080) | (785) | Net cash provided (used) by capital and related financing activities |
| - | 170 | 421 | 396 | <u>Cash flows from investing activities:</u> |
| - | - | 14 | 24 | Interest received |
| - | - | - | - | Other investing activities |
| - | 170 | 435 | 420 | Net cash provided (used) by investing activities |
| (1,807) | (1,733) | (2,625) | 637 | Net increase (decrease) in cash and cash equivalents |
| 6,017 | 9,737 | 29,392 | 24,432 | Total cash and cash equivalents, beginning of year |
| <u>\$ 4,210</u> | <u>\$ 8,004</u> | <u>\$ 26,767</u> | <u>\$ 25,069</u> | Total cash and cash equivalents, end of year |

Continued on next page

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, 2005 (in thousands)

| | Business-type Activities - Enterprise Funds | | | |
|---|---|----------|---------------------|------------------------|
| | Airport | Golf | Medical Services | State Water Project |
| <i>Continued from previous page</i> | | | | |
| <u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u> | | | | |
| Operating income (loss) | \$ 635 | \$ (196) | \$ (1,069) | \$ 129 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | |
| Depreciation expense | 462 | 382 | - | 202 |
| Other nonoperating revenue (expense) | (218) | - | - | - |
| Change in assets and liabilities: | | | | |
| Receivables, net | 486 | - | 2,675 | (311) |
| Other receivables | - | 2 | 189 | 12 |
| Inventory | - | (12) | - | - |
| Accounts Payable | - | 79 | (561) | 283 |
| Accrued payroll liabilities | 7 | 3 | (6) | - |
| Accrued vacation | 13 | (4) | (6) | - |
| Self insurance liability | - | - | - | - |
| Other accrued liabilities | (523) | 549 | (1,067) | 115 |
| Net cash provided (used) by operating activities | \$ 862 | \$ 803 | \$ 208 | \$ 430 |

Continued on next page

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, 2005 (in thousands)

| Business-type Activities - Enterprise Funds | | | Governmental Activities |
|---|---------------------------------|------------------------------|------------------------------|
| Lopez Flood Control | Nonmajor Enterprise Funds | Total Enterprise Funds | Internal Service Funds |
| \$ 535 | \$ (1,720) | \$ (1,686) | \$ (3,378) |
| 522 | 361 | 1,929 | 2,074 |
| - | - | (218) | - |
| (26) | (2) | 2,822 | 5 |
| (1,413) | 9 | (1,201) | - |
| - | - | (12) | (21) |
| 27 | (7) | (179) | 548 |
| - | - | 4 | 3 |
| - | - | 3 | (4) |
| - | - | - | 2,256 |
| - | (18) | (944) | (481) |
| <u>\$ (355)</u> | <u>\$ (1,377)</u> | <u>\$ 571</u> | <u>\$ 1,002</u> |

Continued from previous page

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, 2005 (in thousands)
 SAN LUIS OBISPO PENSION TRUST FUND
 DECEMBER 31, 2004 (in thousands)

| | <u>Agency Funds 6/30/2005</u> | <u>Investment Trust Funds 6/30/2005</u> | <u>San Luis Obispo County Pension Trust 12/31/2004</u> |
|--|---------------------------------------|---|--|
| <u>Assets</u> | | | |
| Cash and cash equivalents | \$ 27,902 | \$ 172,930 | \$ 24,490 |
| Receivables | - | | |
| Accrued interest & dividends receivable | - | - | 49 |
| Notes receivable, short term | - | - | 24 |
| Notes receivable | - | - | 5,840 |
| Contributions receivable | - | - | 1,008 |
| Prepaid benefits | - | - | 1,337 |
| Restricted cash with fiscal agent | - | - | 635,098 |
| Capital assets-net of accumulated depreciation | - | - | 263 |
| Total assets | <u>27,902</u> | <u>172,930</u> | <u>668,109</u> |
| <u>Liabilities</u> | | | |
| Agency obligations | 27,902 | - | - |
| Accrued liabilities | - | - | 570 |
| Total liabilities | <u>27,902</u> | <u>-</u> | <u>570</u> |
| <u>Net assets</u> | | | |
| Assets held in trust for pool participants | - | 172,930 | - |
| Assets held in trust for pension benefits | - | - | 667,539 |
| Total net assets | <u>\$ -</u> | <u>\$ 172,930</u> | <u>\$ 667,539</u> |

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, 2005 (in thousands)
SAN LUIS OBISPO PENSION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2004 (in thousands)

| | <u>Investment Trust Funds 6/30/2005</u> | <u>San Luis Obispo County Pension Trust 12/31/2004</u> |
|---|---|--|
| <u>Additions</u> | | |
| Contributions: | | |
| County contributions | \$ 430,148 | \$ 16,521 |
| Member contributions | - | 12,663 |
| Total contributions | <u>430,148</u> | <u>29,184</u> |
| Investment earnings: | | |
| Net increase (decrease) in fair value of investments | - | 25,431 |
| Realized Gains and Losses: | | |
| Realized Gains | - | 394 |
| Realized Losses | - | (65) |
| Interest | 3,389 | 13,232 |
| Dividends | - | 2,191 |
| Real estate management trust income | - | 6,071 |
| Rental real estate: | | |
| Real estate operating income | - | 2,089 |
| Real estate operating expenses | - | (971) |
| Total investment earnings | <u>3,389</u> | <u>48,372</u> |
| Total additions | <u>433,538</u> | <u>77,556</u> |
| <u>Deductions</u> | | |
| Benefits: | | |
| Monthly Benefit payments | - | 19,246 |
| Termination refunds | - | 1,466 |
| Death Benefits | - | 185 |
| Total benefits | <u>-</u> | <u>20,897</u> |
| Administrative expenses | - | 1,119 |
| Total Administrative expenses | <u>-</u> | <u>1,119</u> |
| Distributions from investment pool | <u>436,310</u> | - |
| Total deductions | <u>436,310</u> | <u>22,016</u> |
| Change in net assets | (2,772) | 55,540 |
| Net assets - beginning | 175,702 | 611,141 |
| Prior Period Adjustment | <u>-</u> | <u>858</u> |
| Net assets - beginning (as restated) | <u>175,702</u> | <u>611,999</u> |
| Net assets - ending | <u>\$ 172,930</u> | <u>\$ 667,539</u> |

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, 2005

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 D220, 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 administered by separate boards and are independent of the County Board of Supervisors. The County

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

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 good 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, 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)

- Pension Obligation Bonds account for the accumulation of monies for payment of taxable pension obligation bonds. These bonds were issued to fund the County's unfunded actuarial accrued liability (UAAL).

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 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, 2004.
- 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 113 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 133 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

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

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, 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.

The effect of interfund activity has been eliminated from the Government-wide financial statements.

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. 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, 2005. 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 96.2 percent.

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. 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

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

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 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 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 General Fund, Public Works, Reprographics and the Garage Internal Service Funds are carried at cost (first-in, first-out). The Internal Service Funds inventories are controlled by perpetual inventory systems, and are adjusted as appropriate to reflect year-end physical inventory counts. Governmental Funds (other than the General Fund) 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

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.

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.

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

E. 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

Investments made by the Treasurer are regulated by the California Government Code and by the County's Investment Policy (IP). The objectives of the policy in order of priority are safety, liquidity, and yield, while maintaining compliance with federal, state and local laws and regulations.

The San Luis Obispo County Investment Pool is rated by Fitch Ratings, one of the Nationally Recognized Statistical Rating Organizations. The County Investment Pool as received the highest rating of "AAA/V1+" from Fitch. Investment pools rated "AAA" meet the highest credit quality standards for underlying assets, diversification, management, and operational capabilities. The pool's "V1+" volatility rating reflects low market risk and strong capacity to return stable principal values to participants, even in severely adverse interest rate environments.

The County Treasury Oversight Committee (CTOC) was created by the Board of Supervisors' Resolution and is formed by five members. The CTOC convenes quarterly to monitor and review the management of public funds maintained in the investment pool in accordance with Section 27131 of the California Government Code. The CTOC and the Board of Supervisors review and approve the IP annually. The County Treasurer prepares and submits a comprehensive investment report to the members of the CTOC and the investment pool participants every quarter. The report covers the type of investments in the pool, maturity dates, par value, actual costs and fair value. The County Auditor-Controller's Office performs an Annual Investment Program Compliance Audit, and the result of this audit is presented to the Board of Supervisors on a yearly basis. Under 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 IP prohibits investments in derivatives, securities lending, or reverse repurchase agreements.

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 have a carrying value that uses the amortized cost method and includes accrued interest. 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.

Cash and investments as of June 30, 2005, consist of the following (in thousands):

| | | |
|--------------------------------------|----|----------------|
| Cash on hand | \$ | 99 |
| Deposits with financial institutions | | 11,033 |
| Investments | | <u>440,653</u> |
| Total Cash and Investments | \$ | <u>451,786</u> |

Investments Authorized by the California Government Code and the County Treasurer's IP: Securities were 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

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

file with the Treasurer. A Cash Statement and Asset List is requested monthly 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 fair value dollar factor of .995401630634 in the Quarterly Report of Investments as of June 30, 2005, 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). This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. The fair value of the investments in LAIF is the same value of the pool shares. Market valuation is conducted quarterly. LAIF provided a fair value dollar factor of .997747553 for its portfolio as of June 30, 2005. As of June 30, 2005, the LAIF pool includes structured notes and asset-backed securities, which total 2.406% of the total portfolio. LAIF has oversight by the Local Investment Advisory Board, which consists of five members as designated by statute.

The table below identifies the investment types that are authorized for the County by the California Government Code and County's IP. The IP further restricts allowable investments for the combined pool to reduce exposure to investment risks. The County IP is further restricted by the Treasurer's written policies and procedures that are utilized in the daily operations. The table also identifies certain provisions of the California Government Code or the County's IP, where more restrictive that address interest risk, credit risk, and concentration of credit risk.

As of June 30, 2005, the County Treasurer is authorized with certain restrictions to invest in the following investment types. When stated in the IP, the County Treasurer's written approval is required to exceed the Treasurer's written policies and procedures.

| Authorized Investment Type | Maximum Maturity | Maximum Percentage of Portfolio | Maximum Investment in One Issuer |
|---|--|---------------------------------|---|
| Local Agency Bonds | Requires County Treasurer written approval | | |
| U.S. Treasury Notes | 3 years | 50% | None |
| U.S. Treasury Bonds | 3 years | 50% | |
| U.S. Treasury Bills | Maximum issued | 100% | |
| Registered State Warrants, or treasury notes or bonds of this state | Requires County Treasurer approval | | |
| Bonds, Notes, Warrants, other evidences of indebtedness of any local agency within this state | 1 year | 5% | No more than 10% of issuer debt and assets. Required written approval of County Treasurer for each investment |
| U.S. Government Agencies: | | | |
| Federal National Mortgage Asso. | 3 years | 20% | None |
| Federal Home Loan Mortgage Corp. | 3 years | 20% | None |
| Federal Home Loan Bank | 3 years | 20% | None |
| Farm Credit Bank | 3 years | 20% | None |

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

| Authorized Investment Type | Maximum Maturity | Maximum Percentage of Portfolio | Maximum Investment in One Issuer |
|--|--|---------------------------------|----------------------------------|
| Student Loan Marketing Asso. | 1 year | 10% | None |
| Bankers Domestic Acceptances- | 180 days | 25% | 8% |
| Bankers Foreign Acceptances- | 90 days | 10% | 4% |
| Commercial Paper | 30 days | 10% | 2% |
| Collateralized Certificates of Deposit | Requires County Treasurer approval | | |
| Negotiable Certificates of Deposit | Requires County Treasurer approval | | |
| Tri-Party Repurchase Agreement | 30 days | 15% of all repos | None |
| Medium-Term Notes | Requires change in County Treasurer's written policies and procedures | | |
| Money Market Mutual Funds | Requires County Treasurer written approval | | |
| Pledged Funds held by a trustee or fiscal agent | Per specific statutory provisions or in accordance with the ordinance, resolution, indenture, or agreement of a local agency providing for the issuance. | | |
| Notes, Bonds, or other obligations that are at all times secured by a valid first priority security interest | Requires County Treasurer written approval | | |
| Mortgage Pass-Through Securities | Requires County Treasurer written approval | | |
| Local Agency Investment Fund | N/A | 15% | None |

Interest Rate Risk

In accordance with its investment policy, the County manages its exposure to declines in fair values by structuring the portfolio so that securities mature to meet cash flow requirements for ongoing operations and thereby avoiding the need to sell securities on the open market prior to maturity.

Custodial Credit Risk

The County Treasurer contracts with a third party custodial bank that holds securities in the County's name.

Credit Risk

The County minimizes its exposure to credit risk by limiting investments to the safest types of securities, prequalifying the financial institutions, and diversifying the portfolio.

Concentration of Credit Risk

At June 30, 2005 the County did not have investments in commercial paper, corporate bonds, medium term notes, and money market mutual funds. Investments in obligations of the U.S. government, U.S. government agencies or government-sponsored enterprises are exempt from these limitations.

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of the County's Investment Pool's fair value at June 30, 2005. As of June 30, 2005, the portfolio mainly consisted 88.54% of U.S. treasuries and U.S. government agencies which are exempt from the limitations set by GASB.

| Investment Type | S&P | Moody's | % of Portfolio |
|-------------------------------|---------|---------|----------------|
| U.S. Treasuries | AAA | Aaa | 31.32% |
| U.S. Government Agencies | AAA | Aaa | 57.22% |
| Banker's Acceptances-domestic | A-1+ | P-1 | .89% |
| Repurchase Agreement | AA- | Aa3 | 1.41% |
| Local Agency Investment Fund | Unrated | Unrated | 9.16% |
| Total | | | 100% |

At June 30,2005, the County had the following investments (in thousands):

| Instrument | Maturity Dates | Interest Rate % | Weighted Average Maturity Years | Carrying Amount | Fair Value | Par Value |
|--|----------------|-----------------|---------------------------------|------------------------|-------------------|-------------------|
| <u>Amounts Invested in pooled treasury fund</u> | | | | | | |
| U.S. Treasuries | 7/7/05-5/15/08 | 1.46-4.03% | 1.04 | \$ 138,059 | \$ 137,382 | \$ 138,000 |
| U.S. Government Agencies | 7/5/05-5/15/07 | 1.55-3.63% | .52 | 252,274 | 250,962 | 252,650 |
| Banker's Acceptances-domestic | 8/1/05 | 3.04% | .09 | 3,896 | 3,897 | 3,907 |
| Repurchase Agreement | 7/1/05 | 2.64% | - | 6,163 | 6,163 | 6,162 |
| Investment in Local Agency Fund | On Demand | | - | 40,261 | 40,170 | 40,000 |
| Total Investments in County Treasury | | | | 440,653 | 438,574 | 440,719 |
| Treasury Cash in Hand and in Banks | | | | 11,133 | 11,133 | 11,133 |
| Deposits in Transit | | | | 1,412 | 1,412 | 1,412 |
| Outstanding Warrants | | | | (15,433) | (15,433) | (15,433) |
| Total Cash in Treasury | | | | 437,765 | 435,686 | 437,831 |
| Other Cash Deposits | | | | 625 | 625 | 625 |
| Total cash and cash equivalents in Treasurer's investments pool | | | | \$ 438,390 | \$ 436,311 | \$ 438,456 |
| | | | | <u>Carrying Amount</u> | <u>Fair Value</u> | <u>Par Value</u> |
| <u>Restricted Cash with Fiscal Agent</u> | | | | | | |
| U.S. Government & Federal Agencies | | | | \$ 2,379 | \$ 2,366 | \$ 2,366 |
| Guaranteed Investment Contract | | | | 978 | 978 | 978 |
| | | | | \$ 3,357 | \$ 3,344 | \$ 3,344 |

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

The following represents a condensed statement of net assets and changes in net assets for the Treasurer's investment pool as of June 30, 2005 (in thousands):

| | <u>Carrying Amount</u> | <u>FairValue</u> |
|---|------------------------|-------------------|
| <u>Statement of Net Assets:</u> | | |
| Net assets held for pool participants | \$ 438,390 | \$ 436,311 |
| Equity of internal pool participants | \$ 265,460 | 263,381 |
| Equity of external pool participants (voluntary and involuntary) | 172,930 | 172,930 |
| Total Equity | <u>\$ 438,390</u> | <u>\$ 436,311</u> |
| <u>Statement of Changes in Net Assets:</u> | | |
| Revenue | \$ 9,850 | \$ 9,850 |
| Investment Costs | (1,081) | (1,081) |
| Net Deposits | (17,147) | (17,147) |
| Change in fair value | - | (135) |
| Net change in pool | (8,378) | (8,513) |
| Net Assets at July 1, 2004 | 446,768 | 444,824 |
| Net Assets at June 30, 2005 | <u>\$ 438,390</u> | <u>\$ 436,311</u> |

Restricted Cash with Fiscal Agent

Cash and investments at June 30, 2005 that are restricted by legal or contractual requirements are comprised of the following (in thousands):

| <u>Various Governmental Funds</u> | <u>Amount</u> |
|--|-----------------|
| Required lease reserves for long term debt | \$ 3,017 |
| Restricted interest on lease reserves | 340 |
| Total Restricted Cash | <u>\$ 3,357</u> |

Other Cash Deposits

Year-end, the carrying amount of the County's other cash deposits was \$625,000 and the combined financial institutions' balance was \$708,000. The difference of \$83,000 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 \$708,000 was covered by federal depository insurance or by collateral held by County's agent in the County's name.

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

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):

| | Governmental | Business Type Activities | | | Governmental |
|------------------------------|---------------|--------------------------|---------------------|---------------------------|------------------------|
| | Activities | State Water Project | Lopez Flood Control | Nonmajor Enterprise funds | Internal Service Funds |
| Accounts Receivable | \$ 204 | \$ 527 | \$ 30 | \$ 1,631 | \$ 4 |
| Allow. for Doubtful Accounts | - | - | - | (1,506) | - |
| Net Accounts Receivable | <u>\$ 204</u> | <u>\$ 527</u> | <u>\$ 30</u> | <u>\$ 125</u> | <u>\$ 4</u> |

4. CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2005, is as follows (in thousands):

Governmental Activities:

| | Balance July 1, 2004 | Increases | Decreases | Balance June 30, 2005 |
|---|----------------------|------------------|---------------|-----------------------|
| Capital assets not depreciated: | | | | |
| Land | \$ 13,344 | \$ 803 | \$ 397 | \$ 13,750 |
| Construction in Progress | 35,978 | 32,196 | - | 68,174 |
| Infrastructure | 757,696 | - | - | 757,696 |
| Total capital assets not depreciated | <u>807,018</u> | <u>32,999</u> | <u>397</u> | <u>839,620</u> |
| Capital assets depreciated: | | | | |
| Structures and improvements | 87,785 | 2,150 | 1 | 89,934 |
| Equipment | 42,326 | 4,838 | 3,014 | 44,150 |
| Infrastructure | 195,500 | 89 | - | 195,589 |
| Total capital assets depreciated | <u>325,611</u> | <u>7,077</u> | <u>3,015</u> | <u>329,673</u> |
| Less accumulated depreciation: | | | | |
| Structures and improvements | 33,284 | 3,032 | 149 | 36,167 |
| Equipment | 23,671 | 4,249 | 2,524 | 25,396 |
| Infrastructure | 92,414 | 8,578 | 128 | 100,864 |
| Total accumulated depreciation | <u>149,369</u> | <u>15,859</u> | <u>2,801</u> | <u>162,427</u> |
| Total capital assets depreciated, net | <u>176,242</u> | <u>(8,782)</u> | <u>214</u> | <u>167,246</u> |
| Governmental activities capital assets, net | <u>\$ 983,260</u> | <u>\$ 24,217</u> | <u>\$ 611</u> | <u>\$ 1,006,866</u> |

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

Business Activities:

| | Balance July 1, 2004 | Increases | Decreases | Balance June 30, 2005 |
|--|-------------------------|-----------|-----------|--------------------------|
| <u>Business Activities Airport:</u> | | | | |
| Capital assets not depreciated: | | | | |
| Land | \$ 13,193 | \$ - | \$ - | \$ 13,193 |
| Construction in Progress | 3,695 | 3,482 | - | 7,177 |
| Total capital assets not depreciated | 16,888 | 3,482 | - | 20,370 |
| Capital assets depreciated: | | | | |
| Structures and improvements | 21,616 | 84 | - | 21,700 |
| Equipment | 162 | - | 47 | 115 |
| Total capital assets depreciated | 21,778 | 84 | 47 | 21,815 |
| Less accumulated depreciation: | | | | |
| Structures and improvements | 4,087 | 461 | - | 4,548 |
| Equipment | 98 | 1 | - | 99 |
| Total accumulated depreciation | 4,185 | 462 | - | 4,647 |
| Total capital assets depreciated, net | 17,593 | (378) | 47 | 17,168 |
| Airport activities capital assets, net | \$ 34,481 | \$ 3,104 | \$ 47 | \$ 37,538 |
| <u>Business Activities Golf:</u> | | | | |
| Capital assets not depreciated: | | | | |
| Land | \$ 1,333 | \$ - | \$ - | \$ 1,333 |
| Construction in Progress | 62 | 10 | - | 72 |
| Total capital assets not depreciated | 1,395 | 10 | - | 1,405 |
| Capital assets depreciated: | | | | |
| Structures and improvements | 15,941 | - | - | 15,941 |
| Machinery and equipment | 545 | 31 | - | 576 |
| Total capital assets depreciated | 16,486 | 31 | - | 16,517 |
| Less accumulated depreciation: | | | | |
| Structures and improvements | 3,404 | 399 | - | 3,803 |
| Machinery and equipment | 457 | 39 | 56 | 440 |
| Total accumulated depreciation | 3,861 | 438 | 56 | 4,243 |
| Total capital assets depreciated, net | 12,625 | (407) | (56) | 12,274 |
| Golf activities capital assets, net | \$ 14,020 | \$ (397) | \$ (56) | \$ 13,679 |

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

| <u>Continuation of Business Activities:</u> | Balance | | | Balance |
|---|------------------|-----------------|-----------------|------------------|
| <u>Business Activities Medical Services:</u> | July 1, 2004 | Increases | Decreases | June 30, 2005 |
| Capital assets not depreciated: | | | | |
| Land | \$ 267 | \$ - | \$ 267 | \$ - |
| Total capital assets not depreciated | 267 | - | 267 | - |
| Capital assets depreciated: | | | | |
| Structures and improvements | 6,442 | - | 6,442 | - |
| Total capital assets depreciated | 6,442 | - | 6,442 | - |
| Less accumulated depreciation: | | | | |
| Structures and improvements | 5,486 | - | 5,486 | - |
| Total accumulated depreciation | 5,486 | - | 5,486 | - |
| Total capital assets depreciated, net | 956 | - | 956 | - |
| Medical Services capital assets, net | <u>\$ 1,223</u> | <u>\$ -</u> | <u>\$ 1,223</u> | <u>\$ -</u> |
| <u>Business Activities State Water Project:</u> | | | | |
| Capital assets not depreciated: | | | | |
| Water rights | \$ 30,797 | \$ 1,473 | \$ - | \$ 32,270 |
| Construction in Progress | 20 | 8 | 20 | 8 |
| Total capital assets not depreciated | 30,817 | 1,481 | 20 | 32,278 |
| Capital assets depreciated: | | | | |
| Structures and improvements | 9,678 | - | 2 | 9,676 |
| Equipment | 141 | - | - | 141 |
| Total capital assets depreciated | 9,819 | - | 2 | 9,817 |
| <u>Business Activities State Water Project</u> | | | | |
| Less accumulated depreciation: | | | | |
| Structures and improvements | 958 | 192 | - | 1,150 |
| Equipment | 48 | 10 | - | 58 |
| Total accumulated depreciation | 1,006 | 202 | - | 1,208 |
| Total capital assets depreciated, net | 8,813 | (202) | 2 | 8,609 |
| State Water capital assets, net | <u>\$ 39,630</u> | <u>\$ 1,279</u> | <u>\$ 22</u> | <u>\$ 40,887</u> |

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

| <u>Continuation of Business Activities:</u> | Balance | | | Balance |
|---|---------------------|------------------|------------------|----------------------|
| <u>Business Activities Lopez Flood Control:</u> | <u>July 1, 2004</u> | <u>Increases</u> | <u>Decreases</u> | <u>June 30, 2005</u> |
| Capital assets not depreciated: | | | | |
| Land | \$ 2,096 | \$ - | \$ - | \$ 2,096 |
| Construction in Progress | 2,491 | 1,320 | - | 3,811 |
| Water rights | <u>1,923</u> | <u>-</u> | <u>31</u> | <u>1,892</u> |
| Total capital assets not depreciated | <u>6,510</u> | <u>1,320</u> | <u>31</u> | <u>7,799</u> |
| Capital assets depreciated: | | | | |
| Structures and improvements | 43,860 | 27 | 60 | 43,827 |
| Equipment | <u>173</u> | <u>-</u> | <u>13</u> | <u>160</u> |
| Total capital assets depreciated | <u>44,033</u> | <u>27</u> | <u>73</u> | <u>43,987</u> |
| Less accumulated depreciation: | | | | |
| Structures and improvements | 5,392 | 481 | - | 5,873 |
| Equipment | <u>144</u> | <u>10</u> | <u>45</u> | <u>109</u> |
| Total accumulated depreciation | <u>5,536</u> | <u>491</u> | <u>45</u> | <u>5,982</u> |
| Total capital assets depreciated, net | <u>38,497</u> | <u>(464)</u> | <u>28</u> | <u>38,005</u> |
| Lopez Flood Control capital assets, net | <u>\$ 45,007</u> | <u>\$ 856</u> | <u>\$ 59</u> | <u>\$ 45,804</u> |
| | | | | |
| <u>Business Activities Other:</u> | | | | |
| Capital assets not depreciated: | | | | |
| Land | \$ 216 | \$ - | \$ - | \$ 216 |
| Construction in Progress | <u>6,432</u> | <u>853</u> | <u>-</u> | <u>7,285</u> |
| Total capital assets not depreciated | <u>6,648</u> | <u>853</u> | <u>-</u> | <u>7,501</u> |
| Capital assets depreciated: | | | | |
| Structures and improvements | 14,759 | - | \$ 117 | 14,642 |
| Equipment | <u>772</u> | <u>116</u> | <u>-</u> | <u>888</u> |
| Total capital assets depreciated | <u>15,531</u> | <u>116</u> | <u>117</u> | <u>15,530</u> |
| Less accumulated depreciation: | | | | |
| Structures and improvements | 7,125 | 93 | - | 7,218 |
| Equipment | <u>439</u> | <u>267</u> | <u>-</u> | <u>706</u> |
| Total accumulated depreciation | <u>7,564</u> | <u>360</u> | <u>-</u> | <u>7,924</u> |
| Total capital assets depreciated, net | <u>7,967</u> | <u>(244)</u> | <u>117</u> | <u>7,606</u> |
| Other Business funds capital assets, net | <u>\$ 14,615</u> | <u>\$ 609</u> | <u>\$ 117</u> | <u>\$ 15,107</u> |
| | | | | |
| <u>Total Business-type Activities:</u> | <u>Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance</u> |
| | <u>July 1, 2004</u> | | | <u>June 30, 2005</u> |
| Nondepreciable capital assets | \$ 62,525 | \$ 7,146 | \$ 318 | \$ 69,353 |
| Depreciable capital assets, net | <u>86,451</u> | <u>(1,695)</u> | <u>1,094</u> | <u>83,662</u> |
| Total Business-type capital assets, net | <u>\$ 148,976</u> | <u>\$ 5,451</u> | <u>\$ 1,412</u> | <u>\$ 153,015</u> |

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

Depreciation expense

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

| <u>Governmental Activities</u> | <u>Amount</u> |
|--|------------------|
| General Government | \$ 2,522 |
| Public Protection | 1,695 |
| Public Ways and Facilities | 8,450 |
| Health and Sanitation | 136 |
| Public Assistance | 368 |
| Education | 153 |
| Recreational and Cultural Services | 332 |
| Depreciation of capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets | <u>1,950</u> |
| Total Depreciation Expense-Governmental Activities | <u>\$ 15,606</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.

The following is a schedule of major projects included in Construction in Progress as of June 30, 2005 (in thousands):

Governmental Activities

| <u>Project</u> | <u>Expended to June 30, 2004</u> | <u>Committed Funds</u> |
|---|--------------------------------------|----------------------------|
| SLO New General Government Facility | \$ 40,233 | \$ 924 |
| County wide Enterprise Financial System | 11,037 | 4,396 |
| Courts-Paso Robles-New Facility | 788 | 7,061 |
| North County Regional Center | 1,684 | 1,393 |
| Roads Infrastructure | 8,350 | 21,896 |

Business-Type Activities

| <u>Project</u> | <u>Expended to June 30, 2005</u> | <u>Committed Funds</u> |
|---|--------------------------------------|----------------------------|
| Nacimiento Water Project | \$ 5,562 | \$ 18,319 |
| Lopez Dam Water Treatment Plant Upgrade | 2,352 | 18,888 |
| SLO Airport CDF Station | 1,119 | 1,146 |
| SLO Airport Taxiway | 2,494 | 556 |
| SLO Airport New Terminal | 452 | 2,635 |

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

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

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, 2005, are as follows (in thousands):

| Year Ending June 30 | General Fund | Airport |
|------------------------|-----------------|-----------------|
| 2006 | \$ 256 | \$ 230 |
| 2007 | 232 | 199 |
| 2008 | 214 | 172 |
| 2009 | 197 | 168 |
| 2010 | 67 | 168 |
| Later Years | <u>1,404</u> | <u>1,054</u> |
| Total | <u>\$ 2,370</u> | <u>\$ 1,991</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 \$782,000 for the fiscal year ended June 30, 2005.

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.

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, 2005 totaled \$3,358,859. 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, 2005 for the next five years and for each five-year period thereafter (in thousands):

| Year Ending June 30 | Minimum Lease Payments |
|------------------------|---------------------------|
| 2006 | \$ 1,830 |
| 2007 | 1,742 |
| 2008 | 1,548 |
| 2009 | 1,098 |
| 2010 | 1,001 |
| 2010-2015 | 3,183 |
| 2015-2020 | 2,985 |
| 2020-2023 | <u>1,272</u> |
| Total | <u>\$ 14,659</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-

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

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 | \$ 352,489 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.

The estimated claims liability for the Protected Self Insurance Fund and Workers' Compensation Self Insurance 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%.

Changes in the balances of claims liabilities for the self funded insurance program including: the Protected Self Insurance Fund, Worker's Compensation Fund, Unemployment Insurance Fund, and Dental Insurance Fund for fiscal years 2003/2004 and 2004/2005, were as follows (in thousands):

| | <u>Beginning of the fiscal year liability</u> | <u>Current year claims, changes & estimates</u> | <u>Claim payments</u> | <u>Balance at fiscal year end</u> |
|---------|---|---|-----------------------|---------------------------------------|
| 2003-04 | \$ 21,459 | \$ 10,710 | \$ 7,895 | \$ 24,274 |
| 2004-05 | \$ 24,274 | \$ 7,635 | \$ 5,379 | \$ 26,530 |

8. INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances at June 30, 2005 were (in thousands):

Due to/from other county funds:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|---------------------------|---------------------|---------------|
| Nonmajor Enterprise Funds | Lopez Flood Control | \$ 1,400 |
| | Total | \$ 1,400 |

Funds Due to Nonmajor Enterprise Funds represents a receivable from the Lopez Flood Control Fund for \$1,400 due to the Nacimiento Water Contract Fund.

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

Advances to/from other funds:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|-----------------------------|-----------------------------|-----------------|
| General Fund | Nonmajor Enterprise Funds | \$ 166 |
| | Nonmajor Governmental Funds | 817 |
| | Airport | <u>1,626</u> |
| | | <u>2,609</u> |
| Golf | Nonmajor Governmental Funds | <u>549</u> |
| Nonmajor Governmental Funds | Nonmajor Governmental Funds | <u>592</u> |
| | Total | <u>\$ 3,750</u> |

The Airport owes the General Fund \$1,119 for an internal loan for the purchase of land. The loan is payable in annual installments. The final payment is due in March 2007. The remaining \$507 balance owed by the Airport to the General Fund is for assets paid for by the General Fund and later transferred to the Airport Enterprise Fund.

Advances from General Fund to Nonmajor Enterprise Funds of \$166 represent internal loans issued to County Service Area 18.

Advances from General Fund to Nonmajor Governmental Funds of \$817 represent internal loans issued to County Service Area 21 (\$701) and County Service Area 9 (\$116).

Advances from the Golf Enterprise Fund to Non-Major Governmental Funds of \$549 represent reserve funds held by the Debt Service Funds.

An advance of \$592 between Nonmajor Governmental Funds represents a loan from the San Luis Obispo Flood Control District to the Cambria Flood Control District.

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

9. TRANSFERS

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

| <u>Transfer From</u> | <u>Transfer To</u> | <u>Amount</u> |
|-----------------------------|-----------------------------|------------------|
| General Fund | Pension Obligation Bonds | \$ 3,797 |
| | Medical Services Fund | 350 |
| | Nonmajor Governmental Funds | <u>9,455</u> |
| | | <u>13,602</u> |
| Nonmajor Governmental Funds | General Fund | 12 |
| | Capital Projects | 2,253 |
| | Pension Obligation Bonds | 197 |
| | Nonmajor Governmental Funds | 2,888 |
| | Nonmajor Enterprise Funds | <u>141</u> |
| | | <u>5,491</u> |
| Golf | General Fund | 1 |
| | Nonmajor Governmental Funds | 5 |
| | Pension Obligation Bonds | <u>29</u> |
| | | <u>35</u> |
| Airport | General Fund | 34 |
| | Pension Obligation Bonds | <u>19</u> |
| | | <u>53</u> |
| Medical Services Fund | General Fund | <u>707</u> |
| Nonmajor Enterprise Funds | General Fund | 3 |
| | Lopez Flood Control | <u>7</u> |
| | | <u>10</u> |
| Internal Service Funds | Pension Obligation Bonds | <u>392</u> |
| Total Transfers | | <u>\$ 20,290</u> |

The General Fund transferred \$3,797 to finance debt service payments to the Pension Obligation Bond Debt Service Fund. It made contributions of \$4,300 to the Roads Special Revenue Fund, \$2,441 to the Parks Special Revenue Fund, \$427 to the Library Special Revenue Fund, \$200 to fund the Organizational Effectiveness Special Revenue Fund, \$979 to the County Medical Services Program Special Revenue Fund, and \$1,106 to the Governmental Leasing Special Revenue Fund.

Nonmajor Governmental Funds transferred Public Facilities Fees revenue to the Capital Projects Fund (\$2,253), as well as Library (\$27), Governmental Leasing (\$499), and Parks (\$8) Nonmajor Special Revenue Funds to fund capital and maintenance projects. Additionally, the Impact Fee-Traffic Non-Major Governmental Funds transferred Traffic Impact Fees of \$2,354 to the Roads Fund for capital and maintenance projects.

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

In addition to the transfers shown above, the Medical Services Enterprise Fund reported a transfer-out of \$1,187 related to the reassignment of capital assets to the General Fund. Since governmental funds do not reflect capital assets, a corresponding transfer-in is not appropriate in at the fund statement level. The transfer-in is, however, reported in the government-wide statement of activities, resulting in balanced transfers.

10. BONDED INDEBTEDNESS AND LONG TERM DEBT

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2005, (in thousands) is as follows:

| <u>Governmental Activities</u> | Beginning Balance July 1, 2004 | Additions | Reductions | Ending Balance June 30, 2005 | Due within one year |
|---------------------------------------|--------------------------------------|------------------|------------------|------------------------------------|------------------------|
| Bonds and notes payable: | | | | | |
| Certificates of participation | \$ 26,487 | - | \$ 1,164 | \$ 25,323 | \$ 1,218 |
| Pension Obligation Bonds | 137,194 | - | - | 137,194 | 1,995 |
| Total Bonds and notes payable | 163,681 | - | 1,164 | 162,517 | 3,213 |
| Other liabilities: | | | | | |
| Compensated absences | 17,318 | \$ 14,309 | 12,976 | 18,651 | 13,206 |
| Landfill post-closure costs | 2,960 | - | 137 | 2,823 | 217 |
| Self insurance | 24,274 | 7,635 | 5,379 | 26,530 | 6,843 |
| Total other liabilities | 44,552 | 21,944 | 18,492 | 48,004 | 20,266 |
| Total Governmental Activities | \$ 208,233 | \$ 21,944 | \$ 19,656 | \$ 210,521 | \$ 23,479 |
| <u>Business-Type Activities</u> | | | | | |
| Bonds and notes payable: | | | | | |
| Certificates of participation | \$ 23,068 | - | \$ 491 | \$ 22,577 | \$ 507 |
| State notes | 3,211 | - | 134 | 3,077 | 138 |
| Revenue bonds | 71 | - | 5 | 66 | 5 |
| General obligation bonds | 12,750 | - | 240 | 12,510 | 250 |
| Total bonds and notes payable | 39,100 | - | 870 | 38,230 | 900 |
| Other liabilities: | | | | | |
| Compensated absences | 203 | \$ 150 | 146 | 207 | 146 |
| Rebatable arbitrage earnings | 91 | - | 91 | - | - |
| Total other liabilities | 294 | 150 | 237 | 207 | 146 |
| Total Business-Type Activities | \$ 39,394 | \$ 150 | \$ 1,107 | \$ 38,437 | \$ 1,046 |

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, \$1,649 of internal service funds' compensated absences and \$26,530 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, the General Fund has paid approximately 87%.

The General Fund pays for landfill post-closure costs. Workers' compensation and unemployment self insurance are shared by funds in relationship to their risk. In the past, approximately 89.37% of liability self insurance has been paid for by Governmental Activities (of which, 39.12% is from Public Protection), and 10.63% from Enterprise Funds.

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

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, 2005 (in thousands) is as follows:

| | Purpose | Interest Rates | Annual Installments | Amount |
|---------------------------------|--|----------------|---------------------|-----------|
| <u>Governmental Activities</u> | 1994 Refunding | 4-6% | \$923 - \$2771 | \$ 4,669 |
| | 2002 Government Center | 3-5% | \$1484 - \$1489 | 20,654 |
| <u>Business-type Activities</u> | 1994 Refunding | 4-6% | \$15 - \$16 | 66 |
| | 2002 Dairy Creek Golf Course Refunding | 3-5% | \$545 - \$550 | 7,620 |
| | 2000 Lopez Dam Remediation | 4.0-5.375% | \$1,047 - \$1,052 | 14,891 |
| | | | | \$ 47,900 |

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

| Fiscal year ended June 30 | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | |
|---------------------------|--------------------------------|-----------|---------------------------------|-----------|
| | Principal | Interest | Principal | Interest |
| 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 | 3,142 | 1,115 | 574 | 1,041 |
| 2010 | 630 | 856 | 594 | 1,017 |
| 2011-2015 | 3,525 | 3,910 | 3,305 | 4,684 |
| 2016-2020 | 4,405 | 3,023 | 4,190 | 3,798 |
| 2021-2025 | 5,660 | 1,771 | 5,410 | 2,567 |
| 2026-2030 | 4,139 | 318 | 5,895 | 1,003 |
| 2031 | - | - | 1,020 | 27 |
| Total | \$ 25,323 | \$ 14,405 | \$ 22,577 | \$ 17,392 |

Description of State Notes

In prior years the County borrowed \$3,849 from the State of California Department of Water Resources Safedinking 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, 2005 (in thousands) is as follows:

| Business-type Activities | Interest Rates | Annual Installments | Amount |
|---------------------------------------|----------------|---------------------|----------|
| 1999 Santa Margarita Water System | 3.41% | \$36 | \$ 371 |
| 2004 Lopez Recreation Area | 2.5132% | \$10 - \$21 | 313 |
| 1998 Cayucos Water Treatment Facility | 3.0315% | \$174 | 2,393 |
| | | | \$ 3,077 |

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

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

| Fiscal year ended June 30 | Business-type Activities | |
|---------------------------|--------------------------|---------------|
| | Principal | Interest |
| 2006 | \$ 138 | \$ 92 |
| 2007 | 142 | 88 |
| 2008 | 146 | 84 |
| 2009 | 151 | 79 |
| 2010 | 156 | 74 |
| 2011-2015 | 853 | 297 |
| 2016-2020 | 919 | 159 |
| 2021-2025 | 572 | 31 |
| Total | <u>\$ 3,077</u> | <u>\$ 904</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, 2005 is as follows (in thousands):

| Business-type Activities | Interest Rates | Annual Installments | Amount |
|--------------------------|----------------|---------------------|------------------|
| Water Project | 5% | \$7 - \$9 | \$ 66 |
| Lopez Dam Remediation | 4.0-5.375% | \$879 - \$883 | 12,510 |
| | | | <u>\$ 12,576</u> |

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

| Fiscal Year ending June 30 | Business Activities | |
|----------------------------|---------------------|------------------|
| | Principal | Interest |
| 2006 | \$ 255 | \$ 637 |
| 2007 | 265 | 626 |
| 2008 | 275 | 615 |
| 2009 | 285 | 603 |
| 2010 | 301 | 590 |
| 2011-2015 | 1,712 | 2,730 |
| 2016-2020 | 2,163 | 2,254 |
| 2021-2025 | 2,800 | 1,607 |
| 2026-2030 | 3,660 | 744 |
| 2031 | 860 | 24 |
| Total | <u>\$ 12,576</u> | <u>\$ 10,430</u> |

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.

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

On 10/1/1994 the PFC issued \$9,970 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, 2005 totals \$4,735 (\$4,669 governmental and \$66 business-type).

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

- Proceeds of \$21,690 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, 2005 is \$20,655 (100% governmental).
- The remaining proceeds of \$8,005 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. 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, 2005 is \$7,620 (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 in revenue bonds (2000 series A) to finance the Lopez Dam seismic remediation project. The Flood Control District borrowed \$28,905 from the Authority by issuing COP of \$15,705 and government obligation (GO) bonds of \$13,200. 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, 2005 totals \$27,400 (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.

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, 2005 totals \$2,950 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 \$18,858, at June 30, 2005. The accumulated benefits will be liquidated in future

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

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 \$0 at June 30, 2005.

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 \$374,334.

Description of Pension Obligation Bonds

The actuary for the Pension Trust provided information estimating the Unfunded Actuarial Accrued Liability (UAAL) to be approximately \$135,085 as of July 2, 2003. To fund the UAAL, on July 2, 2003 the County sold \$137,194 in pension obligation bonds (POB) 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 Series A standard bonds, interest rates from 1.68% to 4.54%, final maturity 1/1/2018, annual installments \$2,164 to \$7,594
- \$45,000 Series B auction rate securities, initial rate of 2.36%, final maturity 1/1/2033, annual installments of \$1,062 to \$20,558
- \$44,199 Series C capital appreciation bonds, yielding 5.27% to 5.73%, final maturity 1/1/2031, annual installments of zero to \$15,000

POB principal outstanding at June 30, 2005 is \$137,194 (100% governmental). Annual debt service requirements to maturity for bonds are as follows (in thousands):

| Fiscal Year ending June 30 | <u>Governmental Activities</u> | |
|----------------------------|--------------------------------|-------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2006 | \$ 1,995 | \$ 2,905 |
| 2007 | 1,695 | 3,440 |
| 2008 | 1,470 | 3,973 |
| 2009 | 1,865 | 3,928 |
| 2010 | 2,290 | 3,863 |
| 2011-2015 | 19,240 | 17,503 |
| 2016-2020 | 26,651 | 21,595 |
| 2021-2025 | 17,744 | 44,498 |
| 2026-2030 | 17,403 | 61,874 |
| 2031-2033 | 46,841 | 10,583 |
| Total | <u>\$ 137,194</u> | <u>\$ 174,162</u> |

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

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, 2005 are as follows (in thousands):

| | <u>Amount</u> |
|--------------------------|---------------------|
| Governmental activities | \$ 981,543 |
| Business-type activities | <u>114,785</u> |
| Total | <u>\$ 1,096,328</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, 2005 for governmental activities are as follows (in thousands):

| | <u>Amount</u> |
|--|------------------|
| RESTRICTED FOR: | |
| <u>General Government</u> | |
| Construction commitment for the new government facility | \$ 371 |
| Construction commitment for other capital projects | 532 |
| Claims, contracts and other restrictions | 8,980 |
| <u>Public Protection</u> | |
| Construction commitment for probation operation's center | 234 |
| Claims, contracts and other restrictions | 1,599 |
| <u>Health</u> | |
| Capital projects for health facilities | 392 |
| Claims, contracts and other restrictions | 1,144 |
| <u>Education</u> | |
| Claims, contracts and other restrictions | 38 |
| <u>Public Ways and Facilities</u> | |
| Road maintenance and construction | 11,229 |
| Public facilities fees restricted for public facilities | 14,255 |
| Claims, contracts and other restrictions | 236 |
| <u>Recreation and Culture</u> | |
| Claims, contracts and other restrictions | 2,243 |
| <u>Debt Service</u> | |
| | <u>6,888</u> |
| Total Restricted Net Assets | <u>\$ 48,141</u> |

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

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, 2005 are as follows (in thousands):

| | |
|--------------------------|-------------------|
| | <u>Amount</u> |
| Governmental activities | \$ 130,632 |
| Business-type activities | <u>12,867</u> |
| Total | <u>\$ 143,499</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 established by actions of the Board and management and can be increased, reduced or eliminated by similar actions.

The following is a summary of reserved and designated fund balances, which are not available for appropriation and expenditure as shown in the governmental funds at June 30, 2005 (in thousands):

| <u>Reserved Fund Balance</u> | <u>General Fund</u> | <u>Capital Projects</u> | <u>Pension Obligation Bonds</u> | <u>Nonmajor Gov'tl Funds</u> | <u>Total</u> |
|------------------------------|---------------------|-------------------------|---------------------------------|------------------------------|------------------|
| <u>Reserved for:</u> | | | | | |
| Encumbrances | \$ 2,663 | \$ 1,180 | - | \$ 3,566 | \$ 7,409 |
| Public Facility Fees | - | - | - | 14,255 | 14,255 |
| Impact Fees | - | - | - | 10,317 | 10,317 |
| Advances to Other Funds | 2,609 | - | - | 592 | 3,201 |
| Inventories | 72 | - | - | - | 72 |
| Prepaid Items | 322 | - | - | - | 322 |
| Debt Service | - | - | \$ 4,429 | 2,459 | 6,888 |
| Programs/Grants | <u>12,589</u> | <u>689</u> | <u>-</u> | <u>4,240</u> | <u>17,518</u> |
| Total Reserved | <u>\$ 18,255</u> | <u>\$ 1,869</u> | <u>\$ 4,429</u> | <u>\$ 35,429</u> | <u>\$ 59,982</u> |

| <u>Unreserved Fund Balance</u> | <u>General Fund</u> | <u>Capital Projects</u> | <u>Pension Obligation Bonds</u> | <u>Nonmajor Gov'tl Funds</u> | <u>Total</u> |
|------------------------------------|---------------------|-------------------------|---------------------------------|------------------------------|--------------|
| <u>Unreserved, Designated for:</u> | | | | | |
| Encumbrances | \$ 3,877 | \$ 7,854 | - | \$ 7,143 | \$ 18,874 |
| Los Osos Landfill Monitoring | - | 600 | - | - | 600 |
| Facility Planning | - | 4,728 | - | - | 4,728 |
| Facility/Equipment Replacement | 949 | - | - | 1,928 | 2,877 |
| Government Building | - | 271 | - | 4,160 | 4,431 |
| Accounting Systems & Automation | - | - | - | 5,856 | 5,856 |
| Tax Reduction Reserve | - | - | - | 11,749 | 11,749 |
| Specific Road Projects | - | - | - | 2,388 | 2,388 |
| Facilities Planning | - | - | - | 603 | 603 |
| General Reserve | 8,000 | - | - | 3,770 | 11,770 |
| Imprest Cash | 58 | - | - | 1 | 59 |
| Other Projects | - | - | - | 473 | 473 |
| Fire Equipment Replacement | 707 | - | - | - | 707 |
| Contingent Liability | 409 | - | - | - | 409 |

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

| <u>Continuation of Unreserved Fund Balance</u> | General Fund | Capital Projects | Pension Obligation Bonds | Nonmajor Gov't'l Funds | Total |
|--|------------------|------------------|--------------------------|------------------------|-------------------|
| <u>Unreserved, Designated for:</u> | | | | | |
| Internal Financing | 2,632 | - | - | - | 2,632 |
| Accrued Revenue | 15,594 | - | - | - | 15,594 |
| County-wide Training | - | - | - | 1,620 | 1,620 |
| Total Designated | 32,226 | 13,453 | - | 39,691 | 85,370 |
| Unreserved, Undesignated | 43,974 | 6,424 | - | 3,137 | 53,535 |
| Total Unreserved | <u>\$ 76,200</u> | <u>\$ 19,877</u> | <u>-</u> | <u>\$ 42,828</u> | <u>\$ 138,905</u> |

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 and Protected Self-Insurance Internal Service Funds have net asset deficits of \$9,901 and \$2,011 respectively. These deficits are expected to be eliminated in future years through a combination of cost reductions and rate increases.

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, 2005 to be reappropriated during the next fiscal year (in thousands):

| <u>Function</u> | <u>Total Encumbrances</u> |
|--------------------------------|---------------------------|
| General Government | \$ 676 |
| Health & Sanitation | 78 |
| Public Protection | 1,052 |
| Public Ways and Facilities | 5,790 |
| Recreation & Cultural Services | 1,068 |
| Total Lapsing Encumbrances | <u>\$ 8,664</u> |

13. OTHER COMMITMENTS

In 1965, the County began payments in accordance with a contract with the State of California for a water supply from the State Water Project. Estimated future principal payments for the State Water Contract will total \$34,738 over the next 30 years. The estimated amounts vary by year. For example, the principal amount due in 2005 is \$576 while \$1,945 is due in 2035. In 1992 the County entered Water Supply Contracts, of like terms, with various sub-contractors which presently provide resources to cover approximately 85% of the capital costs.

14. 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, 2005.

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

15. DEFERRED REVENUE

Deferred revenue on the governmental fund balance sheet represents amounts that are deferred because they are not yet considered to be available to liquidate balances of the current period. Governmental Funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Broad categories of deferred and unearned revenues are as follows (in thousands):

Governmental funds:

| | General Fund | Capital Projects | Nonmajor Gov'tl Funds |
|---|-----------------|---------------------|--------------------------|
| Road impact fees | - | - | \$ 225 |
| Indigent Living & Foster Care program revenues | \$ 125 | - | - |
| CalWorks related program revenues | 1,432 | - | - |
| Emergency assistance related program revenues | 504 | - | - |
| Adoption related program revenues | 347 | - | - |
| Other assistance program revenues | 632 | - | - |
| Parks projects-bike trails, skate park, Bay St. boardwalk | - | \$ 852 | - |
| Parks endowment | - | - | 134 |
| Sheriff's Office bullet containment trap | - | 131 | - |
| Roads contribution Bennett Way | - | - | 786 |
| Other deferred revenues | 351 | - | 6 |
| Total Unearned | <u>3,391</u> | <u>983</u> | <u>1,151</u> |
| Teeter Tax Revenues | 4,736 | - | - |
| Total Unavailable | <u>4,736</u> | <u>-</u> | <u>-</u> |
| Total Deferred Revenue | <u>\$ 8,127</u> | <u>\$ 983</u> | <u>\$ 1,151</u> |

16. 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:

| | General Fund | Pension Obligation Bond | Capital Projects | Nonmajor Gov't Funds |
|--|-----------------|-------------------------------|---------------------|-------------------------|
| Reimbursements | \$ 1,011 | - | \$ 64 | - |
| Surplus sales, publications & Rebates | 63 | - | 5 | - |
| Nuisance abatement | 30 | - | - | - |
| Returned check fees and card fees | 26 | - | - | - |
| Microfilm | 69 | - | - | - |
| Seminar, conferences and workshop fees | 57 | - | - | - |
| Contributions non-governmental | 83 | - | - | \$ 321 |
| HUD related non-program revenue | - | - | - | 494 |
| Other settlements | 15 | - | 61 | 162 |
| Other miscellaneous revenues | 1,688 | \$ 292 | - | 271 |
| Total Governmental Funds | <u>\$ 3,042</u> | <u>\$ 292</u> | <u>\$ 130</u> | <u>\$ 1,248</u> |

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

Business-type funds:

| | Golf | Other Enterprise Funds | Internal Service Funds |
|-------------------------------------|--------------|------------------------------|------------------------------|
| Settlements, Damages, Insurance | \$ 10 | \$ 1 | \$ 22 |
| Other reimbursements | - | - | 50 |
| Miscellaneous non-operating sources | 24 | 16 | 5 |
| Total Business-type funds | <u>\$ 34</u> | <u>\$ 17</u> | <u>\$ 77</u> |

17. 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, employees of the Superior Court in San Luis Obispo County and certain agencies within San Luis Obispo County. 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 Pension Trust and the Retirement Plan are 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, 2004, the Plan had 28.42% of its net assets in Mellon Fund Capital Funds.

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

Funding Policy - Participants are required to contribute to the Plan for the 2004 calendar year at rates ranging from 4.56% to 19.49% of their adjusted base salary as defined in the Plan document and for the 2004 calendar year at rates ranging from 4.56% to 19.49%. Such contributions, together with the County's appropriations, 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 Board of Trustees establishes the pension plan contribution rate requirement with the advice of their retained actuary. 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. In 2003 the County issued a Pension Obligation Bond. In recognition of that action 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 were established at a range of 7.92% to 14.29% of payroll effective June 22, 2003.

Total contributions and appropriations to the Plan in 2004 amounted to \$29,183,783. Of this, \$16,520,585 were regular County appropriations. Employee contributions amounted to \$12,663,198. The Employee contributions include Employee Additional Contributions of \$70,236. The contributed amounts were actuarially determined as described above and were based on an actuarial valuation report as of January 1, 2004 and an updated calculation of UAAL on June 30, 2003.

Annual Pension Cost and Net Pension Obligation

The County's annual pension cost and prepaid pension asset, computed in accordance with GASB 27, Accounting for Pensions by State and Local Governmental Employers, for the year ended June 30, 2004, were as follows (in thousands):

| | <u>Amount</u> |
|---|-------------------|
| County annual required contribution (ARC)/Annual pension cost | \$ 16,891 |
| Interest on pension asset | <u>2,898</u> |
| Subtotal | 19,789 |
| County contributions made | <u>(16,521)</u> |
| Increase in pension asset | 3,268 |
| Net pension asset, beginning of year | <u>126,038</u> |
| Net pension asset, end of year | <u>\$ 129,306</u> |

The annual pension cost and net pension asset were based on an actuarial valuation report as of January 1, 2005. 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, 2003, 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

Three-Year Trend Information (In Thousands)

| Fiscal Year | Annual Pension | Percentage of APC | Net Pension |
|-----------------------|-------------------|--------------------|---------------------------------------|
| <u>Ending June 30</u> | <u>Cost (APC)</u> | <u>Contributed</u> | <u>Obligation</u> <u>(Benefit)</u> |
| 2003 | \$17,564 | 83.3% | 9,303 |
| 2004 | \$20,173 | 100.0% | (126,038) |
| 2005 | \$16,891 | 100.0% | (129,306) |

18. 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 fifteen years of a thirty-year period. By agreement with the land owner, 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, 2005 is \$2,822,940. Of this \$1,256,502 is the Net Present Value Corrective Action Cost and \$1,566,437 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.

19. CLOSURE OF HOSPITAL

The Board of Supervisors on March 16, 2004, following a public hearing, voted to enter into a public/private partnership with Community Health Centers of the Central Coast ("CHCCC") for the provision of outpatient clinic and pharmacy services. On June 19, 2004 the County closed their six outpatient clinics, two outpatient pharmacies and outpatient ancillary services related to cardiopulmonary, laboratory and radiology.

On June 20, 2004, CHCCC began operating the clinics and pharmacies and the County began making grant payments to CHCCC for CHCCC's provisions of services to California Medical Services Program ("CMSP") and non-sponsored patients, previously covered by the County. The grant payments were established in advance for services outlined in the Grant Agreement for Special Services – Clinic and Ancillary Services and Grant Agreement for Special Services – Pharmacy.

Radiology and cardiopulmonary services were discontinued. Patients will continue to receive these ancillary services by CHCCC or other community providers.

Remaining in operation is the clinical laboratory that was moved to the Department of Public Health as of July 1, 2004. The laboratory continues to service CMSP patients.





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
- Notes to required supplementary information

COUNTY OF SAN LUIS OBISPO
 REQUIRED SUPPLEMENTARY INFORMATION
 SAN LUIS OBISPO COUNTY PENSION TRUST SCHEDULE OF FUNDING PROGRESS
 FOR THE YEAR ENDED JUNE 30, 2005 (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) |
|----------------------------------|-------------------------------------|--|--|-----------------------|----------------------------------|---|
| 2002 | \$430,351 | \$556,321 | \$125,970 | 77.4% | \$131,997 | 95.4% |
| 2003 | \$604,808 | \$642,734 | \$37,926 | 94.1% | \$136,364 | 27.8% |
| 2004 | \$651,751 | \$715,085 | \$63,334 | 91.1% | \$135,189 | 46.8% |

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 D220, San Luis Obispo, CA 93408.

COUNTY OF SAN LUIS OBISPO
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2005 (in thousands)

| | Budgeted Amounts | | Actual on Budgetary Basis | Variance with Final Budget Positive (Negative) |
|--|------------------|-----------|---------------------------------|---|
| | Original | Final | | |
| <u>Revenues:</u> | | | | |
| Taxes | \$ 95,564 | \$ 95,564 | \$ 105,244 | \$ 9,680 |
| Licenses, permits, and franchises | 9,268 | 9,461 | 10,417 | 956 |
| Fines, forfeits, and penalties | 2,807 | 2,914 | 3,796 | 882 |
| Revenues from use of money and property | 1,244 | 1,244 | 2,113 | 869 |
| Aid from governmental agencies | 140,106 | 148,924 | 138,803 | (10,121) |
| Charges for current services | 35,720 | 38,375 | 36,137 | (2,238) |
| Other revenues | 2,630 | 3,362 | 3,042 | (320) |
| Total revenues | 287,339 | 299,844 | 299,552 | (292) |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| General government | 39,721 | 42,949 | 39,444 | 3,505 |
| Public protection | 104,584 | 113,678 | 107,779 | 5,899 |
| Health and sanitation | 50,369 | 51,223 | 48,009 | 3,214 |
| Public assistance | 84,851 | 85,032 | 77,677 | 7,355 |
| Education | 314 | 309 | 275 | 34 |
| Debt service: | | | | |
| Interest and fiscal charges | - | - | 30 | (30) |
| Total expenditures | 279,839 | 293,191 | 273,214 | 19,977 |
| Excess (deficiency) of revenues over expenditures | 7,500 | 6,653 | 26,338 | 19,685 |
| <u>Other financing sources (uses):</u> | | | | |
| Transfers in | - | - | 757 | 757 |
| Transfers (out) | (3,797) | (3,797) | (13,602) | (9,805) |
| Reserves, designations and contingencies | (20,283) | (19,436) | - | 19,436 |
| Total other financing sources and uses | (24,080) | (23,233) | (12,845) | 10,388 |
| Net change in fund balances | (16,580) | (16,580) | 13,493 | 30,073 |
| Fund balances—beginning | 16,580 | 16,580 | 78,299 | 61,719 |
| Fund balances—ending | \$ - | \$ - | \$ 91,792 | \$ 91,792 |

Explanation of differences between budgetary outflows and GAAP expenditures:

Expenditures:

| | |
|---|------------|
| Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule | \$ 273,214 |
| Differences - budget to GAAP: | |
| Less: Encumbrances for expenditures | (2,663) |
| Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances - General fund | \$ 270,551 |

See accompanying independent auditor's report.

COUNTY OF SAN LUIS OBISPO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2005

1. BUDGETARY BASIS OF ACCOUNTING

A. 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, 2005, 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.

An operating budget is adopted each fiscal year for Governmental Funds are 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 except for two debt service funds, the San Luis Obispo Public Financing Authority and the Public Facilities Corporation. Although the Enterprise and Internal Service Funds have 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 its excessive length. Because of the large volume of detail, the budget and actual statements contained in the financial statements have been aggregated by function. A separate supplemental budget report, which demonstrates legal compliance with budgetary control, is included in the Other Supplemental Section of the financial report 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.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Continued)

B. BUDGETARY EXPENDITURE IN EXCESS OF APPROPRIATION

During the current fiscal year, no governmental funds had excess expenditures over the related appropriations.

C. RECONCILIATION OF OPERATION 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 Fund | Capital Projects Fund | Pension Obligation Bonds Debt Service Fund | Non Major Governmental Funds |
|--|-------------------|-----------------------------|---|------------------------------------|
| Expenditures on budgetary basis | \$ 273,214 | \$ 19,853 | \$ 3,083 | \$ 67,040 |
| Less: Encumbrances for expenditures | 2,663 | 1,180 | - | 3,567 |
| Expenditures on GAAP basis | <u>\$ 270,551</u> | <u>\$ 18,673</u> | <u>\$ 3,083</u> | <u>\$ 63,473</u> |



OTHER SUPPLEMENTARY INFORMATION



**COMBINING FINANCIAL STATEMENTS
NONMAJOR 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.

Driving Under the Influence Programs

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 used to replace 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, 2005 (in thousands)

| | Debt Service Funds | Special Revenue Funds | Total Nonmajor Governmental Funds |
|---|--------------------------|-----------------------------|--|
| <u>Assets</u> | | | |
| Cash and cash equivalents | \$ - | \$ 78,860 | \$ 78,860 |
| Other receivables | 16 | 487 | 503 |
| Due from other governments | - | 862 | 862 |
| Advances to other funds | - | 592 | 592 |
| Restricted cash with fiscal agent | 3,310 | - | 3,310 |
| Other assets | 1,218 | 524 | 1,742 |
| Total assets | \$ 4,544 | \$ 81,325 | \$ 85,869 |
| <u>Liabilities and fund balances:</u> | | | |
| <u>Liabilities:</u> | | | |
| Salaries and benefits payable | - | 306 | 306 |
| Accounts payable | - | 1,917 | 1,917 |
| Deposits from others | - | 744 | 744 |
| Deferred revenue | - | 1,151 | 1,151 |
| Other current liabilities | 1,536 | - | 1,536 |
| Advances from other county funds | 549 | 1,409 | 1,958 |
| Total liabilities | 2,085 | 5,527 | 7,612 |
| <u>Fund balances:</u> | | | |
| Reserved | 2,459 | 32,970 | 35,429 |
| Unreserved, reported in nonmajor | | | |
| Special revenue funds | - | 42,828 | 42,828 |
| Total fund balance | 2,459 | 75,798 | 78,257 |
| Total liabilities and fund balances | \$ 4,544 | \$ 81,325 | \$ 85,869 |

COUNTY OF SAN LUIS OBISPO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2005 (in thousands)

| | Debt Service Funds | Special Revenue Funds | Total Nonmajor Governmental Funds |
|--|--------------------------|-----------------------------|--|
| <u>Revenues:</u> | | | |
| Taxes | \$ - | \$ 7,321 | \$ 7,321 |
| Licenses, permits, and franchises | - | 3,220 | 3,220 |
| Fines, forfeits, and penalties | - | 793 | 793 |
| Revenues from use of money and property | 69 | 1,413 | 1,482 |
| Aid from governmental agencies | - | 21,246 | 21,246 |
| Charges for current services | 4,882 | 13,223 | 18,105 |
| Other revenues | - | 1,248 | 1,248 |
| Total revenues | 4,951 | 48,464 | 53,415 |
| <u>Expenditures:</u> | | | |
| Current: | | | |
| General government | - | 10,679 | 10,679 |
| Public protection | - | 1,109 | 1,109 |
| Public ways and facilities | - | 24,096 | 24,096 |
| Health and sanitation | - | 4,953 | 4,953 |
| Public assistance | - | 5,004 | 5,004 |
| Education | - | 7,532 | 7,532 |
| Recreational and cultural services | - | 5,092 | 5,092 |
| Debt service: | | | |
| Principal payments | 1,895 | - | 1,895 |
| Interest and fiscal charges | 3,113 | - | 3,113 |
| Total expenditures | 5,008 | 58,465 | 63,473 |
| Excess (deficiency) of revenues over expenditures | (57) | (10,001) | (10,058) |
| <u>Other financing sources (uses):</u> | | | |
| Transfers in | - | 12,348 | 12,348 |
| Transfers (out) | - | (5,491) | (5,491) |
| Total other financing sources and (uses) | - | 6,857 | 6,857 |
| Net change in fund balances | (57) | (3,144) | (3,201) |
| Fund balances - beginning | 2,516 | 78,942 | 81,458 |
| Fund balances - ending | \$ 2,459 | \$ 75,798 | \$ 78,257 |

COUNTY OF SAN LUIS OBISPO
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 JUNE 30, 2005 (in thousands)

| | Debt Service Public Facilities Corporation | Debt Service Public Financing Authority | Total Nonmajor Debt Service Funds |
|---|--|---|--|
| <u>Assets</u> | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - |
| Other receivables | 16 | - | 16 |
| Restricted cash with fiscal agent | 3,310 | - | 3,310 |
| Other assets | 1,218 | - | 1,218 |
| Total assets | \$ 4,544 | \$ - | \$ 4,544 |
| <u>Liabilities and fund balances:</u> | | | |
| <u>Liabilities:</u> | | | |
| Other current liabilities | 1,218 | - | 1,218 |
| Advances from other county funds | 549 | - | 549 |
| Interest payable | 318 | - | 318 |
| Total liabilities | 2,085 | - | 2,085 |
| <u>Fund balances:</u> | | | |
| Reserved | 2,459 | - | 2,459 |
| Total fund balance | 2,459 | - | 2,459 |
| Total liabilities and fund balances | \$ 4,544 | \$ - | \$ 4,544 |

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, 2005 (in thousands)

| | Debt Service Public Facilities Corporation | Debt Service Public Financing Authority | Total Nonmajor Debt Service Funds |
|--|--|---|--|
| <u>Revenues:</u> | | | |
| Revenues from use of money and property | \$ 69 | \$ - | \$ 69 |
| Charges for current services | 2,948 | 1,934 | 4,882 |
| Total revenues | 3,017 | 1,934 | 4,951 |
| <u>Expenditures:</u> | | | |
| Current: | | | |
| Debt service: | | | |
| Principal payments | 1,370 | 525 | 1,895 |
| Interest and fiscal charges | 1,679 | 1,434 | 3,113 |
| Total expenditures | 3,049 | 1,959 | 5,008 |
| Excess (deficiency) of revenues over expenditures | (32) | (25) | (57) |
| <u>Other financing sources (uses):</u> | | | |
| Total other financing sources and (uses) | - | - | - |
| Net change in fund balances | (32) | (25) | (57) |
| Fund balances - beginning | 2,491 | 25 | 2,516 |
| Fund balances - ending | \$ 2,459 | \$ - | \$ 2,459 |



COUNTY OF SAN LUIS OBISPO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2005 (in thousands)

| | CA Health Indigent Prog | Community Development | CMSP | Co-Wide Autom Rplc |
|---------------------------------------|----------------------------|--------------------------|---------------|-----------------------|
| <u>Assets</u> | | | | |
| Cash and cash equivalents | \$ 81 | \$ 1,188 | \$ 867 | \$ 12,191 |
| Other receivables | - | - | - | - |
| Due from other governments | 285 | 10 | - | - |
| Advances to other funds | - | - | - | - |
| Other assets | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total assets | <u>\$ 366</u> | <u>\$ 1,198</u> | <u>\$ 867</u> | <u>\$ 12,191</u> |
| <u>Liabilities and fund balances:</u> | | | | |
| <u>Liabilities:</u> | | | | |
| Salaries and benefits payable | - | - | 29 | - |
| Accounts payable | 1 | - | 15 | 497 |
| Deposits from others | - | 54 | - | - |
| Deferred revenue | - | - | - | - |
| Advances from other county funds | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total liabilities | <u>1</u> | <u>54</u> | <u>44</u> | <u>497</u> |
| <u>Fund balances:</u> | | | | |
| Reserved | - | 1,144 | - | 2,884 |
| Unreserved | 365 | - | 823 | 8,810 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total fund balance | <u>365</u> | <u>1,144</u> | <u>823</u> | <u>11,694</u> |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total liabilities and fund balances | <u>\$ 366</u> | <u>\$ 1,198</u> | <u>\$ 867</u> | <u>\$ 12,191</u> |

Continued on next page

COUNTY OF SAN LUIS OBISPO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2005 (in thousands)

| Emergency Med Svcs | Driving Under the Influence Pgms | Fish & Game | Gen Gov Bldg Rplcmnt |
|-----------------------|-------------------------------------|--------------|-------------------------|
| \$ 405 | \$ 339 | \$ 80 | \$ 4,331 |
| 371 | - | - | - |
| - | - | - | - |
| - | - | - | - |
| <u>776</u> | <u>339</u> | <u>80</u> | <u>4,331</u> |
| - | 24 | - | - |
| 89 | 5 | 4 | - |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| <u>89</u> | <u>29</u> | <u>4</u> | <u>-</u> |
| - | - | - | - |
| 687 | 310 | 76 | 4,331 |
| <u>687</u> | <u>310</u> | <u>76</u> | <u>4,331</u> |
| <u>\$ 776</u> | <u>\$ 339</u> | <u>\$ 80</u> | <u>\$ 4,331</u> |

Assets

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

Total assets

Liabilities and fund balances:

Liabilities:

Salaries and benefits payable
 Accounts payable
 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, 2005 (in thousands)

| | Impact Fee - Traffic | Library | Organizat'l Effectiveness | Parks |
|---------------------------------------|-------------------------|-----------------|------------------------------|-----------------|
| <u>Assets</u> | | | | |
| Cash and cash equivalents | \$ 10,542 | \$ 3,402 | \$ 2,466 | \$ 2,636 |
| Other receivables | - | - | - | 115 |
| Due from other governments | - | - | - | 140 |
| Advances to other funds | - | - | - | - |
| Other assets | - | - | - | - |
| | <u>\$ 10,542</u> | <u>\$ 3,402</u> | <u>\$ 2,466</u> | <u>\$ 2,891</u> |
| <u>Liabilities and fund balances:</u> | | | | |
| Liabilities: | | | | |
| Salaries and benefits payable | - | 142 | - | 111 |
| Accounts payable | - | 37 | 8 | 75 |
| Deposits from others | - | - | - | - |
| Deferred revenue | 225 | - | - | 134 |
| Advances from other county funds | - | - | - | - |
| Total liabilities | <u>225</u> | <u>179</u> | <u>8</u> | <u>320</u> |
| Fund balances: | | | | |
| Reserved | 10,317 | 38 | 31 | 2,243 |
| Unreserved | - | 3,185 | 2,427 | 328 |
| Total fund balance | <u>10,317</u> | <u>3,223</u> | <u>2,458</u> | <u>2,571</u> |
| Total liabilities and fund balances | <u>\$ 10,542</u> | <u>\$ 3,402</u> | <u>\$ 2,466</u> | <u>\$ 2,891</u> |

Continued on next page

COUNTY OF SAN LUIS OBISPO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2005 (in thousands)

| Public Facilities Fee | Roads | Tax Reduct. Reserve | Wildlife Grazing |
|--------------------------|-----------------|------------------------|------------------|
| \$ 14,706 | \$ 6,781 | \$ 12,366 | \$ 10 |
| - | - | - | - |
| - | 427 | - | - |
| - | - | - | - |
| - | 524 | - | - |
| <u>\$ 14,706</u> | <u>\$ 7,732</u> | <u>\$ 12,366</u> | <u>\$ 10</u> |
| - | - | - | - |
| 450 | 657 | - | - |
| 1 | 658 | - | - |
| - | 786 | - | - |
| - | - | - | - |
| <u>451</u> | <u>2,101</u> | <u>-</u> | <u>-</u> |
| 14,255 | 912 | - | - |
| - | 4,719 | 12,366 | 10 |
| <u>14,255</u> | <u>5,631</u> | <u>12,366</u> | <u>10</u> |
| <u>\$ 14,706</u> | <u>\$ 7,732</u> | <u>\$ 12,366</u> | <u>\$ 10</u> |

Assets

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

Total assets

Liabilities and fund balances:

Liabilities:

Salaries and benefits payable
 Accounts payable
 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, 2005 (in thousands)

| | Governmental Leasing | Special District Funds | Total Nonmajor Special Revenue Funds |
|---|-------------------------|---------------------------|--|
| <u>Assets</u> | | | |
| Cash and cash equivalents | \$ - | \$ 6,469 | \$ 78,860 |
| Other receivables | - | 1 | 487 |
| Due from other governments | - | - | 862 |
| Advances to other funds | - | 592 | 592 |
| Other assets | - | - | 524 |
| | <u>-</u> | <u>-</u> | <u>524</u> |
| Total assets | <u>\$ -</u> | <u>\$ 7,062</u> | <u>\$ 81,325</u> |
| <u>Liabilities and fund balances:</u> | | | |
| <u>Liabilities:</u> | | | |
| Salaries and benefits payable | - | - | 306 |
| Accounts payable | - | 79 | 1,917 |
| Deposits from others | - | 31 | 744 |
| Deferred revenue | - | 6 | 1,151 |
| Advances from other county funds | - | 1,409 | 1,409 |
| Total liabilities | <u>-</u> | <u>1,525</u> | <u>5,527</u> |
| <u>Fund balances:</u> | | | |
| Reserved | - | 1,146 | 32,970 |
| Unreserved | - | 4,391 | 42,828 |
| Total fund balance | <u>-</u> | <u>5,537</u> | <u>75,798</u> |
| Total liabilities and fund balances | <u>\$ -</u> | <u>\$ 7,062</u> | <u>\$ 81,325</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, 2005 (in thousands)

| | CA Health Indigent Prog | Community Development | CMSP | Co-Wide Autom Rplc |
|--|----------------------------|--------------------------|----------------|-----------------------|
| <u>Revenues:</u> | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Licenses, permits, and franchises | - | - | - | 3,171 |
| Fines, forfeits, and penalties | - | - | - | - |
| Revenues from use of money and property | 2 | - | 10 | 226 |
| Aid from governmental agencies | 183 | 4,403 | 2,266 | - |
| Charges for current services | 281 | - | 70 | 1,090 |
| Other revenues | - | 494 | - | - |
| Total revenues | <u>466</u> | <u>4,897</u> | <u>2,346</u> | <u>4,487</u> |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| General government | - | - | - | 7,970 |
| Public protection | - | - | - | - |
| Public ways and facilities | - | - | - | - |
| Health and sanitation | - | 4,953 | - | - |
| Public assistance | 404 | - | 3,591 | - |
| Education | - | - | - | - |
| Recreational and cultural services | - | - | - | - |
| Total expenditures | <u>404</u> | <u>4,953</u> | <u>3,591</u> | <u>7,970</u> |
| Excess (deficiency) of revenues over expenditures | <u>62</u> | <u>(56)</u> | <u>(1,245)</u> | <u>(3,483)</u> |
| <u>Other financing sources (uses):</u> | | | | |
| Transfers in | - | - | 979 | - |
| Transfers (out) | - | - | (18) | - |
| Total other financing sources and (uses) | <u>-</u> | <u>-</u> | <u>961</u> | <u>-</u> |
| Net change in fund balances | <u>62</u> | <u>(56)</u> | <u>(284)</u> | <u>(3,483)</u> |
| Fund balances - beginning | <u>303</u> | <u>1,200</u> | <u>1,107</u> | <u>15,177</u> |
| Fund balances - ending | <u>\$ 365</u> | <u>\$ 1,144</u> | <u>\$ 823</u> | <u>\$ 11,694</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, 2005 (in thousands)

| | Emergency Med Svcs | Driving Under the Influence Pgms | Fish & Game | Gen Gov Bldg Rplcmnt |
|--|-----------------------|-------------------------------------|--------------|-------------------------|
| <u>Revenues:</u> | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Licenses, permits, and franchises | - | - | - | - |
| Fines, forfeits, and penalties | 495 | - | 14 | - |
| Revenues from use of money and property | 3 | 4 | - | 71 |
| Aid from governmental agencies | - | - | - | - |
| Charges for current services | 670 | 1,196 | - | 956 |
| Other revenues | - | - | - | - |
| Total revenues | <u>1,168</u> | <u>1,200</u> | <u>14</u> | <u>1,027</u> |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public protection | - | - | 8 | - |
| Public ways and facilities | - | - | - | - |
| Health and sanitation | - | - | - | - |
| Public assistance | 1,009 | - | - | - |
| Education | - | 1,038 | - | - |
| Recreational and cultural services | - | - | - | - |
| Total expenditures | <u>1,009</u> | <u>1,038</u> | <u>8</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | <u>159</u> | <u>162</u> | <u>6</u> | <u>1,027</u> |
| <u>Other financing sources (uses):</u> | | | | |
| Transfers in | - | - | - | - |
| Transfers (out) | - | (15) | - | - |
| Total other financing sources and (uses) | <u>-</u> | <u>(15)</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>159</u> | <u>147</u> | <u>6</u> | <u>1,027</u> |
| Fund balances - beginning | <u>528</u> | <u>163</u> | <u>70</u> | <u>3,304</u> |
| Fund balances - ending | <u>\$ 687</u> | <u>\$ 310</u> | <u>\$ 76</u> | <u>\$ 4,331</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, 2005 (in thousands)

| Impact Fee - Traffic | Library | Organizational Effectiveness | Parks | |
|-------------------------|----------|---------------------------------|----------|--|
| \$ - | \$ 4,986 | \$ - | \$ - | <u>Revenues:</u> |
| - | - | 46 | 1 | Taxes |
| - | - | - | - | Licenses, permits, and franchises |
| 185 | 64 | - | 86 | Fines, forfeits, and penalties |
| - | 244 | - | 814 | Revenues from use of money and property |
| 3,039 | 267 | - | 1,604 | Aid from governmental agencies |
| - | 400 | 15 | 222 | Charges for current services |
| 3,224 | 5,961 | 61 | 2,727 | Other revenues |
| | | | | Total revenues |
| - | - | 303 | - | <u>Expenditures:</u> |
| - | - | - | - | Current: |
| - | - | - | - | General government |
| - | - | - | - | Public protection |
| - | - | - | - | Public ways and facilities |
| - | - | - | - | Health and sanitation |
| - | 6,494 | - | - | Public assistance |
| - | - | - | - | Education |
| - | - | - | 5,092 | Recreational and cultural services |
| - | 6,494 | 303 | 5,092 | Total expenditures |
| 3,224 | (533) | (242) | (2,365) | Excess (deficiency) of revenues over expenditures |
| - | 455 | 200 | 2,449 | <u>Other financing sources (uses):</u> |
| (2,354) | (95) | - | (66) | Transfers in |
| (2,354) | 360 | 200 | 2,383 | Transfers (out) |
| 870 | (173) | (42) | 18 | Total other financing sources and (uses) |
| 9,447 | 3,396 | 2,500 | 2,553 | Net change in fund balances |
| \$ 10,317 | \$ 3,223 | \$ 2,458 | \$ 2,571 | 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, 2005 (in thousands)

| | Public Facilities Fee | Roads | Tax Reduct. Reserve | Wildlife Grazing |
|--|--------------------------|-----------------|------------------------|------------------|
| <u>Revenues:</u> | | | | |
| Taxes | \$ - | \$ 1,088 | \$ - | \$ - |
| Licenses, permits, and franchises | - | 2 | - | - |
| Fines, forfeits, and penalties | - | - | - | - |
| Revenues from use of money and property | 279 | 138 | 224 | - |
| Aid from governmental agencies | - | 13,189 | - | 5 |
| Charges for current services | 3,761 | 140 | - | - |
| Other revenues | - | 116 | - | - |
| Total revenues | <u>4,040</u> | <u>14,673</u> | <u>224</u> | <u>5</u> |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public protection | - | - | - | 10 |
| Public ways and facilities | 480 | 23,536 | - | - |
| Health and sanitation | - | - | - | - |
| Public assistance | - | - | - | - |
| Education | - | - | - | - |
| Recreational and cultural services | - | - | - | - |
| Total expenditures | <u>480</u> | <u>23,536</u> | <u>-</u> | <u>10</u> |
| Excess (deficiency) of revenues over expenditures | <u>3,560</u> | <u>(8,863)</u> | <u>224</u> | <u>(5)</u> |
| <u>Other financing sources (uses):</u> | | | | |
| Transfers in | - | 6,654 | - | - |
| Transfers (out) | <u>(2,789)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total other financing sources and (uses) | <u>(2,789)</u> | <u>6,654</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 771 | (2,209) | 224 | (5) |
| Fund balances - beginning | <u>13,484</u> | <u>7,840</u> | <u>12,142</u> | <u>15</u> |
| Fund balances - ending | <u>\$ 14,255</u> | <u>\$ 5,631</u> | <u>\$ 12,366</u> | <u>\$ 10</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, 2005 (in thousands)

| Governmental Leasing | Special District Funds | Total Nonmajor Special Revenue Funds | |
|-------------------------|---------------------------|--|--|
| \$ 500 | \$ 747 | \$ 7,321 | <u>Revenues:</u> |
| - | - | 3,220 | Taxes |
| 284 | - | 793 | Licenses, permits, and franchises |
| - | 121 | 1,413 | Fines, forfeits, and penalties |
| - | 142 | 21,246 | Revenues from use of money and property |
| 11 | 138 | 13,223 | Aid from governmental agencies |
| - | 1 | 1,248 | Charges for current services |
| 795 | 1,149 | 48,464 | Other revenues |
| | | | Total revenues |
| | | | <u>Expenditures:</u> |
| | | | Current: |
| 2,406 | - | 10,679 | General government |
| - | 1,091 | 1,109 | Public protection |
| - | 80 | 24,096 | Public ways and facilities |
| - | - | 4,953 | Health and sanitation |
| - | - | 5,004 | Public assistance |
| - | - | 7,532 | Education |
| - | - | 5,092 | Recreational and cultural services |
| 2,406 | 1,171 | 58,465 | Total expenditures |
| | | | Excess (deficiency) of revenues over expenditures |
| (1,611) | (22) | (10,001) | |
| | | | <u>Other financing sources (uses):</u> |
| 1,611 | - | 12,348 | Transfers in |
| - | (154) | (5,491) | Transfers (out) |
| 1,611 | (154) | 6,857 | Total other financing sources and (uses) |
| - | (176) | (3,144) | Net change in fund balances |
| - | 5,713 | 78,942 | Fund balances - beginning |
| \$ - | \$ 5,537 | \$ 75,798 | Fund balances - ending |

COUNTY OF SAN LUIS OBISPO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS - SPECIAL DISTRICTS
 JUNE 30, 2005 (in thousands)

| | Flood Control Districts | Lighting Districts | County Service Areas | Total Special Revenue Special District Funds |
|---------------------------------------|----------------------------|--------------------|-------------------------|---|
| <u>Assets</u> | | | | |
| Cash and cash equivalents | \$ 4,108 | \$ 325 | \$ 2,036 | \$ 6,469 |
| Other receivables | - | - | 1 | 1 |
| Advances to other funds | 592 | - | - | 592 |
| | <u>592</u> | <u>-</u> | <u>-</u> | <u>592</u> |
| Total assets | <u>\$ 4,700</u> | <u>\$ 325</u> | <u>\$ 2,037</u> | <u>\$ 7,062</u> |
| <u>Liabilities and fund balances:</u> | | | | |
| <u>Liabilities:</u> | | | | |
| Accounts payable | 75 | 3 | 1 | 79 |
| Deposits from others | - | - | 31 | 31 |
| Deferred revenue | - | - | 6 | 6 |
| Advances from other county funds | 592 | - | 817 | 1,409 |
| Total liabilities | <u>667</u> | <u>3</u> | <u>855</u> | <u>1,525</u> |
| <u>Fund balances:</u> | | | | |
| Reserved | 910 | - | 236 | 1,146 |
| Unreserved | 3,123 | 322 | 946 | 4,391 |
| Total fund balance | <u>4,033</u> | <u>322</u> | <u>1,182</u> | <u>5,537</u> |
| Total liabilities and fund balances | <u>\$ 4,700</u> | <u>\$ 325</u> | <u>\$ 2,037</u> | <u>\$ 7,062</u> |

COUNTY OF SAN LUIS OBISPO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 NONMAJOR SPECIAL REVENUE FUNDS - SPECIAL DISTRICTS
 FOR THE YEAR ENDED JUNE 30, 2005 (in thousands)

| | Flood Control Districts | Lighting Districts | County Service Areas | Total Special Revenue Special District Funds |
|--|----------------------------|--------------------|-------------------------|---|
| <u>Revenues:</u> | | | | |
| Taxes | \$ 614 | \$ 23 | \$ 110 | \$ 747 |
| Revenues from use of money and property | 82 | 5 | 34 | 121 |
| Aid from governmental agencies | 82 | 59 | 1 | 142 |
| Charges for current services | 31 | 2 | 105 | 138 |
| Other revenues | 1 | - | - | 1 |
| Total revenues | <u>810</u> | <u>89</u> | <u>250</u> | <u>1,149</u> |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| Public protection | 1,074 | 16 | 1 | 1,091 |
| Public ways and facilities | - | - | 80 | 80 |
| Total expenditures | <u>1,074</u> | <u>16</u> | <u>81</u> | <u>1,171</u> |
| Excess (deficiency) of revenues over expenditures | <u>(264)</u> | <u>73</u> | <u>169</u> | <u>(22)</u> |
| <u>Other financing sources (uses):</u> | | | | |
| Transfers (out) | - | - | (154) | (154) |
| Total other financing sources and (uses) | <u>-</u> | <u>-</u> | <u>(154)</u> | <u>(154)</u> |
| Net change in fund balances | <u>(264)</u> | <u>73</u> | <u>15</u> | <u>(176)</u> |
| Fund balances - beginning | <u>4,297</u> | <u>249</u> | <u>1,167</u> | <u>5,713</u> |
| Fund balances - ending | <u>\$ 4,033</u> | <u>\$ 322</u> | <u>\$ 1,182</u> | <u>\$ 5,537</u> |



**BUDGETARY COMPARISON SCHEDULES
NONMAJOR GOVERNMENTAL FUNDS**



COUNTY OF SAN LUIS OBISPO
TOTAL NON SPECIAL DISTRICT SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2005 (in thousands)

| | Original Budget | Final Budget | Actual Amount on Budgetary Basis | Variance with Final Budget Positive (Negative) |
|--|--------------------|-----------------|---|---|
| <u>Revenues:</u> | | | | |
| Taxes | \$ 8,257 | \$ 7,689 | \$ 7,321 | \$ (368) |
| Licenses, permits, and franchises | 3,171 | 3,171 | 3,220 | 49 |
| Fines, forfeits, and penalties | 764 | 764 | 793 | 29 |
| Revenues from use of money and property | 374 | 374 | 1,413 | 1,039 |
| Aid from governmental agencies | 24,153 | 41,316 | 21,246 | (20,070) |
| Charges for current services | 15,326 | 15,327 | 13,223 | (2,104) |
| Other revenues | 1 | 1,871 | 1,248 | (623) |
| Total revenues | <u>52,046</u> | <u>70,512</u> | <u>48,464</u> | <u>(22,048)</u> |
| <u>Expenditures:</u> | | | | |
| General government | 3,018 | 16,732 | 13,595 | 3,137 |
| Public protection | 3,166 | 3,429 | 1,426 | 2,003 |
| Public ways and facilities | 25,840 | 46,242 | 24,380 | 21,862 |
| Health and sanitation | 4,122 | 9,544 | 4,953 | 4,591 |
| Public assistance | 5,162 | 6,685 | 5,004 | 1,681 |
| Education | 7,594 | 9,466 | 7,570 | 1,896 |
| Recreational and cultural services | 5,922 | 7,710 | 5,104 | 2,606 |
| Total expenditures | <u>54,824</u> | <u>99,808</u> | <u>62,032</u> | <u>37,776</u> |
| Excess (deficiency) of revenues over expenditures | <u>(2,778)</u> | <u>(29,296)</u> | <u>(13,568)</u> | <u>15,728</u> |
| <u>Other financing sources (uses):</u> | | | | |
| Transfers in | 12,480 | 18,247 | 12,348 | (5,899) |
| Transfers out | (4,479) | (18,625) | (5,491) | 13,134 |
| Reserves, designations and contingencies | (5,573) | 29,324 | - | (29,324) |
| Total other financing sources and uses | <u>2,428</u> | <u>28,946</u> | <u>6,857</u> | <u>(22,089)</u> |
| Net change in fund balances | <u>(350)</u> | <u>(350)</u> | <u>(6,711)</u> | <u>(6,361)</u> |
| Budgetary fund balances - beginning | <u>350</u> | <u>350</u> | <u>78,942</u> | <u>78,592</u> |
| Fund balances—ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 72,231</u> | <u>\$ 72,231</u> |

Explanation of differences between budgetary outflows and GAAP expenditures:

Expenditures:

| | |
|--|------------------|
| Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule | \$ 62,032 |
| Differences - budget to GAAP: | |
| Less: Encumbrances for supplies and services ordered but not received within the recognition period | <u>(3,567)</u> |
| Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances | <u>\$ 58,465</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, 2005 (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 | \$ 2 | \$ (1) |
| Aid from governmental agencies | 175 | 175 | 183 | 8 |
| Charges for current services | 281 | 281 | 281 | - |
| Total revenues | <u>459</u> | <u>459</u> | <u>466</u> | <u>7</u> |
| <u>Expenditures:</u> | | | | |
| Public assistance | 458 | 761 | 404 | 357 |
| Total expenditures | <u>458</u> | <u>761</u> | <u>404</u> | <u>357</u> |
| Excess (deficiency) of revenues over expenditures | <u>1</u> | <u>(302)</u> | <u>62</u> | <u>364</u> |
| <u>Other financing sources (uses):</u> | | | | |
| Reserves, designations and contingencies | - | 303 | - | (303) |
| Total other financing sources and uses | <u>-</u> | <u>303</u> | <u>-</u> | <u>(303)</u> |
| Net change in fund balances | <u>1</u> | <u>1</u> | <u>62</u> | <u>61</u> |
| Budgetary fund balances - beginning | <u>(1)</u> | <u>(1)</u> | <u>303</u> | <u>304</u> |
| Budgetary fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 365</u> | <u>\$ 365</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, 2005 (in thousands)

| | Original Budget | Final Budget | Actual Amount on Budgetary Basis | Variance with Final Budget Positive (Negative) |
|--|--------------------|-----------------|---|---|
| <u>Revenues:</u> | | | | |
| Aid from governmental agencies | \$ 4,122 | \$ 9,544 | \$ 4,403 | \$ (5,141) |
| Other revenues | - | - | 494 | 494 |
| Total revenues | <u>4,122</u> | <u>9,544</u> | <u>4,897</u> | <u>(4,647)</u> |
| <u>Expenditures:</u> | | | | |
| Health and sanitation | 4,122 | 9,544 | 4,953 | 4,591 |
| Total expenditures | <u>4,122</u> | <u>9,544</u> | <u>4,953</u> | <u>4,591</u> |
| Excess (deficiency) of revenues over expenditures | - | - | (56) | (56) |
| <u>Other financing sources (uses):</u> | | | | |
| Reserves, designations and contingencies | - | - | - | - |
| Total other financing sources and uses | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | - | - | (56) | (56) |
| Budgetary fund balances - beginning | | - | 1,200 | 1,200 |
| Budgetary fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,144</u> | <u>\$ 1,144</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, 2005 (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 | \$ 18 | \$ 18 | \$ 10 | \$ (8) |
| Aid from governmental agencies | 2,472 | 2,472 | 2,266 | (206) |
| Charges for current services | 65 | 65 | 70 | 5 |
| Total revenues | <u>2,555</u> | <u>2,555</u> | <u>2,346</u> | <u>(209)</u> |
| <u>Expenditures:</u> | | | | |
| Public assistance | 3,513 | 4,621 | 3,591 | 1,030 |
| Total expenditures | <u>3,513</u> | <u>4,621</u> | <u>3,591</u> | <u>1,030</u> |
| Excess (deficiency) of revenues over expenditures | <u>(958)</u> | <u>(2,066)</u> | <u>(1,245)</u> | <u>821</u> |
| <u>Other financing sources (uses):</u> | | | | |
| Transfers in | 979 | 979 | 979 | - |
| Transfers out | (21) | (21) | (18) | 3 |
| Reserves, designations and contingencies | | 1,108 | - | (1,108) |
| Total other financing sources and uses | <u>958</u> | <u>2,066</u> | <u>961</u> | <u>(1,105)</u> |
| Net change in fund balances | - | - | (284) | (284) |
| Budgetary fund balances - beginning | - | - | 1,107 | 1,107 |
| Budgetary fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 823</u> | <u>\$ 823</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, 2005 (in thousands)

| | Original Budget | Final Budget | Actual Amount on Budgetary Basis | Variance with Final Budget Positive (Negative) |
|--|--------------------|-----------------|---|---|
| <u>Revenues:</u> | | | | |
| Licenses, permits, and franchises | \$ 3,171 | \$ 3,171 | \$ 3,171 | \$ - |
| Revenues from use of money and property | - | - | 226 | 226 |
| Charges for current services | 1,000 | 1,000 | 1,090 | 90 |
| Total revenues | <u>4,171</u> | <u>4,171</u> | <u>4,487</u> | <u>316</u> |
| <u>Expenditures:</u> | | | | |
| General government | 1,312 | 13,781 | 10,855 | 2,926 |
| Total expenditures | <u>1,312</u> | <u>13,781</u> | <u>10,855</u> | <u>2,926</u> |
| Excess (deficiency) of revenues over expenditures | <u>2,859</u> | <u>(9,610)</u> | <u>(6,368)</u> | <u>3,242</u> |
| <u>Other financing sources (uses):</u> | | | | |
| Transfers in | - | 268 | - | (268) |
| Reserves, designations and contingencies | (99) | 12,102 | - | (12,102) |
| Total other financing sources and uses | <u>(99)</u> | <u>12,370</u> | <u>-</u> | <u>(12,370)</u> |
| Net change in fund balances | 2,760 | 2,760 | (6,368) | (9,128) |
| Budgetary fund balances - beginning | <u>(2,760)</u> | <u>(2,760)</u> | <u>15,177</u> | <u>17,937</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 8,809</u> | <u>\$ 8,809</u> |

Explanation of differences between budgetary outflows and GAAP expenditures:

| | |
|--|-----------------|
| Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule | \$ 10,855 |
| Differences - budget to GAAP: | |
| Less: | |
| Encumbrances for supplies and services ordered but not received within the recognition period | <u>(2,885)</u> |
| Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances | <u>\$ 7,970</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, 2005 (in thousands)

| | Original Budget | Final Budget | Actual Amount on Budgetary Basis | Variance with Final Budget Positive (Negative) |
|--|--------------------|-----------------|---|---|
| <u>Revenues:</u> | | | | |
| Fines, forfeits, and penalties | \$ 460 | \$ 460 | \$ 495 | \$ 35 |
| Revenues from use of money and property | 6 | 6 | 3 | (3) |
| Charges for current services | 725 | 725 | 670 | (55) |
| Total revenues | <u>1,191</u> | <u>1,191</u> | <u>1,168</u> | <u>(23)</u> |
| <u>Expenditures:</u> | | | | |
| Public assistance | <u>1,191</u> | <u>1,303</u> | <u>1,009</u> | <u>294</u> |
| Total expenditures | <u>1,191</u> | <u>1,303</u> | <u>1,009</u> | <u>294</u> |
| Excess (deficiency) of revenues over expenditures | <u>-</u> | <u>(112)</u> | <u>159</u> | <u>271</u> |
| <u>Other financing sources (uses):</u> | | | | |
| Reserves, designations and contingencies | <u>-</u> | <u>112</u> | <u>-</u> | <u>(112)</u> |
| Total other financing sources and uses | <u>-</u> | <u>112</u> | <u>-</u> | <u>(112)</u> |
| Net change in fund balances | <u>-</u> | <u>-</u> | <u>159</u> | <u>159</u> |
| Budgetary fund balances - beginning | <u>-</u> | <u>-</u> | <u>528</u> | <u>528</u> |
| Budgetary fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 687</u> | <u>\$ 687</u> |

COUNTY OF SAN LUIS OBISPO
DRIVING UNDER THE INFLUENCE PROGRAMS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2005 (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 | \$ 4 | \$ 2 |
| Charges for current services | 1,077 | 1,078 | 1,196 | 118 |
| Total revenues | <u>1,079</u> | <u>1,080</u> | <u>1,200</u> | <u>120</u> |
| <u>Expenditures:</u> | | | | |
| Education | 1,084 | 1,085 | 1,038 | 47 |
| Total expenditures | <u>1,084</u> | <u>1,085</u> | <u>1,038</u> | <u>47</u> |
| Excess (deficiency) of revenues over expenditures | <u>(5)</u> | <u>(5)</u> | <u>162</u> | <u>167</u> |
| <u>Other financing sources (uses):</u> | | | | |
| Transfers (out) | (15) | (15) | (15) | - |
| Total other financing sources and uses | <u>(15)</u> | <u>(15)</u> | <u>(15)</u> | <u>-</u> |
| Net change in fund balances | <u>(20)</u> | <u>(20)</u> | <u>147</u> | <u>167</u> |
| Budgetary fund balances - beginning | <u>20</u> | <u>20</u> | <u>163</u> | <u>143</u> |
| Budgetary fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 310</u> | <u>\$ 310</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, 2005 (in thousands)

| | Original Budget | Final Budget | Actual Amount on Budgetary Basis | Variance with Final Budget Positive (Negative) |
|--|--------------------|-----------------|---|---|
| <u>Revenues:</u> | | | | |
| Fines, forfeits, and penalties | \$ 7 | \$ 7 | \$ 14 | \$ 7 |
| Total revenues | <u>7</u> | <u>7</u> | <u>14</u> | <u>7</u> |
| <u>Expenditures:</u> | | | | |
| Public protection | 13 | 13 | 8 | 5 |
| Total expenditures | <u>13</u> | <u>13</u> | <u>8</u> | <u>5</u> |
| Excess (deficiency) of revenues over expenditures | <u>(6)</u> | <u>(6)</u> | <u>6</u> | <u>12</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 | (12) | (12) | 6 | 18 |
| Budgetary fund balances - beginning | <u>12</u> | <u>12</u> | <u>70</u> | <u>58</u> |
| Budgetary fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 76</u> | <u>\$ 76</u> |

COUNTY OF SAN LUIS OBISPO
GENERAL GOVERNMENT BUILDING REPLACEMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2005 (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 | \$ - | \$ - | \$ 71 | \$ 71 |
| Charges for current services | 856 | 856 | 956 | 100 |
| Total revenues | <u>856</u> | <u>856</u> | <u>1,027</u> | <u>171</u> |
| <u>Expenditures:</u> | | | | |
| General government | - | - | - | - |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | <u>856</u> | <u>856</u> | <u>1,027</u> | <u>171</u> |
| <u>Other financing sources (uses):</u> | | | | |
| Reserves, designations and contingencies | (919) | (919) | - | 919 |
| Total other financing sources and uses | <u>(919)</u> | <u>(919)</u> | <u>-</u> | <u>919</u> |
| Net change in fund balances | <u>(63)</u> | <u>(63)</u> | <u>1,027</u> | <u>1,090</u> |
| Budgetary fund balances - beginning | <u>63</u> | <u>63</u> | <u>3,304</u> | <u>3,241</u> |
| Budgetary fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,331</u> | <u>\$ 4,331</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, 2005 (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 | \$ 100 | \$ 100 | \$ 185 | \$ 85 |
| Charges for current services | 3,975 | 3,975 | 3,039 | (936) |
| Total revenues | <u>4,075</u> | <u>4,075</u> | <u>3,224</u> | <u>(851)</u> |
| <u>Expenditures:</u> | | | | |
| Public ways and facilities | - | - | - | - |
| Total expenditures | - | - | - | - |
| Excess (deficiency) of revenues over expenditures | <u>4,075</u> | <u>4,075</u> | <u>3,224</u> | <u>(851)</u> |
| <u>Other financing sources (uses):</u> | | | | |
| Transfers out | (2,687) | (7,889) | (2,354) | 5,535 |
| Reserves, designations and contingencies | (1,388) | 3,814 | - | (3,814) |
| Total other financing sources and uses | <u>(4,075)</u> | <u>(4,075)</u> | <u>(2,354)</u> | <u>1,721</u> |
| Net change in fund balances | - | - | 870 | 870 |
| Budgetary fund balances - beginning | - | - | 9,447 | 9,447 |
| Budgetary fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 10,317</u> | <u>\$ 10,317</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, 2005 (in thousands)

| | Original Budget | Final Budget | Actual Amount on Budgetary Basis | Variance with Final Budget Positive (Negative) |
|--|--------------------|-----------------|---|---|
| <u>Revenues:</u> | | | | |
| Taxes | \$ 4,813 | \$ 4,813 | \$ 4,986 | \$ 173 |
| Revenues from use of money and property | 51 | 51 | 64 | 13 |
| Aid from governmental agencies | 396 | 427 | 244 | (183) |
| Charges for current services | 248 | 248 | 267 | 19 |
| Other revenues | - | 687 | 400 | (287) |
| Total revenues | <u>5,508</u> | <u>6,226</u> | <u>5,961</u> | <u>(265)</u> |
| <u>Expenditures:</u> | | | | |
| Education | 6,510 | 8,381 | 6,532 | 1,849 |
| Total expenditures | <u>6,510</u> | <u>8,381</u> | <u>6,532</u> | <u>1,849</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,002)</u> | <u>(2,155)</u> | <u>(571)</u> | <u>1,584</u> |
| <u>Other financing sources (uses):</u> | | | | |
| Transfers in | 427 | 455 | 455 | - |
| Transfers out | (95) | (95) | (95) | - |
| Reserves, designations and contingencies | 350 | 1,475 | - | (1,475) |
| Total other financing sources and uses | <u>682</u> | <u>1,835</u> | <u>360</u> | <u>(1,475)</u> |
| Net change in fund balances | <u>(320)</u> | <u>(320)</u> | <u>(211)</u> | <u>109</u> |
| Budgetary fund balances - beginning | <u>320</u> | <u>320</u> | <u>3,396</u> | <u>3,076</u> |
| Budgetary fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,185</u> | <u>\$ 3,185</u> |

Explanation of differences between budgetary outflows and GAAP expenditures:

| | |
|--|-----------------|
| Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule | \$ 6,532 |
| Differences - budget to GAAP: | |
| Less: | |
| Encumbrances for supplies and services ordered but not received within the recognition period | <u>(38)</u> |
| Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances | <u>\$ 6,494</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, 2005 (in thousands)

| | Original Budget | Final Budget | Actual Amount on Budgetary Basis | Variance with Final Budget Positive (Negative) |
|--|--------------------|-----------------|---|---|
| <u>Revenues:</u> | | | | |
| Other revenues | \$ - | \$ - | \$ 15 | \$ 15 |
| Total revenues | <u>-</u> | <u>-</u> | <u>61</u> | <u>61</u> |
| <u>Expenditures:</u> | | | | |
| General government | 524 | 545 | 334 | 211 |
| Total expenditures | <u>524</u> | <u>545</u> | <u>334</u> | <u>211</u> |
| Excess (deficiency) of revenues over expenditures | <u>(524)</u> | <u>(545)</u> | <u>(273)</u> | <u>272</u> |
| <u>Other financing sources (uses):</u> | | | | |
| Transfers in | 200 | 200 | 200 | - |
| Reserves, designations and contingencies | 150 | 171 | - | (171) |
| Total other financing sources and uses | <u>350</u> | <u>371</u> | <u>200</u> | <u>(171)</u> |
| Net change in fund balances | <u>(174)</u> | <u>(174)</u> | <u>(73)</u> | <u>101</u> |
| Budgetary fund balances - beginning | <u>174</u> | <u>174</u> | <u>2,500</u> | <u>2,326</u> |
| Budgetary fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,427</u> | <u>\$ 2,427</u> |

Explanation of differences between budgetary outflows and GAAP expenditures:

| | |
|--|---------------|
| Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule | \$ 334 |
| Differences - budget to GAAP: | |
| Less: | |
| Encumbrances for supplies and services ordered but not received within the recognition period | <u>(31)</u> |
| Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances | <u>\$ 303</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, 2005 (in thousands)

| | Original Budget | Final Budget | Actual Amount on Budgetary Basis | Variance with Final Budget Positive (Negative) |
|--|--------------------|-----------------|---|---|
| <u>Revenues:</u> | | | | |
| Licenses, permits, and franchises | \$ - | \$ - | \$ 1 | \$ 1 |
| Fines, forfeits, and penalties | 9 | 9 | - | (9) |
| Revenues from use of money and property | 50 | 50 | 86 | 36 |
| Aid from governmental agencies | - | 1,315 | 814 | (501) |
| Charges for current services | 2,931 | 2,931 | 1,604 | (1,327) |
| Other revenues | 1 | 298 | 222 | (76) |
| Total revenues | <u>2,991</u> | <u>4,603</u> | <u>2,727</u> | <u>(1,876)</u> |
| <u>Expenditures:</u> | | | | |
| Recreational and cultural services | 5,922 | 7,710 | 5,104 | 2,606 |
| Total expenditures | <u>5,922</u> | <u>7,710</u> | <u>5,104</u> | <u>2,606</u> |
| Excess (deficiency) of revenues over expenditures | <u>(2,931)</u> | <u>(3,107)</u> | <u>(2,377)</u> | <u>730</u> |
| <u>Other financing sources (uses):</u> | | | | |
| Transfers in | 2,561 | 2,561 | 2,449 | (112) |
| Transfers (out) | - | - | (66) | (66) |
| Reserves, designations and contingencies | - | 176 | - | (176) |
| Total other financing sources and uses | <u>2,561</u> | <u>2,737</u> | <u>2,383</u> | <u>(354)</u> |
| Net change in fund balances | <u>(370)</u> | <u>(370)</u> | <u>6</u> | <u>376</u> |
| Budgetary fund balances - beginning | <u>370</u> | <u>370</u> | <u>2,553</u> | <u>2,183</u> |
| Budgetary fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,559</u> | <u>\$ 2,559</u> |

Explanation of differences between budgetary outflows and GAAP expenditures:

| | |
|--|-----------------|
| Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule | \$ 5,104 |
| Differences - budget to GAAP: | |
| Less: | |
| Encumbrances for supplies and services ordered but not received within the recognition period | <u>(12)</u> |
| Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances | <u>\$ 5,092</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, 2005 (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 | \$ - | \$ - | \$ 279 | \$ 279 |
| Charges for current services | 3,405 | 3,405 | 3,761 | 356 |
| Total revenues | <u>3,405</u> | <u>3,405</u> | <u>4,040</u> | <u>635</u> |
| <u>Expenditures:</u> | | | | |
| Public ways and facilities | 352 | 494 | 480 | 14 |
| Total expenditures | <u>352</u> | <u>494</u> | <u>480</u> | <u>14</u> |
| Excess (deficiency) of revenues over expenditures | <u>3,053</u> | <u>2,911</u> | <u>3,560</u> | <u>649</u> |
| <u>Other financing sources (uses):</u> | | | | |
| Transfers out | (500) | (9,444) | (2,789) | 6,655 |
| Reserves, designations and contingencies | (3,368) | 5,718 | - | (5,718) |
| Total other financing sources and uses | <u>(3,868)</u> | <u>(3,726)</u> | <u>(2,789)</u> | <u>937</u> |
| Net change in fund balances | (815) | (815) | 771 | 1,586 |
| Budgetary fund balances - beginning | 815 | 815 | 13,484 | 12,669 |
| Budgetary fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 14,255</u> | <u>\$ 14,255</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, 2005 (in thousands)

| | Original Budget | Final Budget | Actual Amount on Budgetary Basis | Variance with Final Budget Positive (Negative) |
|--|--------------------|-----------------|---|---|
| <u>Revenues:</u> | | | | |
| Taxes | \$ 1,055 | \$ 1,055 | \$ 1,088 | \$ 33 |
| Licenses, permits, and franchises | - | - | 2 | 2 |
| Revenues from use of money and property | 90 | 90 | 138 | 48 |
| Aid from governmental agencies | 15,984 | 26,379 | 13,189 | (13,190) |
| Charges for current services | 77 | 77 | 140 | 63 |
| Other revenues | - | 886 | 116 | (770) |
| Total revenues | <u>17,206</u> | <u>28,487</u> | <u>14,673</u> | <u>(13,814)</u> |
| <u>Expenditures:</u> | | | | |
| Public ways and facilities | 25,192 | 45,372 | 23,583 | 21,789 |
| Total expenditures | <u>25,192</u> | <u>45,372</u> | <u>23,583</u> | <u>21,789</u> |
| Excess (deficiency) of revenues over expenditures | <u>(7,986)</u> | <u>(16,885)</u> | <u>(8,910)</u> | <u>7,975</u> |
| <u>Other financing sources (uses):</u> | | | | |
| Transfers in | 6,987 | 12,189 | 6,654 | (5,535) |
| Reserves, designations and contingencies | (1,076) | 2,621 | - | (2,621) |
| Total other financing sources and uses | <u>5,911</u> | <u>14,810</u> | <u>6,654</u> | <u>(8,156)</u> |
| Net change in fund balances | <u>(2,075)</u> | <u>(2,075)</u> | <u>(2,256)</u> | <u>(181)</u> |
| Budgetary fund balances - beginning | <u>2,075</u> | <u>2,075</u> | <u>7,840</u> | <u>5,765</u> |
| Budgetary fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5,584</u> | <u>\$ 5,584</u> |

Explanation of differences between budgetary outflows and GAAP expenditures:

| | |
|--|------------------|
| Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule | \$ 23,583 |
| Differences - budget to GAAP: | |
| Less: | |
| Encumbrances for supplies and services ordered but not received within the recognition period | <u>(47)</u> |
| Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances | <u>\$ 23,536</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, 2005 (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 | \$ - | \$ - | \$ 224 | \$ 224 |
| Total revenues | - | - | 224 | 224 |
| <u>Expenditures:</u> | | | | |
| General government | - | - | - | - |
| Total expenditures | - | - | - | - |
| Excess (deficiency) of revenues over expenditures | - | - | 224 | 224 |
| <u>Other financing sources (uses):</u> | | | | |
| Reserves, designations and contingencies | (164) | (164) | - | 164 |
| Total other financing sources and uses | (164) | (164) | - | 164 |
| Net change in fund balances | (164) | (164) | 224 | 388 |
| Budgetary fund balances - beginning | 164 | 164 | 12,142 | 11,978 |
| Budgetary fund balances - ending | \$ - | \$ - | \$ 12,366 | \$ 12,366 |

COUNTY OF SAN LUIS OBISPO
WILDLIFE GRAZING SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2005 (in thousands)

| | Original Budget | Final Budget | Actual Amount on Budgetary Basis | Variance with Final Budget Positive (Negative) |
|--|--------------------|-----------------|---|---|
| <u>Revenues:</u> | | | | |
| Aid from governmental agencies | \$ 5 | \$ 5 | \$ 5 | \$ - |
| Total revenues | <u>5</u> | <u>5</u> | <u>5</u> | <u>-</u> |
| <u>Expenditures:</u> | | | | |
| Public protection | 10 | 10 | 10 | - |
| Total expenditures | <u>10</u> | <u>10</u> | <u>10</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | <u>(5)</u> | <u>(5)</u> | <u>(5)</u> | <u>-</u> |
| <u>Other financing sources (uses):</u> | | | | |
| Reserves, designations and contingencies | 7 | 7 | - | (7) |
| Total other financing sources and uses | <u>7</u> | <u>7</u> | <u>-</u> | <u>(7)</u> |
| Net change in fund balances | 2 | 2 | (5) | (7) |
| Budgetary fund balances - beginning | <u>(2)</u> | <u>(2)</u> | <u>15</u> | <u>17</u> |
| Budgetary fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 10</u> | <u>\$ 10</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, 2005 (in thousands)

| | Original Budget | Final Budget | Actual Amount on Budgetary Basis | Variance with Final Budget Positive (Negative) |
|--|--------------------|-----------------|---|---|
| <u>Revenues:</u> | | | | |
| Taxes | \$ 500 | \$ 500 | \$ 500 | \$ - |
| Fines, forfeits, and penalties | 283 | 283 | 284 | 1 |
| Charges for current services | 633 | 633 | 11 | (622) |
| Total revenues | <u>1,416</u> | <u>1,416</u> | <u>795</u> | <u>(621)</u> |
| <u>Expenditures:</u> | | | | |
| General government | 1,182 | 2,406 | 2,406 | - |
| Total expenditures | <u>1,182</u> | <u>2,406</u> | <u>2,406</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | 234 | (990) | (1,611) | (621) |
| <u>Other financing sources (uses):</u> | | | | |
| Transfers in | 989 | 989 | 1,611 | 622 |
| Reserves, designations and contingencies | (919) | 305 | - | (305) |
| Total other financing sources and uses | <u>70</u> | <u>1,294</u> | <u>1,611</u> | <u>317</u> |
| Net change in fund balances | 304 | 304 | - | (304) |
| Budgetary fund balances - beginning | <u>(304)</u> | <u>(304)</u> | <u>-</u> | <u>304</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, 2005 (in thousands)

| | Original Budget | Final Budget | Actual Amount on Budgetary Basis | Variance with Final Budget Positive (Negative) |
|--|--------------------|-----------------|---|---|
| <u>Revenues:</u> | | | | |
| Taxes | \$ 1,889 | \$ 1,321 | \$ 747 | \$ (574) |
| Fines, forfeits, and penalties | 5 | 5 | - | (5) |
| Revenues from use of money and property | 54 | 54 | 121 | 67 |
| Aid from governmental agencies | 999 | 999 | 142 | (857) |
| Charges for current services | 53 | 53 | 138 | 85 |
| Other revenues | - | - | 1 | 1 |
| Total revenues | <u>3,000</u> | <u>2,432</u> | <u>1,149</u> | <u>(1,283)</u> |
| <u>Expenditures:</u> | | | | |
| Public protection | 3,143 | 3,406 | 1,408 | 1,998 |
| Public ways and facilities | 296 | 376 | 317 | 59 |
| Total expenditures | <u>3,439</u> | <u>3,782</u> | <u>1,725</u> | <u>2,057</u> |
| Excess (deficiency) of revenues over expenditures | <u>(439)</u> | <u>(1,350)</u> | <u>(576)</u> | <u>774</u> |
| <u>Other financing sources (uses):</u> | | | | |
| Transfers in | 337 | 606 | - | (606) |
| Transfers out | (1,161) | (1,161) | (154) | 1,007 |
| Reserves, designations and contingencies | 1,859 | 2,501 | - | (2,501) |
| Total other financing sources and uses | <u>1,035</u> | <u>1,946</u> | <u>(154)</u> | <u>(2,100)</u> |
| Net change in fund balances | 596 | 596 | (730) | (1,326) |
| Budgetary fund balances - beginning | <u>(596)</u> | <u>(596)</u> | <u>5,713</u> | <u>6,309</u> |
| Budgetary fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,983</u> | <u>\$ 4,983</u> |

Explanation of differences between budgetary outflows and GAAP expenditures:

| | |
|--|-----------------|
| Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule | \$ 1,725 |
| Differences - budget to GAAP: | |
| Less: | |
| Encumbrances for supplies and services ordered but not received within the recognition period | <u>(554)</u> |
| Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances | <u>\$ 1,171</u> |

COUNTY OF SAN LUIS OBISPO
FLOOD CONTROL DISTRICTS SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2005 (in thousands)

| | Original Budget | Final Budget | Actual Amount on Budgetary Basis | Variance with Final Budget Positive (Negative) |
|--|--------------------|-----------------|---|---|
| <u>Revenues:</u> | | | | |
| Taxes | \$ 975 | \$ 480 | \$ 614 | \$ 134 |
| Fines, forfeits, and penalties | 5 | 5 | - | (5) |
| Revenues from use of money and property | 31 | 31 | 82 | 51 |
| Aid from governmental agencies | 998 | 998 | 82 | (916) |
| Charges for current services | 31 | 31 | 31 | - |
| Other revenues | - | - | 1 | 1 |
| Total revenues | <u>2,040</u> | <u>1,545</u> | <u>810</u> | <u>(735)</u> |
| <u>Expenditures:</u> | | | | |
| Public protection | 3,117 | 3,380 | 1,392 | 1,988 |
| Total expenditures | <u>3,117</u> | <u>3,380</u> | <u>1,392</u> | <u>1,988</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,077)</u> | <u>(1,835)</u> | <u>(582)</u> | <u>1,253</u> |
| <u>Other financing sources (uses):</u> | | | | |
| Transfers in | 335 | 335 | - | (335) |
| Transfers (out) | (9) | (9) | - | 9 |
| Reserves, designations and contingencies | 1,949 | 2,707 | - | (2,707) |
| Total other financing sources and uses | <u>2,275</u> | <u>3,033</u> | <u>-</u> | <u>(3,033)</u> |
| Net change in fund balances | 1,198 | 1,198 | (582) | (1,780) |
| Budgetary fund balances - beginning | <u>(1,198)</u> | <u>(1,198)</u> | <u>4,297</u> | <u>5,495</u> |
| Budgetary fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,715</u> | <u>\$ 3,715</u> |

Explanation of differences between budgetary outflows and GAAP expenditures:

| | |
|--|-----------------|
| Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule | \$ 1,392 |
| Differences - budget to GAAP: | |
| Less: | |
| Encumbrances for supplies and services ordered but not received within the recognition period | <u>(318)</u> |
| Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances | <u>\$ 1,074</u> |

COUNTY OF SAN LUIS OBISPO
 LIGHTING CONTROL DISTRICTS SPECIAL REVENUE FUNDS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET TO ACTUAL COMPARISON
 FOR THE YEAR ENDED JUNE 30, 2005 (in thousands)

| | Original Budget | Final Budget | Actual Amount on Budgetary Basis | Variance with Final Budget Positive (Negative) |
|--|--------------------|-----------------|---|---|
| <u>Revenues:</u> | | | | |
| Taxes | \$ 25 | \$ 23 | \$ 23 | \$ - |
| Revenues from use of money and property | 4 | 4 | 5 | 1 |
| Charges for current services | - | - | 2 | 2 |
| Total revenues | <u>29</u> | <u>27</u> | <u>89</u> | <u>62</u> |
| <u>Expenditures:</u> | | | | |
| Public protection | <u>26</u> | <u>26</u> | <u>16</u> | <u>10</u> |
| Total expenditures | <u>26</u> | <u>26</u> | <u>16</u> | <u>10</u> |
| Excess (deficiency) of revenues over expenditures | <u>3</u> | <u>1</u> | <u>73</u> | <u>72</u> |
| <u>Other financing sources (uses):</u> | | | | |
| Reserves, designations and contingencies | <u>(76)</u> | <u>(74)</u> | <u>-</u> | <u>74</u> |
| Total other financing sources and uses | <u>(76)</u> | <u>(74)</u> | <u>-</u> | <u>74</u> |
| Net change in fund balances | <u>(73)</u> | <u>(73)</u> | <u>73</u> | <u>146</u> |
| Budgetary fund balances - beginning | <u>73</u> | <u>73</u> | <u>249</u> | <u>176</u> |
| Budgetary fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 322</u> | <u>\$ 322</u> |

COUNTY OF SAN LUIS OBISPO
COUNTY SERVICE AREA DISTRICTS SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED JUNE 30, 2005 (in thousands)

| | Original Budget | Final Budget | Actual Amount on Budgetary Basis | Variance with Final Budget Positive (Negative) |
|--|--------------------|-----------------|---|---|
| <u>Revenues:</u> | | | | |
| Taxes | \$ 889 | \$ 818 | \$ 110 | \$ (708) |
| Revenues from use of money and property | 19 | 19 | 34 | 15 |
| Aid from governmental agencies | 1 | 1 | 1 | - |
| Charges for current services | 22 | 22 | 105 | 83 |
| Total revenues | <u>931</u> | <u>860</u> | <u>250</u> | <u>(610)</u> |
| <u>Expenditures:</u> | | | | |
| Public ways and facilities | 296 | 376 | 317 | 59 |
| Total expenditures | <u>296</u> | <u>376</u> | <u>317</u> | <u>59</u> |
| Excess (deficiency) of revenues over expenditures | <u>635</u> | <u>484</u> | <u>(67)</u> | <u>(551)</u> |
| <u>Other financing sources (uses):</u> | | | | |
| Transfers in | 2 | 271 | - | (271) |
| Transfers (out) | (1,152) | (1,152) | (154) | 998 |
| Reserves, designations and contingencies | (14) | (132) | - | 132 |
| Total other financing sources and uses | <u>(1,164)</u> | <u>(1,013)</u> | <u>(154)</u> | <u>859</u> |
| Net change in fund balances | <u>(529)</u> | <u>(529)</u> | <u>(221)</u> | <u>308</u> |
| Budgetary fund balances - beginning | <u>529</u> | <u>529</u> | <u>1,167</u> | <u>638</u> |
| Budgetary fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 946</u> | <u>\$ 946</u> |

Explanation of differences between budgetary outflows and GAAP expenditures:

| | |
|--|--------------|
| Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule | \$ 317 |
| Differences - budget to GAAP: | |
| Less: | |
| Encumbrances for supplies and services ordered but not received within the recognition period | <u>(236)</u> |
| Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances | <u>\$ 81</u> |

**COMBINING FINANCIAL STATEMENTS
NONMAJOR 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, 2005 (in thousands)

| | Transit | General Flood Control Zone | Nacimiento Water Contract | Lopez Park |
|---|---------------|-------------------------------|------------------------------|---------------|
| <u>Assets</u> | | | | |
| Current Assets: | | | | |
| Cash and cash equivalents | \$ 432 | \$ 1,190 | \$ 2,779 | \$ 91 |
| Accounts receivable, net | - | - | - | - |
| Other receivables | - | - | - | 29 |
| Due from other county funds | - | - | 1,400 | - |
| Due from other governments | 1 | - | - | - |
| Deposits with others | - | - | - | - |
| Total current assets | <u>433</u> | <u>1,190</u> | <u>4,179</u> | <u>120</u> |
| Noncurrent assets: | | | | |
| Capital assets: | | | | |
| Nondepreciable: | | | | |
| Land | 84 | - | - | - |
| Construction in progress | - | - | 5,562 | 8 |
| Depreciable: | | | | |
| Structures & improvements, net | 88 | - | - | 815 |
| Equipment, net | 63 | - | - | 14 |
| Total noncurrent assets | <u>235</u> | <u>-</u> | <u>5,562</u> | <u>837</u> |
| Total assets | <u>668</u> | <u>1,190</u> | <u>9,741</u> | <u>957</u> |
| <u>Liabilities</u> | | | | |
| Current liabilities: | | | | |
| Accounts payable | 20 | 9 | 4 | - |
| Deposits from others | 29 | - | - | - |
| Deferred revenue | - | - | - | - |
| Notes and bonds payable - current | - | - | - | 13 |
| Total current liabilities | <u>49</u> | <u>9</u> | <u>4</u> | <u>13</u> |
| Noncurrent liabilities: | | | | |
| Advances from other funds | - | - | - | - |
| Notes and bonds payable | - | - | - | 300 |
| Total noncurrent liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>300</u> |
| Total liabilities | <u>49</u> | <u>9</u> | <u>4</u> | <u>313</u> |
| <u>Net assets</u> | | | | |
| Invested in capital assets, net of related debt | 235 | - | 5,562 | 524 |
| Unrestricted | 384 | 1,181 | 4,175 | 120 |
| Total net assets | <u>\$ 619</u> | <u>\$ 1,181</u> | <u>\$ 9,737</u> | <u>\$ 644</u> |

COUNTY OF SAN LUIS OBISPO
 COMBINING STATEMENT OF NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
 JUNE 30, 2005 (in thousands)

| County Service Areas | Total | |
|-------------------------|-----------|---|
| \$ 3,512 | \$ 8,004 | <u>Assets</u> |
| 125 | 125 | Current Assets: |
| - | 29 | Cash and cash equivalents |
| - | 1,400 | Accounts receivable, net |
| - | 1 | Other receivables |
| 13 | 13 | Due from other county funds |
| 3,650 | 9,572 | Due from other governments |
| | | Deposits with others |
| | | Total current assets |
| | | Noncurrent assets: |
| | | Capital assets: |
| | | Nondepreciable: |
| 132 | 216 | Land |
| 1,715 | 7,285 | Construction in progress |
| | | Depreciable: |
| 6,521 | 7,424 | Structures & improvements, net |
| 105 | 182 | Equipment, net |
| 8,473 | 15,107 | Total noncurrent assets |
| 12,123 | 24,679 | Total assets |
| | | <u>Liabilities</u> |
| | | Current liabilities: |
| | | Accounts payable |
| 14 | 47 | Deposits from others |
| 116 | 145 | Deferred revenue |
| 81 | 81 | Notes and bonds payable - current |
| 130 | 143 | Total current liabilities |
| 341 | 416 | Noncurrent liabilities: |
| | | Advances from other funds |
| 166 | 166 | Notes and bonds payable |
| 2,701 | 3,001 | Total noncurrent liabilities |
| 2,867 | 3,167 | Total liabilities |
| 3,208 | 3,583 | |
| | | <u>Net assets</u> |
| | | Invested in capital assets, net of related debt |
| 5,642 | 11,963 | Unrestricted |
| 3,273 | 9,133 | |
| \$ 8,915 | \$ 21,096 | 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, 2005 (in thousands)

| | Transit | General Flood Control Zone | Nacimiento Water Contract | Lopez Park |
|--|---------------|-------------------------------|------------------------------|---------------|
| <u>Operating revenues:</u> | | | | |
| Charges for current services | \$ 74 | \$ 550 | \$ 31 | \$ 1,339 |
| Total operating revenues | <u>74</u> | <u>550</u> | <u>31</u> | <u>1,339</u> |
| <u>Operating expenses</u> | | | | |
| Services and supplies | - | - | - | - |
| Other charges | 893 | 515 | 489 | 1,397 |
| Depreciation | 26 | - | - | 57 |
| Countywide cost allocation | 14 | 11 | 8 | 27 |
| Total operating expenses | <u>933</u> | <u>526</u> | <u>497</u> | <u>1,481</u> |
| Operating income (loss) | <u>(859)</u> | <u>24</u> | <u>(466)</u> | <u>(142)</u> |
| <u>Nonoperating revenues:</u> | | | | |
| Property taxes | - | - | 29 | - |
| Interest income | 5 | 31 | 65 | 69 |
| Aid from governmental agencies | 950 | - | 20 | - |
| Other nonoperating revenues | - | - | - | 11 |
| Total nonoperating revenue | <u>955</u> | <u>31</u> | <u>114</u> | <u>80</u> |
| <u>Nonoperating expenses:</u> | | | | |
| Interest expense | - | - | - | 9 |
| Total nonoperating expense | <u>-</u> | <u>-</u> | <u>-</u> | <u>9</u> |
| Income (loss) before contribution and transfers | <u>96</u> | <u>55</u> | <u>(352)</u> | <u>(71)</u> |
| Transfers in | - | - | - | - |
| Transfers (out) | - | - | - | (7) |
| Change in net assets | <u>96</u> | <u>55</u> | <u>(352)</u> | <u>(78)</u> |
| Net assets - beginning | <u>523</u> | <u>1,126</u> | <u>10,089</u> | <u>722</u> |
| Total net assets - ending | <u>\$ 619</u> | <u>\$ 1,181</u> | <u>\$ 9,737</u> | <u>\$ 644</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, 2005 (in thousands)

| County Service Areas | Total | |
|-------------------------|-----------|--|
| \$ 2,323 | \$ 4,317 | <u>Operating revenues:</u> |
| 2,323 | 4,317 | Charges for current services |
| | | Total operating revenues |
| | | <u>Operating expenses</u> |
| 191 | 191 | Services and supplies |
| 2,090 | 5,384 | Other charges |
| 278 | 361 | Depreciation |
| 41 | 101 | Countywide cost allocation |
| 2,600 | 6,037 | Total operating expenses |
| (277) | (1,720) | Operating income (loss) |
| | | <u>Nonoperating revenues:</u> |
| 181 | 210 | Property taxes |
| 70 | 240 | Interest income |
| 3 | 973 | Aid from governmental agencies |
| 6 | 17 | Other nonoperating revenues |
| 260 | 1,440 | Total nonoperating revenue |
| | | <u>Nonoperating expenses:</u> |
| 92 | 101 | Interest expense |
| 92 | 101 | Total nonoperating expense |
| (109) | (381) | Income (loss) before contribution and transfers |
| 141 | 141 | Transfers in |
| (3) | (10) | Transfers (out) |
| 29 | (250) | Change in net assets |
| 8,886 | 21,346 | Net assets - beginning, as previously reported |
| \$ 8,915 | \$ 21,096 | Total net assets - ending |

COUNTY OF SAN LUIS OBISPO
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2005 (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 | \$ 84 | \$ 556 | \$ 31 | \$ 1,340 |
| Cash received from other sources | 7 | - | - | - |
| Payments for goods and services | (882) | (516) | (494) | (1,432) |
| Payments to other sources | - | - | - | - |
| Net cash provided (used) by operating activities | <u>(791)</u> | <u>40</u> | <u>(463)</u> | <u>(92)</u> |
| <u>Cash flows from noncapital financing activities:</u> | | | | |
| Property tax proceeds | - | - | 29 | - |
| Grants and subsidies from other gov't agencies | 946 | - | 20 | - |
| Transfers from other funds | - | - | - | - |
| Transfers to other funds | - | - | - | (7) |
| Net cash provided (used) by noncapital and related financing activities | <u>946</u> | <u>-</u> | <u>49</u> | <u>(7)</u> |
| <u>Cash flows from capital and related financing activities:</u> | | | | |
| Purchases and construction of capital assets | - | - | (608) | 68 |
| Principal paid on capital debt | - | - | - | (13) |
| Interest paid on capital debt | - | - | - | (9) |
| Other capital related activity | - | - | (800) | 4 |
| Net cash provided (used) by capital and related financing activities | <u>-</u> | <u>-</u> | <u>(1,408)</u> | <u>50</u> |
| <u>Cash flows from investing activities:</u> | | | | |
| Interest received | 4 | 31 | 66 | 3 |
| Net cash provided (used) by investing activities | <u>4</u> | <u>31</u> | <u>66</u> | <u>3</u> |
| Net increase (decrease) in cash & cash equivalents | <u>159</u> | <u>71</u> | <u>(1,756)</u> | <u>(46)</u> |
| Total cash and cash equivalents, beginning of year | <u>273</u> | <u>1,119</u> | <u>4,535</u> | <u>137</u> |
| Total cash and cash equivalents, end of year | <u>\$ 432</u> | <u>\$ 1,190</u> | <u>\$ 2,779</u> | <u>\$ 91</u> |
| <u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u> | | | | |
| Operating income (loss) | \$ (859) | \$ 24 | \$ (466) | \$ (142) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | |
| Depreciation expense | 26 | - | - | 57 |
| Change in assets and liabilities: | | | | |
| Receivables, net | 8 | 7 | - | - |
| Other receivables | - | 9 | - | - |
| Accounts Payable | - | - | 3 | (7) |
| Other accrued liabilities | 34 | - | - | - |
| Net cash provided (used) by operating activities | <u>\$ (791)</u> | <u>\$ 40</u> | <u>\$ (463)</u> | <u>\$ (92)</u> |

COUNTY OF SAN LUIS OBISPO
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2005 (in thousands)

| County Service Areas | Total Non-Major Enterprise Funds | |
|-------------------------|-------------------------------------|---|
| \$ 2,291 | \$ 4,302 | <u>Cash flows from operating activities:</u> |
| | 7 | Receipts from customers, patients, third parties |
| (2,290) | (5,614) | Cash received from other sources |
| (72) | (72) | Payments for goods and services |
| (71) | (1,377) | Payments to other sources |
| | | Net cash provided (used) by operating activities |
| | | <u>Cash flows from noncapital financing activities:</u> |
| 180 | 209 | Property tax proceeds |
| 1 | 967 | Grants and subsidies from other gov't agencies |
| 141 | 141 | Transfers from other funds |
| - | (7) | Transfers to other funds |
| | | Net cash provided (used) by noncapital and related financing activities |
| 322 | 1,310 | <u>Cash flows from capital and related financing activities:</u> |
| | | Purchases and construction of capital assets |
| (230) | (770) | Principal paid on capital debt |
| (151) | (164) | Interest paid on capital debt |
| (95) | (104) | Other capital related activity |
| (2) | (798) | Net cash provided (used) by capital and related financing activities |
| (478) | (1,836) | <u>Cash flows from investing activities:</u> |
| | | Interest received |
| 66 | 170 | Net cash provided (used) by investing activities |
| 66 | 170 | |
| (161) | (1,733) | Net increase (decrease) in cash & cash equivalents |
| 3,673 | 9,737 | Total cash and cash equivalents, beginning of year |
| \$ 3,512 | \$ 8,004 | Total cash and cash equivalents, end of year |
| | | <u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u> |
| \$ (277) | \$ (1,720) | Operating income (loss) |
| | | Adjustments to reconcile operating income to net cash provided by operating activities: |
| 278 | 361 | Depreciation expense |
| (17) | (2) | Change in assets and liabilities: |
| - | 9 | Receivables, net |
| (3) | (7) | Other receivables |
| (52) | (18) | Accounts Payable |
| | | Other accrued liabilities |
| \$ (71) | \$ (1,377) | Net cash provided (used) by operating activities |



**COMBINING FINANCIAL STATEMENTS
INTERNAL SERVICE 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, 2005 (in thousands)

| | Reprographics | Garage | Public Works | Combined Insurance (4 funds) |
|---|---------------|-----------------|-----------------|------------------------------------|
| <u>Assets</u> | | | | |
| Current Assets: | | | | |
| Cash and cash equivalents | \$ 175 | \$ 2,882 | \$ 7,062 | \$ 14,950 |
| Accounts receivable, net | - | - | 4 | - |
| Inventory | 4 | 67 | 343 | - |
| Total current assets | <u>179</u> | <u>2,949</u> | <u>7,409</u> | <u>14,950</u> |
| Noncurrent assets: | | | | |
| Capital assets: | | | | |
| Depreciable: | | | | |
| Structures & improvements, net | - | 323 | 139 | - |
| Equipment, net | 53 | 3,676 | 4,708 | - |
| Total noncurrent assets | <u>53</u> | <u>3,999</u> | <u>4,847</u> | <u>-</u> |
| Total assets | <u>232</u> | <u>6,948</u> | <u>12,256</u> | <u>14,950</u> |
| <u>Liabilities</u> | | | | |
| Current liabilities: | | | | |
| Salaries and benefits payable | 7 | 32 | 527 | - |
| Accounts payable | 16 | 236 | 855 | 332 |
| Self insurance payable | - | - | - | 6,843 |
| Deposits from others | - | - | 581 | - |
| Accrued vacation - current | 18 | 51 | 1,155 | - |
| Total current liabilities | <u>41</u> | <u>319</u> | <u>3,118</u> | <u>7,175</u> |
| Noncurrent liabilities: | | | | |
| Self insurance liability | - | - | - | 19,687 |
| Accrued vacation and sick leave | - | - | 425 | - |
| Total noncurrent liabilities | <u>-</u> | <u>-</u> | <u>425</u> | <u>19,687</u> |
| Total liabilities | <u>41</u> | <u>319</u> | <u>3,543</u> | <u>26,862</u> |
| <u>Net assets</u> | | | | |
| Invested in capital assets, net of related debt | 53 | 3,999 | 4,847 | - |
| Restricted | 4 | 67 | - | - |
| Unrestricted | 134 | 2,563 | 3,866 | (11,912) |
| Total net assets | <u>\$ 191</u> | <u>\$ 6,629</u> | <u>\$ 8,713</u> | <u>\$ (11,912)</u> |

COUNTY OF SAN LUIS OBISPO
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
 JUNE 30, 2005 (in thousands)

| Total | |
|-----------|---|
| \$ 25,069 | <u>Assets</u> |
| 4 | Current Assets: |
| 414 | Cash and cash equivalents |
| 25,487 | Accounts receivable, net |
| | Inventory |
| | Total current assets |
| | Noncurrent assets: |
| | Capital assets: |
| | Depreciable: |
| 462 | Structures & improvements, net |
| 8,437 | Equipment, net |
| 8,899 | Total noncurrent assets |
| 34,386 | Total assets |
| | <u>Liabilities</u> |
| | Current liabilities: |
| 566 | Salaries and benefits payable |
| 1,439 | Accounts payable |
| 6,843 | Self insurance payable |
| 581 | Deposits from others |
| 1,224 | Accrued vacation - current |
| 10,653 | Total current liabilities |
| | Noncurrent liabilities: |
| 19,687 | Self insurance liability |
| 425 | Accrued vacation and sick leave |
| 20,112 | Total noncurrent liabilities |
| 30,765 | Total liabilities |
| | <u>Net assets</u> |
| 8,899 | Invested in capital assets, net of related debt |
| 71 | Restricted |
| (5,349) | Unrestricted |
| \$ 3,621 | Total net assets |

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, 2005 (in thousands)

| | Reprographics | Garage | Public Works | Combined Insurance (4 funds) |
|--|---------------|-----------------|-----------------|------------------------------------|
| <u>Operating revenues:</u> | | | | |
| Charges for current services | \$ 642 | \$ 3,899 | \$ 37,699 | \$ 11,564 |
| Total operating revenues | <u>642</u> | <u>3,899</u> | <u>37,699</u> | <u>11,564</u> |
| <u>Operating expenses</u> | | | | |
| Salaries and benefits | 203 | 879 | 15,089 | - |
| Services and supplies | 346 | 1,922 | 22,011 | 3,343 |
| Insurance benefit payments | - | - | - | 7,635 |
| Insurance premiums | - | - | - | 2,189 |
| Depreciation | 15 | 1,423 | 636 | - |
| Countywide cost allocation | 45 | 147 | 815 | 484 |
| Total operating expenses | <u>609</u> | <u>4,371</u> | <u>38,551</u> | <u>13,651</u> |
| Operating income (loss) | <u>33</u> | <u>(472)</u> | <u>(852)</u> | <u>(2,087)</u> |
| <u>Nonoperating revenues (expenses):</u> | | | | |
| Interest income | 1 | 41 | 103 | 250 |
| Gain (loss) on sale of assets | - | 72 | 66 | - |
| Other revenue | 1 | 24 | 52 | - |
| Total nonoperating revenue (expenses) | <u>2</u> | <u>137</u> | <u>221</u> | <u>250</u> |
| Income (loss) before contribution and transfers | 35 | (335) | (631) | (1,837) |
| Transfers (out) | (5) | (21) | (366) | - |
| Change in net assets | <u>30</u> | <u>(356)</u> | <u>(997)</u> | <u>(1,837)</u> |
| Net assets - beginning | <u>161</u> | <u>6,985</u> | <u>9,710</u> | <u>(10,075)</u> |
| Total net assets - ending | <u>\$ 191</u> | <u>\$ 6,629</u> | <u>\$ 8,713</u> | <u>\$ (11,912)</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, 2005 (in thousands)

| | |
|------------------------------------|--|
| Total Internal Service Funds | |
| \$ 53,804 | |
| 53,804 | |
| | |
| 16,171 | |
| 27,622 | |
| 7,635 | |
| 2,189 | |
| 2,074 | |
| 1,491 | |
| 57,182 | |
| (3,378) | |
| | |
| 395 | |
| 138 | |
| 77 | |
| 610 | |
| (2,768) | |
| | |
| (392) | |
| (3,160) | |
| | |
| 6,781 | |
| \$ 3,621 | |

| |
|--|
| <u>Operating revenues:</u> |
| Charges for current services |
| Total operating revenues |
| |
| <u>Operating expenses</u> |
| Salaries and benefits |
| Services and supplies |
| Insurance benefit payments |
| Insurance premiums |
| Depreciation |
| Countywide cost allocation |
| Total operating expenses |
| Operating income (loss) |
| |
| <u>Nonoperating revenues (expenses):</u> |
| Interest income |
| Gain (loss) on sale of assets |
| Other revenue |
| Total nonoperating revenue (expenses) |
| Income (loss) before contribution and transfers |
| |
| Transfers out |
| 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, 2005 (in thousands)

| | Reprographics | Garage | Public Works | Combined Insurance (4 Funds) |
|---|---------------|-----------------|-----------------|------------------------------------|
| <u>Cash flows from operating activities:</u> | | | | |
| Receipts from customers, patients, third parties | | | | |
| Receipts from interfund billings | \$ 607 | \$ 3,901 | \$ 37,820 | \$ 11,564 |
| Payments for goods and services | (376) | (1,943) | (38,571) | (3,827) |
| Payments to employees for service | (203) | (901) | 263 | - |
| Payments for insurance benefits | - | - | - | (5,143) |
| Payments for premiums | - | - | - | (2,189) |
| Net cash provided (used) by operating activities | <u>28</u> | <u>1,057</u> | <u>(488)</u> | <u>405</u> |
| <u>Cash flows from capital and related financing activities:</u> | | | | |
| Purchases and construction of capital assets | (6) | (850) | (360) | - |
| Proceeds from sale of capital assets | - | 130 | 300 | - |
| Other capital related activity | 1 | - | - | - |
| Net cash provided (used) by capital and related financing activities | <u>(5)</u> | <u>(720)</u> | <u>(60)</u> | <u>-</u> |
| <u>Cash flows from investing activities:</u> | | | | |
| Interest received | 2 | 42 | 102 | 250 |
| Other investing activities | - | 24 | - | - |
| Net cash provided (used) by investing activities | <u>2</u> | <u>66</u> | <u>102</u> | <u>250</u> |
| Net increase (decrease) in cash and cash equivalents | 25 | 403 | (446) | 655 |
| Total cash and cash equivalents, beginning of year | <u>150</u> | <u>2,479</u> | <u>7,508</u> | <u>14,295</u> |
| Total cash and cash equivalents, end of year | <u>\$ 175</u> | <u>\$ 2,882</u> | <u>\$ 7,062</u> | <u>\$ 14,950</u> |
| <u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u> | | | | |
| Operating income (loss) | \$ 33 | \$ (472) | \$ (852) | \$ (2,087) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | |
| Depreciation expense | 15 | 1,423 | 636 | - |
| Change in assets and liabilities: | | | | |
| Receivables, net | - | 2 | 3 | - |
| Inventory | (1) | (12) | (8) | - |
| Accounts Payable | (14) | 79 | 247 | 236 |
| Accrued payroll liabilities | - | 3 | - | - |
| Accrued vacation | - | (4) | - | - |
| Self insurance liability | - | - | - | 2,256 |
| Other accrued liabilities | (5) | 38 | (514) | - |
| Net cash provided by operating activities | <u>\$ 28</u> | <u>\$ 1,057</u> | <u>\$ (488)</u> | <u>\$ 405</u> |

COUNTY OF SAN LUIS OBISPO
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2005 (in thousands)

| Total | |
|---|--|
| \$ 53,892 (44,717) (841) (5,143) (2,189) <hr style="border: 0.5px solid black;"/> 1,002 (1,216) 430 <hr style="border: 0.5px solid black;"/> 1 (785) 396 <hr style="border: 0.5px solid black;"/> 24 <hr style="border: 0.5px solid black;"/> 420 637 <hr style="border: 0.5px solid black;"/> 24,432 <hr style="border: 0.5px solid black;"/> \$ 25,069 <hr style="border: 0.5px solid black;"/> \$ (3,378) 2,074 5 (21) 548 3 (4) 2,256 <hr style="border: 0.5px solid black;"/> (481) <hr style="border: 0.5px solid black;"/> \$ 1,002 <hr style="border: 0.5px solid black;"/> | <u>Cash flows from operating activities:</u> Receipts from customers, patients, third parties Receipts from interfund billings Payments for goods and services Payments to employees for service Payments for insurance benefits Payments for premiums Net cash provided (used) by operating activities <u>Cash flows from capital and related financing activities</u> Purchases and construction of capital assets Proceeds from sale of capital assets Other capital related activity Net cash provided (used) by capital and related financing activities <u>Cash flows from investing activities:</u> Interest received Other investing activities Net cash provided (used) by 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 <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 by operating activities: Depreciation expense Change in assets and liabilities: Receivables, net Inventory Accounts Payable Accrued payroll liabilities Accrued vacation Self insurance liability Other accrued liabilities Net cash provided by operating activities |

COUNTY OF SAN LUIS OBISPO
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS - INSURANCE
 JUNE 30, 2005 (in thousands)

| | Workers' Compensation | Protected Self-Insurance | Unemployment Insurance | Dental Insurance |
|------------------------------|--------------------------|-----------------------------|---------------------------|---------------------|
| <u>Assets</u> | | | | |
| Current Assets: | | | | |
| Cash and cash equivalents | \$ 12,446 | \$ 1,905 | \$ 352 | \$ 247 |
| Total current assets | <u>12,446</u> | <u>1,905</u> | <u>352</u> | <u>247</u> |
| Total assets | <u>12,446</u> | <u>1,905</u> | <u>352</u> | <u>247</u> |
| <u>Liabilities</u> | | | | |
| Current liabilities: | | | | |
| Accounts payable | 199 | 100 | - | 33 |
| Self insurance payable | 5,178 | 1,451 | - | 214 |
| Total current liabilities | <u>5,377</u> | <u>1,551</u> | <u>-</u> | <u>247</u> |
| Noncurrent liabilities: | | | | |
| Self insurance liability | 16,970 | 2,365 | 352 | - |
| Total noncurrent liabilities | <u>16,970</u> | <u>2,365</u> | <u>352</u> | <u>-</u> |
| Total liabilities | <u>22,347</u> | <u>3,916</u> | <u>352</u> | <u>247</u> |
| <u>Net assets</u> | | | | |
| Unrestricted | <u>(9,901)</u> | <u>(2,011)</u> | <u>-</u> | <u>-</u> |
| Total net assets | <u>\$ (9,901)</u> | <u>\$ (2,011)</u> | <u>\$ -</u> | <u>\$ -</u> |

COUNTY OF SAN LUIS OBISPO
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS - INSURANCE
 JUNE 30, 2005 (in thousands)

| | |
|--------------------------|------------------------|
| Total Insurance Funds | |
| \$ 14,950 | |
| <u>14,950</u> | |
| <u>14,950</u> | |
| | 332 |
| | <u>6,843</u> |
| | <u>7,175</u> |
| | 19,687 |
| | <u>19,687</u> |
| | <u>26,862</u> |
| | (11,912) |
| | <u>\$ (11,912)</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, 2005 (in thousands)

| | Workers' Compensation | Protected Self-Insurance | Unemployment Insurance | Dental Insurance |
|--|--------------------------|-----------------------------|---------------------------|---------------------|
| <u>Operating revenues:</u> | | | | |
| Charges for current services | \$ 7,913 | \$ 2,205 | \$ 1 | \$ 1,445 |
| Total operating revenues | <u>7,913</u> | <u>2,205</u> | <u>1</u> | <u>1,445</u> |
| <u>Operating expenses</u> | | | | |
| Services and supplies | 1,511 | 1,678 | 3 | 151 |
| Insurance benefit payments | 5,716 | 613 | 8 | 1,298 |
| Insurance premiums | 1,391 | 798 | - | - |
| Countywide cost allocation | 367 | 113 | 1 | 3 |
| Total operating expenses | <u>8,985</u> | <u>3,202</u> | <u>12</u> | <u>1,452</u> |
| Operating income (loss) | <u>(1,072)</u> | <u>(997)</u> | <u>(11)</u> | <u>(7)</u> |
| <u>Nonoperating revenues (expenses):</u> | | | | |
| Interest income | 190 | 42 | 11 | 7 |
| Total nonoperating revenue (expenses) | <u>190</u> | <u>42</u> | <u>11</u> | <u>7</u> |
| Change in net assets | (882) | (955) | - | - |
| Net assets - beginning | <u>(9,019)</u> | <u>(1,056)</u> | <u>-</u> | <u>-</u> |
| Total net assets - ending | <u>\$ (9,901)</u> | <u>\$ (2,011)</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, 2005 (in thousands)

| | |
|------------------------|-----------------|
| Total | |
| <u>Insurance Funds</u> | |
| \$ | 11,564 |
| | <u>11,564</u> |
| | 3,343 |
| | 7,635 |
| | 2,189 |
| | 484 |
| | <u>13,651</u> |
| | <u>(2,087)</u> |
| | 250 |
| | <u>250</u> |
| | (1,837) |
| | <u>(10,075)</u> |
| \$ | <u>(11,912)</u> |

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)

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, 2005 (in thousands)

| | Workers' Compensation | Protected Self-Insurance | Unemployment Insurance | Dental Insurance |
|---|--------------------------|-----------------------------|---------------------------|---------------------|
| <u>Cash flows from operating activities:</u> | | | | |
| Receipts from interfund billings | \$ 7,913 | \$ 2,205 | \$ 1 | \$ 1,445 |
| Payments for goods and services | (1,878) | (1,791) | (4) | (154) |
| Payments for insurance benefits | (2,836) | (337) | (498) | (1,472) |
| Payments for premiums | (1,391) | (798) | - | - |
| Net cash provided (used) by operating activities | <u>1,808</u> | <u>(721)</u> | <u>(501)</u> | <u>(181)</u> |
| <u>Cash flows from investing activities:</u> | | | | |
| Interest received | 190 | 42 | 11 | 7 |
| Net cash provided (used) by investing activities | <u>190</u> | <u>42</u> | <u>11</u> | <u>7</u> |
| Net increase (decrease) in cash and cash equivalents | 1,998 | (679) | (490) | (174) |
| Total cash and cash equivalents, beginning of year | <u>10,448</u> | <u>2,584</u> | <u>842</u> | <u>421</u> |
| Total cash and cash equivalents, end of year | <u>\$ 12,446</u> | <u>\$ 1,905</u> | <u>\$ 352</u> | <u>\$ 247</u> |
| <u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u> | | | | |
| Operating income (loss) | \$ (1,072) | \$ (997) | \$ (11) | \$ (7) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | |
| Accounts Payable | 103 | 100 | - | 33 |
| Self insurance liability | 2,777 | 176 | (490) | (207) |
| Net cash provided (used) by operating activities | <u>\$ 1,808</u> | <u>\$ (721)</u> | <u>\$ (501)</u> | <u>\$ (181)</u> |

COUNTY OF SAN LUIS OBISPO
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS - INSURANCE
 FOR THE YEAR ENDED JUNE 30, 2005 (in thousands)

| | Total |
|------------------------|----------------|
| <u>Insurance Funds</u> | |
| \$ | 11,564 |
| | (3,827) |
| | (5,143) |
| | <u>(2,189)</u> |
| | <u>405</u> |
| | 250 |
| | <u>250</u> |
| | 655 |
| | <u>14,295</u> |
| \$ | <u>14,950</u> |
| | |
| \$ | <u>(2,087)</u> |
| | 236 |
| | <u>2,256</u> |
| \$ | <u>405</u> |

Cash flows from operating activities:
 Receipts from interfund billings
 Payments for goods and services
 Payments for insurance benefits
 Payments for premiums
 Net cash provided (used) by operating activities

Cash flows from investing activities:
 Interest received
 Net cash provided (used) by 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

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 (used) 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, 2005 (in thousands)

| | Clearing Funds (75 Funds) | 1915 Act Service Funds (25 Funds) | Other Agency Funds (33 Funds) | Total Agency Funds |
|----------------------------------|------------------------------|---|-------------------------------------|--------------------------|
| <u>Assets</u> | | | | |
| Cash and cash equivalents | \$ 4,845 | \$ 1,914 | \$ 21,143 | \$ 27,902 |
| Total assets | <u>4,845</u> | <u>1,914</u> | <u>21,143</u> | <u>27,902</u> |
| <u>Liabilities</u> | | | | |
| Assets held as agency for others | 4,845 | 1,914 | 21,143 | 27,902 |
| Total liabilities | <u>\$ 4,845</u> | <u>\$ 1,914</u> | <u>\$ 21,143</u> | <u>\$ 27,902</u> |

COUNTY OF SAN LUIS OBISPO
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2005 (in thousands)

| | July 1, 2004 | Additions | Deductions | June 30, 2005 |
|--|------------------|-------------------|-------------------|------------------|
| <u>Clearing and Revolving Funds (75 funds)</u> | | | | |
| Assets: | | | | |
| Cash and investments | \$ 4,021 | \$ 464,698 | \$ 463,874 | \$ 4,845 |
| Total assets | <u>4,021</u> | <u>464,698</u> | <u>463,874</u> | <u>4,845</u> |
| Liabilities: | | | | |
| Funds held as agency for others | 4,021 | 464,698 | 463,874 | 4,845 |
| Total liabilities | <u>\$ 4,021</u> | <u>\$ 464,698</u> | <u>\$ 463,874</u> | <u>\$ 4,845</u> |
| <u>1915 Act Service Funds (25 funds)</u> | | | | |
| Assets: | | | | |
| Cash and investments | \$ 2,086 | \$ 146,569 | \$ 146,741 | \$ 1,914 |
| Total assets | <u>2,086</u> | <u>146,569</u> | <u>146,741</u> | <u>1,914</u> |
| Liabilities: | | | | |
| Funds held as agency for others | 2,086 | 146,569 | 146,741 | 1,914 |
| Total liabilities | <u>2,086</u> | <u>146,569</u> | <u>146,741</u> | <u>1,914</u> |
| <u>Other Agency Funds (33 funds)</u> | | | | |
| Assets: | | | | |
| Cash and investments | \$ 29,547 | \$ 21,046 | \$ 29,450 | \$ 21,143 |
| Total assets | <u>29,547</u> | <u>21,046</u> | <u>29,450</u> | <u>21,143</u> |
| Liabilities: | | | | |
| Funds held as agency for others | 29,547 | 21,046 | 29,450 | 21,143 |
| Total liabilities | <u>\$ 29,547</u> | <u>\$ 21,046</u> | <u>\$ 29,450</u> | <u>\$ 21,143</u> |
| <u>Total All Agency Funds</u> | | | | |
| Assets: | | | | |
| Cash and investments | \$ 35,654 | \$ 632,313 | \$ 640,065 | \$ 27,902 |
| Total assets | <u>35,654</u> | <u>632,313</u> | <u>640,065</u> | <u>27,902</u> |
| Liabilities: | | | | |
| Assets held as agency for others | 35,654 | 632,313 | 640,065 | 27,902 |
| Total liabilities | <u>\$ 35,654</u> | <u>\$ 632,313</u> | <u>\$ 640,065</u> | <u>\$ 27,902</u> |

COUNTY OF SAN LUIS OBISPO
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 INVESTMENT TRUST FUNDS
 JUNE 30, 2005 (in thousands)

| | School Districts (43 Funds) | Special Districts (31 Funds) | Courts (6 Funds) | Other Local Boards (32 Funds) |
|--|-----------------------------------|------------------------------------|---------------------|-------------------------------------|
| <u>Assets</u> | | | | |
| Cash and cash equivalents | \$ 148,091 | \$ 9,295 | \$ 1,698 | \$ 13,846 |
| | <u>148,091</u> | <u>9,295</u> | <u>1,698</u> | <u>13,846</u> |
| <u>Net assets</u> | | | | |
| Assets held in trust for investment pool participants | 148,091 | 9,295 | 1,698 | 13,846 |
| | <u>\$ 148,091</u> | <u>\$ 9,295</u> | <u>\$ 1,698</u> | <u>\$ 13,846</u> |

COUNTY OF SAN LUIS OBISPO
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
INVESTMENT TRUST FUNDS
JUNE 30, 2005 (in thousands)

Total
Investment
Trust Funds

\$ 172,930

172,930

Assets
Cash and cash equivalents

172,930

\$ 172,930

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 THE YEAR ENDED JUNE 30, 2005 (in thousands)

| | School Districts (43 Funds) | Special Districts (31 Funds) | Courts (6 Funds) | Other Local Boards (32 Funds) |
|-------------------------------------|--------------------------------|---------------------------------|---------------------|-------------------------------------|
| <u>Additions</u> | | | | |
| Contributions to pooled investments | \$ 391,085 | \$ 7,437 | \$ 17,822 | \$ 13,805 |
| Interest | 2,958 | 189 | 3 | 239 |
| Total additions | <u>394,043</u> | <u>7,626</u> | <u>17,825</u> | <u>14,043</u> |
| <u>Deductions</u> | | | | |
| Distributions from investment pool | 397,699 | 9,362 | 17,550 | 11,699 |
| Total deductions | <u>397,699</u> | <u>9,362</u> | <u>17,550</u> | <u>11,699</u> |
| Change in net assets | (3,656) | (1,736) | 275 | 2,345 |
| Net assets - beginning | <u>151,747</u> | <u>11,031</u> | <u>1,423</u> | <u>11,501</u> |
| Net assets - ending | <u>\$ 148,091</u> | <u>\$ 9,295</u> | <u>\$ 1,698</u> | <u>\$ 13,846</u> |

COUNTY OF SAN LUIS OBISPO
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 INVESTMENT TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2005 (in thousands)

| | <u>Total</u> | |
|--------------------|-----------------------|-------------------------------------|
| <u>Investment</u> | | |
| <u>Trust Funds</u> | | |
| \$ | 430,148 | <u>Additions</u> |
| | 3,389 | Contributions to pooled investments |
| | <u>433,538</u> | Interest |
| | | Total additions |
| | | <u>Deductions</u> |
| | 436,310 | Distributions from investment pool |
| | <u>436,310</u> | Total deductions |
| | (2,772) | Change in net assets |
| | 175,702 | Net assets - beginning |
| | <u>172,930</u> | Net assets - ending |
| \$ | <u><u>172,930</u></u> | |



OTHER BUDGETARY COMPARISON SCHEDULES



**BUDGETARY COMPARISON SCHEDULES
CAPITAL PROJECTS FUND
PENSION OBLIGATION BOND FUND
PUBLIC FINANCING CORPORATION
PUBLIC FINANCING AUTHORITY**

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, 2005 (in thousands)

| | Original Budget | Final Budget | Actual Amount on Budgetary Basis | Variance with Final Budget Positive (Negative) |
|--|--------------------|-----------------|---|---|
| <u>Revenues:</u> | | | | |
| Fines, forfeits, and penalties | \$ 108 | \$ 8,958 | \$ 1,516 | \$ (7,442) |
| Revenues from use of money and property | 200 | 450 | 407 | (43) |
| Aid from governmental agencies | - | 3,901 | 403 | (3,498) |
| Charges for current services | - | 1,257 | 527 | (730) |
| Other revenues | - | 66 | 130 | 64 |
| Total revenues | <u>308</u> | <u>14,632</u> | <u>2,983</u> | <u>(11,649)</u> |
| <u>Expenditures:</u> | | | | |
| Capital Outlay | <u>838</u> | <u>44,220</u> | <u>19,853</u> | <u>24,367</u> |
| Total expenditures | <u>838</u> | <u>44,220</u> | <u>19,853</u> | <u>24,367</u> |
| Excess (deficiency) of revenues over expenditures | <u>(530)</u> | <u>(29,588)</u> | <u>(16,870)</u> | <u>12,718</u> |
| <u>Other financing sources (uses):</u> | | | | |
| Transfers in | 352 | 6,056 | 2,253 | (3,803) |
| Transfers (out) | - | (354) | - | 354 |
| Reserves, designations and contingencies | <u>(2,025)</u> | <u>(3,566)</u> | <u>-</u> | <u>3,566</u> |
| Total other financing sources and uses | <u>(1,673)</u> | <u>2,136</u> | <u>2,253</u> | <u>117</u> |
| Net change in fund balances | <u>(2,203)</u> | <u>(27,452)</u> | <u>(14,617)</u> | <u>12,835</u> |
| Budgetary fund balances - beginning | <u>2,203</u> | <u>27,452</u> | <u>35,183</u> | <u>7,731</u> |
| Budgetary fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 20,566</u> | <u>\$ 20,566</u> |

Explanation of differences between budgetary outflows and GAAP expenditures:

| | |
|--|------------------|
| Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule | \$ 19,853 |
| Differences - budget to GAAP: | |
| Less: | |
| Encumbrances for supplies and services ordered but not received within the recognition period | <u>(1,180)</u> |
| Total expenditures as reported on the combining statement of revenues, expenditures and changes in fund balances | <u>\$ 18,673</u> |

COUNTY OF SAN LUIS OBISPO
 BUDGETARY COMPARISON SCHEDULE
 PENSION OBLIGATION BONDS
 FOR THE YEAR ENDED JUNE 30, 2005 (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 | - | - | 61 | 61 |
| Other revenues | - | - | 292 | 292 |
| Total revenues | <u>-</u> | <u>-</u> | <u>353</u> | <u>353</u> |
| <u>Expenditures:</u> | | | | |
| Debt Service: | | | | |
| Interest and fiscal charges | 3,065 | 3,086 | 3,083 | 3 |
| Total expenditures | <u>3,065</u> | <u>3,086</u> | <u>3,083</u> | <u>3</u> |
| Excess (deficiency) of revenues over expenditures | <u>(3,065)</u> | <u>(3,086)</u> | <u>(2,730)</u> | <u>350</u> |
| <u>Other financing sources (uses):</u> | | | | |
| Transfers in | 4,700 | 4,700 | 4,434 | (266) |
| Reserves, designations and contingencies | <u>(2,742)</u> | <u>(2,742)</u> | <u>-</u> | <u>2,742</u> |
| Total other financing sources and uses | <u>1,958</u> | <u>1,958</u> | <u>4,434</u> | <u>2,476</u> |
| Net change in fund balances | <u>(1,107)</u> | <u>(1,128)</u> | <u>1,704</u> | <u>2,826</u> |
| Budgetary fund balances - beginning | <u>982</u> | <u>982</u> | <u>2,725</u> | <u>1,743</u> |
| Budgetary fund balances - ending | <u>\$ (125)</u> | <u>\$ (146)</u> | <u>\$ 4,429</u> | <u>\$ 4,569</u> |

COUNTY OF SAN LUIS OBISPO
 BUDGETARY COMPARISON SCHEDULE
 PUBLIC FINANCING CORPORATION
 FOR YEAR ENDED JUNE 30, 2005 (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 | \$ 33 | \$ 33 | \$ 69 | \$ 36 |
| Charges for current services | 2,948 | 2,948 | 2,948 | - |
| Total revenues | <u>2,981</u> | <u>2,981</u> | <u>3,017</u> | <u>36</u> |
| <u>Expenditures:</u> | | | | |
| Debt Service | | | | |
| Principal | 1,370 | 1,370 | 1,370 | - |
| Interest and fiscal charges | 1,611 | 1,689 | 1,679 | 10 |
| Total expenditures | <u>2,981</u> | <u>3,059</u> | <u>3,049</u> | <u>10</u> |
| Excess (deficiency) of revenues over expenditures | <u>-</u> | <u>(78)</u> | <u>(32)</u> | <u>26</u> |
| Budgetary fund balances - beginning | <u>-</u> | <u>-</u> | <u>2,491</u> | <u>2,491</u> |
| Budgetary fund balances—ending | <u>\$ -</u> | <u>\$ (78)</u> | <u>\$ 2,459</u> | <u>\$ 2,517</u> |

COUNTY OF SAN LUIS OBISPO
 BUDGETARY COMPARISON SCHEDULE
 PUBLIC FINANCING AUTHORITY
 FOR THE YEAR ENDED JUNE 30, 2005 (in thousands)

| | Original Budget | Final Budget | Actual Amount on Budgetary Basis | Variance with Final Budget Positive (Negative) |
|--|--------------------|-----------------|---|---|
| <u>Revenues:</u> | | | | |
| Charges for current services | \$ 1,934 | \$ 1,934 | \$ 1,934 | \$ - |
| Total revenues | <u>1,934</u> | <u>1,934</u> | <u>1,934</u> | <u>-</u> |
| <u>Expenditures:</u> | | | | |
| Debt Service | | | | |
| Principal | 525 | 525 | 525 | - |
| Interest and fiscal charges | <u>1,409</u> | <u>1,446</u> | <u>1,434</u> | <u>12</u> |
| Total expenditures | <u>1,934</u> | <u>1,971</u> | <u>1,959</u> | <u>12</u> |
| Excess (deficiency) of revenues over expenditures | <u>-</u> | <u>(37)</u> | <u>(25)</u> | <u>(12)</u> |
| Budgetary fund balances - beginning | | - | 25 | 25 |
| Budgetary fund balances - ending | <u>\$ -</u> | <u>\$ (37)</u> | <u>\$ -</u> | <u>\$ 13</u> |



**GENERAL FUND
DETAIL BUDGETARY COMPARISON SCHEDULES**

COUNTY OF SAN LUIS OBISPO
GENERAL FUND
DETAIL SCHEDULE OF REVENUES
BUDGET TO ACTUAL COMPARISON (in thousands)
FOR THE YEAR ENDED JUNE 30, 2005

| Description | Original Budget | Adjusted Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-----------------|-----------------|----------------|---|
| NON DEPARTMENTAL REVENUES | | | | |
| Taxes | \$ 95,162 | \$ 95,162 | \$ 104,858 | \$ 9,696 |
| Licenses, Permits & Franchises | 2,085 | 2,085 | 2,280 | 195 |
| Revs from Use of Money/Prop | 920 | 920 | 1,764 | 844 |
| Aid from Govt Agencies | 3,227 | 3,227 | 4,609 | 1,382 |
| Charges for Current Services | 2,001 | 2,001 | 2,316 | 315 |
| Other Revenues | - | - | 10 | 10 |
| TOTAL NON DEPARTMENTAL REVENUES | 103,395 | 103,395 | 115,837 | 12,442 |
| GENERAL GOVERNMENT - REVENUES | | | | |
| <u>Legislative and Administrative</u> | | | | |
| Administrative Office | | | | |
| Aid from Govt Agencies | 30 | 30 | - | (30) |
| Charges for Current Services | 146 | 146 | 146 | - |
| Total | 176 | 176 | 146 | (30) |
| Clerk/Recorder | | | | |
| Licenses, Permits & Franchises | 6 | 6 | 6 | - |
| Aid from Govt Agencies | 170 | 170 | 30 | (140) |
| Charges for Current Services | 1,915 | 2,437 | 3,064 | 627 |
| Total | 2,091 | 2,613 | 3,100 | 487 |
| Total Legislative and Administrative | 2,267 | 2,789 | 3,246 | 457 |
| <u>Finance</u> | | | | |
| Assessor | | | | |
| Aid from Govt Agencies | 736 | 985 | 712 | (273) |
| Charges for Current Services | 134 | 137 | 199 | 62 |
| Other Revenues | 2 | 2 | - | (2) |
| Total | 872 | 1,124 | 911 | (213) |
| Auditor-Controller | | | | |
| Taxes | 250 | 250 | 250 | - |
| Aid from Govt Agencies | 40 | 40 | - | (40) |
| Charges for Current Services | 909 | 969 | 978 | 9 |
| Other Revenues | 7 | 15 | 7 | (8) |
| Total | 1,206 | 1,274 | 1,235 | (39) |
| Treas-Tax Coll-Public Adm | | | | |
| Taxes | 152 | 152 | 136 | (16) |
| Licenses, Permits & Franchises | 46 | 46 | 61 | 15 |
| Charges for Current Services | 960 | 960 | 932 | (28) |
| Other Revenues | 31 | 31 | 29 | (2) |
| Total | 1,189 | 1,189 | 1,158 | (31) |
| Total Finance | 3,267 | 3,587 | 3,304 | (283) |

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, 2005

| Description | Original Budget | Adjusted Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------|-----------------|-----------------|--------------|---|
| <u>Counsel</u> | | | | |
| County Counsel | | | | |
| Aid from Govt Agencies | 23 | 23 | 3 | (20) |
| Charges for Current Services | 274 | 82 | 55 | (27) |
| Other Revenues | 1 | 193 | 250 | 57 |
| Total | <u>298</u> | <u>298</u> | <u>308</u> | <u>10</u> |
| Total Counsel | <u>298</u> | <u>298</u> | <u>308</u> | <u>10</u> |
| <u>Personnel</u> | | | | |
| Personnel | | | | |
| Aid from Govt Agencies | 1 | 1 | 2 | 1 |
| Charges for Current Services | 132 | 327 | 280 | (47) |
| Total | <u>133</u> | <u>328</u> | <u>282</u> | <u>(46)</u> |
| Total Personnel | <u>133</u> | <u>328</u> | <u>282</u> | <u>(46)</u> |
| <u>Property Management</u> | | | | |
| General Services | | | | |
| Licenses, Permits & Franchises | - | - | 1 | 1 |
| Revs from Use of Money/Prop | 311 | 311 | 275 | (36) |
| Aid from Govt Agencies | 5 | 5 | 5 | - |
| Charges for Current Services | 3,624 | 3,624 | 2,638 | (986) |
| Other Revenues | 25 | 45 | 132 | 87 |
| Total | <u>3,965</u> | <u>3,985</u> | <u>3,051</u> | <u>(934)</u> |
| Maintenance Projects | | | | |
| Fines, Forfeits & Penalties | - | 22 | 1 | (21) |
| Aid from Govt Agencies | - | 1,091 | 136 | (955) |
| Charges for Current Services | 482 | 1,469 | 609 | (860) |
| Other Revenues | - | 25 | - | (25) |
| Total | <u>482</u> | <u>2,607</u> | <u>746</u> | <u>(1,861)</u> |
| Total Property Management | <u>4,447</u> | <u>6,592</u> | <u>3,797</u> | <u>(2,795)</u> |
| <u>Other General</u> | | | | |
| Information Technology | | | | |
| Aid from Govt Agencies | 52 | 498 | 295 | (203) |
| Charges for Current Services | 2,781 | 2,904 | 2,666 | (238) |
| Other Revenues | - | - | 10 | 10 |
| Total | <u>2,833</u> | <u>3,402</u> | <u>2,971</u> | <u>(431)</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, 2005

| Description | Original Budget | Adjusted Budget | Actual | Variance with Final Budget Positive (Negative) |
|-------------------------------------|-----------------|-----------------|---------------|---|
| Risk Management | | | | |
| Charges for Current Services | 770 | - | 728 | 728 |
| Other Revenues | - | 770 | - | (770) |
| Total | 770 | 770 | 728 | (42) |
| Non-Department Financing Uses | | | | |
| Charges for Current Services | 2,078 | 2,078 | 1,708 | (370) |
| Total | 2,078 | 2,078 | 1,708 | (370) |
| Services to Spcl Districts | | | | |
| Licenses, Permits & Franchises | 53 | 53 | 50 | (3) |
| Revs from Use of Money/Prop | 7 | 7 | 15 | 8 |
| Aid from Govt Agencies | 22 | 22 | 25 | 3 |
| Charges for Current Services | 1,077 | 1,595 | 1,326 | (269) |
| Other Revenues | 2 | 2 | 11 | 9 |
| Total | 1,161 | 1,679 | 1,427 | (252) |
| Total Other General | 6,842 | 7,929 | 6,834 | (1,095) |
| TOTAL GENERAL GOVERNMENT | 17,254 | 21,523 | 17,771 | (3,752) |
| PUBLIC PROTECTION - REVENUES | | | | |
| <u>Judicial</u> | | | | |
| Court Operations Fund | | | | |
| Fines, Forfeits & Penalties | 2,346 | 2,346 | 2,764 | 418 |
| Charges for Current Services | 423 | 423 | 543 | 120 |
| Total | 2,769 | 2,769 | 3,307 | 538 |
| District Attorney | | | | |
| Fines, Forfeits & Penalties | 120 | 120 | 534 | 414 |
| Revs from Use of Money/Prop | - | - | 5 | 5 |
| Aid from Govt Agencies | 3,264 | 3,664 | 3,061 | (603) |
| Charges for Current Services | 310 | 310 | 239 | (71) |
| Other Revenues | 492 | 93 | 19 | (74) |
| Total | 4,186 | 4,187 | 3,858 | (329) |
| Family Support | | | | |
| Revs from Use of Money/Prop | - | - | 5 | 5 |
| Aid from Govt Agencies | 4,756 | 4,756 | 4,675 | (81) |
| Charges for Current Services | - | - | 4 | 4 |
| Other Revenues | 68 | 68 | - | (68) |
| Total | 4,824 | 4,824 | 4,684 | (140) |
| Public Defender | | | | |
| Aid from Govt Agencies | 195 | 195 | 238 | 43 |
| Charges for Current Services | 32 | 32 | 72 | 40 |
| Other Revenues | 1 | 1 | - | (1) |
| Total | 228 | 228 | 310 | 82 |
| Total Judicial | 12,007 | 12,008 | 12,159 | 151 |

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, 2005

| Description | Original Budget | Adjusted Budget | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------|-----------------|-----------------|---------------|---|
| <u>Police Protection</u> | | | | |
| Sheriff-Coroner | | | | |
| Licenses, Permits & Franchises | 15 | 15 | 19 | 4 |
| Fines, Forfeits & Penalties | 152 | 237 | 241 | 4 |
| Revs from Use of Money/Prop | - | - | 15 | 15 |
| Aid from Govt Agencies | 11,302 | 13,634 | 13,512 | (122) |
| Charges for Current Services | 3,669 | 3,669 | 3,720 | 51 |
| Other Revenues | 19 | 19 | 29 | 10 |
| Total | <u>15,157</u> | <u>17,574</u> | <u>17,536</u> | <u>(38)</u> |
| Total Police Protection | <u>15,157</u> | <u>17,574</u> | <u>17,536</u> | <u>(38)</u> |
| <u>Detention and Correction</u> | | | | |
| Probation Department | | | | |
| Fines, Forfeits & Penalties | 27 | 27 | 50 | 23 |
| Aid from Govt Agencies | 6,984 | 7,881 | 7,744 | (137) |
| Charges for Current Services | 433 | 433 | 685 | 252 |
| Other Revenues | 362 | 402 | 505 | 103 |
| Total | <u>7,806</u> | <u>8,743</u> | <u>8,984</u> | <u>241</u> |
| Total Detention and Correction | <u>7,806</u> | <u>8,743</u> | <u>8,984</u> | <u>241</u> |
| <u>Fire Protection</u> | | | | |
| County Fire | | | | |
| Licenses, Permits & Franchises | 120 | 120 | 398 | 278 |
| Revs from Use of Money/Prop | 5 | 5 | - | (5) |
| Aid from Govt Agencies | 1,808 | 2,608 | 2,087 | (521) |
| Charges for Current Services | 727 | 1,834 | 1,961 | 127 |
| Other Revenues | 55 | 55 | 131 | 76 |
| Total | <u>2,715</u> | <u>4,622</u> | <u>4,577</u> | <u>(45)</u> |
| Total Fire Protection | <u>2,715</u> | <u>4,622</u> | <u>4,577</u> | <u>(45)</u> |
| <u>Protective Inspection</u> | | | | |
| Agricultural Commissioner | | | | |
| Licenses, Permits & Franchises | 119 | 119 | 124 | 5 |
| Fines, Forfeits & Penalties | - | - | 8 | 8 |
| Aid from Govt Agencies | 2,329 | 2,329 | 2,158 | (171) |
| Charges for Current Services | 127 | 127 | 103 | (24) |
| Other Revenues | 2 | 2 | 4 | 2 |
| Total | <u>2,577</u> | <u>2,577</u> | <u>2,397</u> | <u>(180)</u> |
| Total Protective Inspection | <u>2,577</u> | <u>2,577</u> | <u>2,397</u> | <u>(180)</u> |
| <u>Other Protection</u> | | | | |
| Animal Services | | | | |
| Licenses, Permits & Franchises | 384 | 384 | 346 | (38) |
| Aid from Govt Agencies | 416 | 416 | 453 | 37 |
| Charges for Current Services | 199 | 199 | 175 | (24) |
| Other Revenues | 7 | 7 | 10 | 3 |
| Total | <u>1,006</u> | <u>1,006</u> | <u>984</u> | <u>(22)</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, 2005

| Description | Original Budget | Adjusted Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|-----------------|-----------------|---------------|---|
| Emergency Services | | | | |
| Aid from Govt Agencies | 756 | 930 | 130 | (800) |
| Other Revenues | - | - | 10 | 10 |
| Total | 756 | 930 | 140 | (790) |
| Planning Department | | | | |
| Licenses, Permits & Franchises | 6,251 | 6,437 | 7,063 | 626 |
| Fines, Forfeits & Penalties | 107 | 107 | 74 | (33) |
| Revs from Use of Money/Prop | - | - | 11 | 11 |
| Aid from Govt Agencies | 214 | 898 | 484 | (414) |
| Charges for Current Services | 1,183 | 1,255 | 1,225 | (30) |
| Other Revenues | 374 | 380 | 159 | (221) |
| Total | 8,129 | 9,077 | 9,016 | (61) |
| Waste Management | | | | |
| Revs from Use of Money/Prop | - | - | 19 | 19 |
| Charges for Current Services | 66 | - | 105 | 105 |
| Total | 66 | - | 124 | 124 |
| Total Other Protection | 9,957 | 11,013 | 10,264 | (749) |
| TOTAL PUBLIC PROTECTION | 50,219 | 56,537 | 55,917 | (620) |
| HEALTH AND SANITATION - REVENUES | | | | |
| <u>Health</u> | | | | |
| Drug & Alcohol Services | | | | |
| Licenses, Permits & Franchises | 125 | 125 | - | (125) |
| Revs from Use of Money/Prop | - | - | 4 | 4 |
| Aid from Govt Agencies | 3,987 | 4,148 | 3,772 | (376) |
| Charges for Current Services | 513 | 545 | 501 | (44) |
| Other Revenues | 164 | 190 | 230 | 40 |
| Total | 4,789 | 5,008 | 4,507 | (501) |
| Health Agency | | | | |
| Licenses, Permits & Franchises | 4 | 4 | 4 | - |
| Fines, Forfeits & Penalties | 55 | 55 | 124 | 69 |
| Revs from Use of Money/Prop | 1 | 1 | - | (1) |
| Aid from Govt Agencies | 12,436 | 13,257 | 11,484 | (1,773) |
| Charges for Current Services | 7,756 | 7,776 | 6,406 | (1,370) |
| Other Revenues | 8 | 8 | 20 | 12 |
| Total | 20,260 | 21,101 | 18,038 | (3,063) |
| Mental Health | | | | |
| Aid from Govt Agencies | 18,278 | 18,525 | 17,989 | (536) |
| Charges for Current Services | 1,247 | 1,291 | 1,519 | 228 |
| Other Revenues | 94 | 94 | 161 | 67 |
| Total | 19,619 | 19,910 | 19,669 | (241) |
| SART | | | | |
| Aid from Govt Agencies | 3 | 3 | 3 | - |
| Other Revenues | - | 3 | 3 | - |
| Total | 3 | 6 | 6 | - |
| Total Health | 44,671 | 46,025 | 42,220 | (3,805) |
| TOTAL HEALTH AND SANITATION | 44,671 | 46,025 | 42,220 | (3,805) |

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, 2005

| Description | Original Budget | Adjusted Budget | Actual | Variance with Final Budget Positive (Negative) |
|-------------------------------------|-----------------|-----------------|---------------|---|
| PUBLIC ASSISTANCE - REVENUES | | | | |
| <u>Administration</u> | | | | |
| Department of Social Services | | | | |
| Aid from Govt Agencies | 42,732 | 42,918 | 40,421 | (2,497) |
| Charges for Current Services | 63 | 63 | 64 | 1 |
| Other Revenues | 212 | 235 | 207 | (28) |
| Total | <u>43,007</u> | <u>43,216</u> | <u>40,692</u> | <u>(2,524)</u> |
| Total Administration | <u>43,007</u> | <u>43,216</u> | <u>40,692</u> | <u>(2,524)</u> |
| <u>Aid Programs</u> | | | | |
| Aid Foster Care Non-Fed | | | | |
| Aid from Govt Agencies | 13,422 | 13,422 | 12,302 | (1,120) |
| Other Revenues | 292 | 292 | 230 | (62) |
| Total | <u>13,714</u> | <u>13,714</u> | <u>12,532</u> | <u>(1,182)</u> |
| Calworks Assistance | | | | |
| Aid from Govt Agencies | 11,095 | 11,304 | 11,179 | (125) |
| Other Revenues | 70 | 70 | 157 | 87 |
| Total | <u>11,165</u> | <u>11,374</u> | <u>11,336</u> | <u>(38)</u> |
| Total Aid Programs | <u>24,879</u> | <u>25,088</u> | <u>23,868</u> | <u>(1,220)</u> |
| <u>Medical Services</u> | | | | |
| Medical Assistance Prog | | | | |
| Aid from Govt Agencies | 603 | 603 | - | (603) |
| Charges for Current Services | 1,240 | 1,240 | 691 | (549) |
| Other Revenues | - | - | 328 | 328 |
| Total | <u>1,843</u> | <u>1,843</u> | <u>1,019</u> | <u>(824)</u> |
| Total Medical Services | <u>1,843</u> | <u>1,843</u> | <u>1,019</u> | <u>(824)</u> |
| <u>General Relief</u> | | | | |
| General Relief | | | | |
| Licenses, Permits & Franchises | 5 | 7 | 7 | - |
| Aid from Govt Agencies | 64 | 85 | 102 | 17 |
| Other Revenues | 320 | 335 | 356 | 21 |
| Total | <u>389</u> | <u>427</u> | <u>465</u> | <u>38</u> |
| Total General Relief | <u>389</u> | <u>427</u> | <u>465</u> | <u>38</u> |
| <u>Veterans Service</u> | | | | |
| Veterans Service | | | | |
| Aid from Govt Agencies | 70 | 70 | 57 | (13) |
| Total | <u>70</u> | <u>70</u> | <u>57</u> | <u>(13)</u> |
| Total Veterans Service | <u>70</u> | <u>70</u> | <u>57</u> | <u>(13)</u> |
| <u>Other Assistance</u> | | | | |
| Contrib's to Other Agencies | | | | |
| Charges for Current Services | 448 | 448 | 477 | 29 |
| Other Revenues | - | 3 | 3 | - |
| Total | <u>448</u> | <u>451</u> | <u>480</u> | <u>29</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, 2005

| Description | Original Budget | Adjusted Budget | Actual | Variance with Final Budget Positive (Negative) |
|------------------------------------|-------------------|-------------------|-------------------|---|
| Law Enforcement Med Care | | | | |
| Aid from Govt Agencies | 547 | 647 | 647 | - |
| Charges for Current Services | 1 | 1 | 2 | 1 |
| Other Revenues | 15 | 15 | 15 | - |
| Total | <u>563</u> | <u>663</u> | <u>664</u> | <u>1</u> |
| Victim/Witness Assistance | | | | |
| Licenses, Permits & Franchises | 55 | 60 | 58 | (2) |
| Aid from Govt Agencies | 533 | 533 | 482 | (51) |
| Other Revenues | 7 | 7 | 16 | 9 |
| Total | <u>595</u> | <u>600</u> | <u>556</u> | <u>(44)</u> |
| Total Other Assistance | <u>1,606</u> | <u>1,714</u> | <u>1,700</u> | <u>(14)</u> |
| TOTAL PUBLIC ASSISTANCE | <u>71,794</u> | <u>72,358</u> | <u>67,801</u> | <u>(4,557)</u> |
| EDUCATION - REVENUES | | | | |
| <u>Agricultural Education</u> | | | | |
| Farm Advisor | | | | |
| Aid from Govt Agencies | 6 | 6 | 6 | - |
| Total | <u>6</u> | <u>6</u> | <u>6</u> | <u>-</u> |
| Total Agricultural Education | <u>6</u> | <u>6</u> | <u>6</u> | <u>-</u> |
| TOTAL EDUCATION | <u>6</u> | <u>6</u> | <u>6</u> | <u>-</u> |
| TOTAL GENERAL FUND REVENUES | <u>\$ 287,339</u> | <u>\$ 299,844</u> | <u>\$ 299,552</u> | <u>\$ (292)</u> |

COUNTY OF SAN LUIS OBISPO
GENERAL FUND
DETAIL SCHEDULE OF EXPENDITURES
BUDGET TO ACTUAL COMPARISON (in thousands)
FOR THE YEAR ENDED JUNE 30, 2005

| Description | Original Budget | Adjusted Budget | Actual on a Budgetary Basis | Variance with Final Budget Positive (Negative) |
|--|-----------------|-----------------|-----------------------------------|---|
| GENERAL GOVERNMENT - EXPENDITURES | | | | |
| <u>Legislative and Administrative</u> | | | | |
| Administrative Office | | | | |
| Salaries Wages Benefits | \$ 1,533 | \$ 1,495 | \$ 1,398 | \$ 97 |
| Services and Supplies | 194 | 194 | 170 | 24 |
| Exp Tfrrs & Reimbursement | (85) | (85) | (58) | (27) |
| Total | 1,642 | 1,604 | 1,510 | 94 |
| Board of Supervisors | | | | |
| Salaries Wages Benefits | 1,065 | 1,038 | 1,036 | 2 |
| Services and Supplies | 192 | 192 | 192 | - |
| Total | 1,257 | 1,230 | 1,228 | 2 |
| Clerk/Recorder | | | | |
| Salaries Wages Benefits | 1,681 | 1,694 | 1,676 | 18 |
| Services and Supplies | 1,044 | 1,533 | 1,511 | 22 |
| Fixed Assets - Equipment | 30 | 56 | 28 | 28 |
| Exp Tfrrs & Reimbursement | - | - | - | - |
| Total | 2,755 | 3,283 | 3,215 | 68 |
| Total Legislative and Administrative | 5,654 | 6,117 | 5,953 | 164 |
| <u>Finance</u> | | | | |
| Assessor | | | | |
| Salaries Wages Benefits | 6,065 | 5,963 | 5,943 | 20 |
| Services and Supplies | 743 | 1,006 | 787 | 219 |
| Fixed Assets - Equipment | - | - | - | - |
| Total | 6,808 | 6,969 | 6,730 | 239 |
| Auditor-Controller | | | | |
| Salaries Wages Benefits | 3,733 | 3,642 | 3,579 | 63 |
| Services and Supplies | 359 | 543 | 246 | 297 |
| Fixed Assets - Equipment | - | 9 | 8 | 1 |
| Exp Tfrrs & Reimbursement | (98) | (38) | (23) | (15) |
| Total | 3,994 | 4,156 | 3,810 | 346 |
| Treas-Tax Coll-Public Adm | | | | |
| Salaries Wages Benefits | 2,186 | 2,136 | 2,079 | 57 |
| Services and Supplies | 288 | 290 | 242 | 48 |
| Fixed Assets - Equipment | 10 | 10 | 10 | - |
| Total | 2,484 | 2,436 | 2,331 | 105 |
| Total Finance | 13,286 | 13,561 | 12,871 | 690 |
| <u>Counsel</u> | | | | |
| County Counsel | | | | |
| Salaries Wages Benefits | 2,865 | 2,847 | 2,839 | 8 |
| Services and Supplies | 291 | 350 | 298 | 52 |
| Total | 3,156 | 3,197 | 3,137 | 60 |
| Total Counsel | 3,156 | 3,197 | 3,137 | 60 |

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, 2005

| Description | Original Budget | Adjusted Budget | Actual on a Budgetary Basis | Variance with Final Budget Positive (Negative) |
|-------------------------------|-------------------|-------------------|-----------------------------------|---|
| <u>Personnel</u> | | | | |
| Personnel | | | | |
| Salaries Wages Benefits | 1,645 | 1,798 | 1,699 | 99 |
| Services and Supplies | 255 | 266 | 251 | 15 |
| Total | <u>1,900</u> | <u>2,064</u> | <u>1,950</u> | <u>114</u> |
| Total Personnel | <u>1,900</u> | <u>2,064</u> | <u>1,950</u> | <u>114</u> |
| <u>Property Management</u> | | | | |
| General Services | | | | |
| Salaries Wages Benefits | 7,501 | 7,328 | 6,990 | 338 |
| Services and Supplies | 4,084 | 4,097 | 2,511 | 1,586 |
| Other Charges | 23 | 33 | 12 | 21 |
| Fixed Assets - Land | - | 51 | 18 | 33 |
| Fixed Assets - Equipment | 10 | 10 | 10 | - |
| Exp Tfrrs & Reimbursement | (1,390) | (1,390) | 16 | (1,406) |
| Total | <u>10,228</u> | <u>10,129</u> | <u>9,557</u> | <u>572</u> |
| Maintenance Projects | | | | |
| Services and Supplies | 1,934 | 2,672 | 774 | 1,898 |
| Fixed Assets - Building | (188) | - | - | - |
| Total | <u>1,746</u> | <u>2,672</u> | <u>2,584</u> | <u>88</u> |
| Total Property Management | <u>11,974</u> | <u>12,801</u> | <u>12,141</u> | <u>660</u> |
| Information Technology | | | | |
| Salaries Wages Benefits | 8,719 | 8,636 | 8,272 | 364 |
| Services and Supplies | 4,014 | 4,294 | 2,565 | 1,729 |
| Fixed Assets - Equipment | 43 | 669 | 512 | 157 |
| Exp Tfrrs & Reimbursement | (2,054) | (2,054) | (901) | (1,153) |
| Total | <u>10,722</u> | <u>11,545</u> | <u>10,448</u> | <u>1,097</u> |
| Risk Management | | | | |
| Salaries Wages Benefits | 621 | 613 | 605 | 8 |
| Services and Supplies | 1,009 | 1,000 | 938 | 62 |
| Exp Tfrrs & Reimbursement | (50) | (50) | (50) | - |
| Total | <u>1,580</u> | <u>1,563</u> | <u>1,493</u> | <u>70</u> |
| Non-Department Financing Uses | | | | |
| Other Charges | - | 35 | - | 35 |
| Exp Tfrrs & Reimbursement | (11,077) | (11,077) | (11,193) | 116 |
| Total | <u>(11,077)</u> | <u>(11,042)</u> | <u>(11,193)</u> | <u>151</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, 2005

| Description | Original Budget | Adjusted Budget | Actual on a Budgetary Basis | Variance with Final Budget Positive (Negative) |
|---|-----------------|-----------------|-----------------------------------|---|
| Services to Spcl Districts | | | | |
| Services and Supplies | 2,498 | 3,040 | 2,558 | 482 |
| Total | 2,526 | 3,143 | 2,644 | 499 |
| Total Other General | 3,751 | 5,209 | 3,392 | 1,817 |
| TOTAL GENERAL GOVERNMENT | 39,721 | 42,949 | 39,444 | 3,505 |
| PUBLIC PROTECTION - EXPENDITURES | | | | |
| <u>Judicial</u> | | | | |
| Court Operations Fund | | | | |
| Other Charges | 2,350 | 2,350 | 2,320 | 30 |
| Total | 2,350 | 2,350 | 2,320 | 30 |
| District Attorney | | | | |
| Salaries Wages Benefits | 9,333 | 9,107 | 9,107 | - |
| Services and Supplies | 730 | 776 | 559 | 217 |
| Exp Tfrrs & Reimbursement | (528) | (528) | (236) | (292) |
| Total | 9,546 | 9,365 | 9,440 | (75) |
| Family Support | | | | |
| Salaries Wages Benefits | 3,019 | 3,063 | 3,029 | 34 |
| Services and Supplies | 1,806 | 1,686 | 1,668 | 18 |
| Total | 4,825 | 4,749 | 4,697 | 52 |
| Grand Jury | | | | |
| Salaries Wages Benefits | 27 | 28 | 27 | 1 |
| Services and Supplies | 89 | 89 | 61 | 28 |
| Total | 116 | 117 | 88 | 29 |
| Public Defender | | | | |
| Services and Supplies | 4,526 | 4,526 | 3,995 | 531 |
| Total | 4,526 | 4,526 | 3,995 | 531 |
| Total Judicial | 21,363 | 21,107 | 20,540 | 567 |
| <u>Police Protection</u> | | | | |
| Sheriff-Coroner | | | | |
| Salaries Wages Benefits | 34,936 | 34,646 | 34,646 | - |
| Services and Supplies | 4,792 | 5,102 | 5,156 | (54) |
| Other Charges | - | 404 | 458 | (54) |
| Fixed Assets - Equipment | 172 | 1,336 | 651 | 685 |
| Exp Tfrrs & Reimbursement | (108) | (108) | (52) | (56) |
| Total | 39,792 | 41,380 | 40,859 | 521 |
| Total Police Protection | 39,792 | 41,380 | 40,859 | 521 |

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, 2005

| 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 | 10,634 | 11,079 | 11,079 | - |
| Services and Supplies | 2,968 | 3,348 | 3,083 | 265 |
| Other Charges | 8 | 8 | - | 8 |
| Fixed Assets - Building | - | - | 8 | (8) |
| Fixed Assets - Equipment | - | 8 | - | 8 |
| Exp Tfrs & Reimbursement | (70) | (70) | (206) | 136 |
| Total | <u>13,540</u> | <u>14,373</u> | <u>13,964</u> | <u>409</u> |
| Total Detention and Correction | <u>13,540</u> | <u>14,373</u> | <u>13,964</u> | <u>409</u> |
| <u>Fire Protection</u> | | | | |
| County Fire | | | | |
| Services and Supplies | 9,577 | 11,714 | 10,957 | 757 |
| Fixed Assets - Building | - | 1,366 | - | 1,366 |
| Fixed Assets - Equipment | 75 | 1,412 | 827 | 585 |
| Total | <u>9,652</u> | <u>14,492</u> | <u>11,784</u> | <u>2,708</u> |
| Total Fire Protection | <u>9,652</u> | <u>14,492</u> | <u>11,784</u> | <u>2,708</u> |
| <u>Protective Inspection</u> | | | | |
| Agricultural Commissioner | | | | |
| Salaries Wages Benefits | 3,580 | 3,578 | 3,578 | - |
| Services and Supplies | 790 | 782 | 760 | 22 |
| Total | <u>4,370</u> | <u>4,360</u> | <u>4,338</u> | <u>22</u> |
| Total Protective Inspection | <u>4,370</u> | <u>4,360</u> | <u>4,338</u> | <u>22</u> |
| <u>Other Protection</u> | | | | |
| Animal Services | | | | |
| Salaries Wages Benefits | 1,365 | 1,348 | 1,346 | 2 |
| Services and Supplies | 544 | 551 | 505 | 46 |
| Total | <u>1,909</u> | <u>1,899</u> | <u>1,851</u> | <u>48</u> |
| Emergency Services | | | | |
| Salaries Wages Benefits | 496 | 494 | 484 | 10 |
| Services and Supplies | 424 | 621 | 411 | 210 |
| Fixed Assets - Equipment | 12 | 12 | 6 | 6 |
| Total | <u>932</u> | <u>1,127</u> | <u>901</u> | <u>226</u> |
| Planning Department | | | | |
| Salaries Wages Benefits | 9,150 | 8,972 | 8,606 | 366 |
| Services and Supplies | 3,042 | 4,343 | 3,855 | 488 |
| Other Charges | 209 | 1,043 | 558 | 485 |
| Fixed Assets - Equipment | 38 | 49 | - | 49 |
| Total | <u>12,439</u> | <u>14,407</u> | <u>13,019</u> | <u>1,388</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, 2005

| Description | Original Budget | Adjusted Budget | Actual on a Budgetary Basis | Variance with Final Budget Positive (Negative) |
|--------------------------------|-----------------|-----------------|-----------------------------------|---|
| Waste Management | | | | |
| Services and Supplies | 587 | 533 | 523 | 10 |
| Total | 587 | 533 | 523 | 10 |
| Total Other Protection | 15,867 | 17,966 | 16,294 | 1,672 |
| TOTAL PUBLIC PROTECTION | 104,584 | 113,678 | 107,779 | 5,899 |

HEALTH AND SANITATION - EXPENDITURES

Health

| | | | | |
|------------------------------------|---------------|---------------|---------------|--------------|
| Drug & Alcohol Services | | | | |
| Salaries Wages Benefits | 3,416 | 3,505 | 3,361 | 144 |
| Services and Supplies | 1,416 | 1,511 | 1,123 | 388 |
| Other Charges | 737 | 737 | 737 | - |
| Exp Tfrs & Reimbursement | (626) | (676) | (764) | 88 |
| Total | 4,943 | 5,077 | 4,457 | 620 |
| Health Agency | | | | |
| Salaries Wages Benefits | 14,509 | 14,281 | 13,461 | 820 |
| Services and Supplies | 6,902 | 7,296 | 6,570 | 726 |
| Other Charges | 794 | 1,088 | 659 | 429 |
| Fixed Assets - Equipment | 16 | 217 | 186 | 31 |
| Exp Tfrs & Reimbursement | (194) | (194) | (353) | 159 |
| Total | 22,027 | 22,688 | 20,523 | 2,165 |
| Mental Health | | | | |
| Salaries Wages Benefits | 13,405 | 13,116 | 12,944 | 172 |
| Services and Supplies | 10,646 | 10,994 | 10,479 | 515 |
| Other Charges | 2 | 2 | - | 2 |
| Fixed Assets - Equipment | 7 | 7 | - | 7 |
| Exp Tfrs & Reimbursement | (899) | (899) | (619) | (280) |
| Total | 23,161 | 23,220 | 22,804 | 416 |
| SART | | | | |
| Services and Supplies | 72 | 68 | 57 | 11 |
| Total | 238 | 238 | 225 | 13 |
| Total Health | 50,369 | 51,223 | 48,009 | 3,214 |
| TOTAL HEALTH AND SANITATION | 50,369 | 51,223 | 48,009 | 3,214 |

PUBLIC ASSISTANCE - EXPENDITURES

Administration

| | | | | |
|-------------------------------|------------|------------|------------|-----------|
| Department of Social Services | | | | |
| Salaries Wages Benefits | 28,550 | 27,895 | 27,090 | 805 |
| Services and Supplies | 12,960 | 13,148 | 12,200 | 948 |
| Other Charges | 4,729 | 4,812 | 4,216 | 596 |
| Fixed Assets - Equipment | 86 | 30 | 27 | 3 |
| Exp Tfrs & Reimbursement | (127) | (127) | (84) | (43) |
| Total | 46,198 | 45,758 | 43,449 | 2,309 |
| Total Administration | 46,198 | 45,758 | 43,449 | 2,309 |

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, 2005

| 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 | 15,636 | 15,636 | 13,043 | 2,593 |
| Total | 15,636 | 15,636 | 13,043 | 2,593 |
| Calworks Assistance Other Charges | 11,325 | 11,535 | 11,531 | 4 |
| Total | 11,325 | 11,535 | 11,531 | 4 |
| Total Aid Programs | 26,961 | 27,171 | 24,574 | 2,597 |
| <u>Medical Services</u> | | | | |
| Medical Assistance Prog Services and Supplies | 6,568 | 6,774 | 4,420 | 2,354 |
| Total | 6,568 | 6,774 | 4,420 | 2,354 |
| Total Medical Services | 6,568 | 6,774 | 4,420 | 2,354 |
| <u>General Relief</u> | | | | |
| General Relief Salaries Wages Benefits | - | (7) | - | (7) |
| Other Charges | 650 | 688 | 665 | 23 |
| Total | 650 | 681 | 665 | 16 |
| Total General Relief | 650 | 681 | 665 | 16 |
| <u>Veterans Service</u> | | | | |
| Veterans Service Salaries Wages Benefits | 291 | 291 | 273 | 18 |
| Services and Supplies | 22 | 22 | 21 | 1 |
| Total | 313 | 313 | 294 | 19 |
| Total Veterans Service | 313 | 313 | 294 | 19 |
| <u>Other Assistance</u> | | | | |
| Contrib's to Other Agencies Services and Supplies | 1,844 | 1,936 | 1,898 | 38 |
| Total | 1,844 | 1,936 | 1,898 | 38 |
| Law Enforcement Med Care Salaries Wages Benefits | 1,099 | 1,224 | 1,176 | 48 |
| Services and Supplies | 569 | 522 | 354 | 168 |
| Exp Tfrrs & Reimbursement | (462) | (462) | (255) | (207) |
| Total | 1,206 | 1,284 | 1,275 | 9 |
| Victim/Witness Assistance Salaries Wages Benefits | 967 | 889 | 885 | 4 |
| Services and Supplies | 144 | 226 | 217 | 9 |
| Total | 1,111 | 1,115 | 1,102 | 13 |
| Total Other Assistance | 4,161 | 4,335 | 4,275 | 60 |
| TOTAL PUBLIC ASSISTANCE | 84,851 | 85,032 | 77,677 | 7,355 |

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, 2005

| Description | Original Budget | Adjusted Budget | Actual on a Budgetary Basis | Variance with Final Budget Positive (Negative) |
|--|-------------------|-------------------|-----------------------------------|---|
| EDUCATION - EXPENDITURES | | | | |
| <u>Agricultural Education</u> | | | | |
| Farm Advisor | | | | |
| Salaries Wages Benefits | 230 | 225 | 197 | 28 |
| Services and Supplies | 84 | 84 | 78 | 6 |
| Total | <u>314</u> | <u>309</u> | <u>275</u> | <u>34</u> |
| Total Agricultural Education | <u>314</u> | <u>309</u> | <u>275</u> | <u>34</u> |
| TOTAL EDUCATION | <u>314</u> | <u>309</u> | <u>275</u> | <u>34</u> |
| DEBT SERVICE - EXPENDITURES | | | | |
| <u>Interest on Notes and Warrants</u> | | | | |
| Short-Term Financing | | | | |
| Other Charges | - | - | 30 | (30) |
| Total | <u>-</u> | <u>-</u> | <u>30</u> | <u>(30)</u> |
| Total Interest on Notes and Warrants | <u>-</u> | <u>-</u> | <u>30</u> | <u>(30)</u> |
| TOTAL DEBT SERVICE | <u>-</u> | <u>-</u> | <u>30</u> | <u>(30)</u> |
| TOTAL GENERAL FUND - EXPENDITURES | | | | |
| (Before Contingencies) | <u>279,839</u> | <u>293,191</u> | <u>273,214</u> | <u>19,977</u> |
| CONTINGENCIES | | | | |
| <u>Appropriation for Contingencies</u> | | | | |
| Contingencies - General Fund | | | | |
| Approp for Contingency | 10,370 | 9,248 | - | 9,248 |
| Total | <u>10,370</u> | <u>9,248</u> | <u>-</u> | <u>9,248</u> |
| Total Appropriation for Contingencies | <u>10,370</u> | <u>9,248</u> | <u>-</u> | <u>9,248</u> |
| TOTAL CONTINGENCIES | <u>10,370</u> | <u>9,248</u> | <u>-</u> | <u>9,248</u> |
| TOTAL GENERAL FUND EXPENDITURES | <u>\$ 290,209</u> | <u>\$ 302,439</u> | <u>\$ 273,214</u> | <u>\$ 29,225</u> |



**SPECIAL REVENUE – NON SPECIAL DISTRICTS
DETAIL BUDGETARY COMPARISON SCHEDULES**

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, 2005

| Description | Original Budget | Adjusted Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|---------------------|---------------------|---------------------|---|
| GENERAL GOVERNMENT - REVENUES | | | | |
| Co-Wide Automatrn Replcmnt | | | | |
| Licenses, Permits & Franchises | \$ 3,171 | \$ 3,171 | \$ 3,171 | \$ - |
| Revs from Use of Money/Prop | - | - | 226 | 226 |
| Charges for Current Services | 1,000 | 1,000 | 1,090 | 90 |
| Total | <u>4,171</u> | <u>4,171</u> | <u>4,487</u> | <u>316</u> |
| General Govt Building Replacement | | | | |
| Revs from Use of Money/Prop | - | - | 71 | 71 |
| Charges for Current Services | 856 | 856 | 956 | 100 |
| Total | <u>856</u> | <u>856</u> | <u>1,027</u> | <u>171</u> |
| Organizational Effectiveness | | | | |
| Licenses, Permits & Franchises | - | - | 46 | 46 |
| Other Revenues | - | - | 15 | 15 |
| Total | <u>-</u> | <u>-</u> | <u>61</u> | <u>61</u> |
| Tax Reduction Reserve | | | | |
| Revs from Use of Money/Prop | - | - | 224 | 224 |
| Total | <u>-</u> | <u>-</u> | <u>224</u> | <u>224</u> |
| Governmental Leasing | | | | |
| Taxes | 500 | 500 | 500 | - |
| Fines, Forfeits & Penalties | 283 | 283 | 284 | 1 |
| Charges for Current Services | 633 | 633 | 11 | (622) |
| Total | <u>1,416</u> | <u>1,416</u> | <u>795</u> | <u>(621)</u> |
| TOTAL GENERAL GOVERNMENT | <u><u>6,443</u></u> | <u><u>6,443</u></u> | <u><u>6,594</u></u> | <u><u>151</u></u> |
| PUBLIC PROTECTION - REVENUES | | | | |
| Fish And Game | | | | |
| Fines, Forfeits & Penalties | 7 | 7 | 14 | 7 |
| Total | <u>7</u> | <u>7</u> | <u>14</u> | <u>7</u> |
| Wildlife Grazing | | | | |
| Aid from Govt Agencies | 5 | 5 | 5 | - |
| Total | <u>5</u> | <u>5</u> | <u>5</u> | <u>-</u> |
| TOTAL PUBLIC PROTECTION | <u><u>12</u></u> | <u><u>12</u></u> | <u><u>19</u></u> | <u><u>7</u></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, 2005

| Description | Original Budget | Adjusted Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|-----------------|-----------------|---------------|---|
| PUBLIC WAYS AND FACILITIES - REVENUES | | | | |
| Impact Fee - Traffic | | | | |
| Revs from Use of Money/Prop | 100 | 100 | 185 | 85 |
| Charges for Current Services | 3,975 | 3,975 | 3,039 | (936) |
| Total | 4,075 | 4,075 | 3,224 | (851) |
| Public Facilities Fee | | | | |
| Revs from Use of Money/Prop | - | - | 279 | 279 |
| Charges for Current Services | 3,405 | 3,405 | 3,761 | 356 |
| Total | 3,405 | 3,405 | 4,040 | 635 |
| Roads | | | | |
| Taxes | 1,055 | 1,055 | 1,088 | 33 |
| Licenses, Permits & Franchises | - | - | 2 | 2 |
| Revs from Use of Money/Prop | 90 | 90 | 138 | 48 |
| Aid from Govt Agencies | 15,984 | 26,379 | 13,189 | (13,190) |
| Charges for Current Services | 77 | 77 | 140 | 63 |
| Other Revenues | - | 886 | 116 | (770) |
| Total | 17,206 | 28,487 | 14,673 | (13,814) |
| TOTAL PUBLIC WAYS AND FACILITIES | 24,686 | 35,967 | 21,937 | (14,030) |
| HEALTH AND SANITATION - REVENUES | | | | |
| Community Development | | | | |
| Aid from Govt Agencies | 4,122 | 9,544 | 4,403 | (5,141) |
| Other Revenues | - | - | 494 | 494 |
| Total | 4,122 | 9,544 | 4,897 | (4,647) |
| TOTAL HEALTH AND SANITATION | 4,122 | 9,544 | 4,897 | (4,647) |
| PUBLIC ASSISTANCE - REVENUES | | | | |
| Ca Health Care Indigent Program | | | | |
| Revs from Use of Money/Prop | 3 | 3 | 2 | (1) |
| Aid from Govt Agencies | 175 | 175 | 183 | 8 |
| Charges for Current Services | 281 | 281 | 281 | - |
| Total | 459 | 459 | 466 | 7 |
| County Medical Services Prog. | | | | |
| Revs from Use of Money/Prop | 18 | 18 | 10 | (8) |
| Aid from Govt Agencies | 2,472 | 2,472 | 2,266 | (206) |
| Charges for Current Services | 65 | 65 | 70 | 5 |
| Total | 2,555 | 2,555 | 2,346 | (209) |

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, 2005

| Description | Original Budget | Adjusted Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|------------------|---|
| Emergency Medical Services | | | | |
| Fines, Forfeits & Penalties | 460 | 460 | 495 | 35 |
| Revs from Use of Money/Prop | 6 | 6 | 3 | (3) |
| Charges for Current Services | 725 | 725 | 670 | (55) |
| Total | <u>1,191</u> | <u>1,191</u> | <u>1,168</u> | <u>(23)</u> |
| TOTAL PUBLIC ASSISTANCE | <u>4,205</u> | <u>4,205</u> | <u>3,980</u> | <u>(225)</u> |
| EDUCATION - REVENUES | | | | |
| First Offender/Drunk Driver | | | | |
| Revs from Use of Money/Prop | 2 | 2 | 4 | 2 |
| Charges for Current Services | 1,077 | 1,078 | 1,196 | 118 |
| Total | <u>1,079</u> | <u>1,080</u> | <u>1,200</u> | <u>120</u> |
| Library | | | | |
| Taxes | 4,813 | 4,813 | 4,986 | 173 |
| Revs from Use of Money/Prop | 51 | 51 | 64 | 13 |
| Aid from Govt Agencies | 396 | 427 | 244 | (183) |
| Charges for Current Services | 248 | 248 | 267 | 19 |
| Other Revenues | - | 687 | 400 | (287) |
| Total | <u>5,508</u> | <u>6,226</u> | <u>5,961</u> | <u>(265)</u> |
| TOTAL EDUCATION | <u>6,587</u> | <u>7,306</u> | <u>7,161</u> | <u>(145)</u> |
| RECREATIONAL AND CULTURAL SERVICES - REVENUES | | | | |
| Parks | | | | |
| Licenses, Permits & Franchises | - | - | 1 | 1 |
| Fines, Forfeits & Penalties | 9 | 9 | - | (9) |
| Revs from Use of Money/Prop | 50 | 50 | 86 | 36 |
| Aid from Govt Agencies | - | 1,315 | 814 | (501) |
| Charges for Current Services | 2,931 | 2,931 | 1,604 | (1,327) |
| Other Revenues | 1 | 298 | 222 | (76) |
| Total | <u>2,991</u> | <u>4,603</u> | <u>2,727</u> | <u>(1,876)</u> |
| TOTAL RECREATIONAL/CULTURAL | <u>2,991</u> | <u>4,603</u> | <u>2,727</u> | <u>(1,876)</u> |
| TOTAL SPECIAL REVENUE-NON SPECIAL DISTRICTS - REVENUES | <u>\$ 49,046</u> | <u>\$ 68,080</u> | <u>\$ 47,315</u> | <u>\$ (20,765)</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, 2005

| Description | Original Budget | Adjusted Budget | Actual on a Budgetary Basis | Actual to Adjusted Budget Over (Under) |
|---|-----------------|-----------------|-----------------------------------|--|
| GENERAL GOVERNMENT - EXPENDITURES | | | | |
| Co-Wide Automatrn Replcmnt Services and Supplies | \$ 122 | \$ 8,836 | \$ 7,061 | \$ 1,775 |
| Fixed Assets-Equipment | 1,162 | 2,066 | 1,839 | 227 |
| Total | <u>1,312</u> | <u>13,781</u> | <u>10,855</u> | <u>2,926</u> |
| Organizational Effectiveness Services and Supplies | 450 | 471 | 334 | 137 |
| Total | <u>524</u> | <u>545</u> | <u>334</u> | <u>211</u> |
| Governmental Leasing Services and Supplies | 1,182 | 2,406 | 2,406 | - |
| Total | <u>1,182</u> | <u>2,406</u> | <u>2,406</u> | <u>-</u> |
| TOTAL GENERAL GOVERNMENT | <u>3,018</u> | <u>16,732</u> | <u>13,595</u> | <u>3,137</u> |
| PUBLIC PROTECTION - EXPENDITURES | | | | |
| Fish And Game Services and Supplies | 13 | 13 | 8 | 5 |
| Total | <u>13</u> | <u>13</u> | <u>8</u> | <u>5</u> |
| Wildlife Grazing Services and Supplies | 10 | 10 | 10 | - |
| Total | <u>10</u> | <u>10</u> | <u>10</u> | <u>-</u> |
| TOTAL PUBLIC PROTECTION | <u>23</u> | <u>23</u> | <u>18</u> | <u>5</u> |
| PUBLIC WAYS AND FACILITIES - EXPENDITURES | | | | |
| Impact Fee - Traffic Other Financing Uses | 2,687 | 7,889 | 2,354 | 5,535 |
| Total | <u>2,687</u> | <u>7,889</u> | <u>2,354</u> | <u>5,535</u> |
| Public Facilities Fee Services and Supplies | - | 44 | 30 | 14 |
| Other Charges | 352 | 450 | 450 | - |
| Other Financing Uses | 500 | 9,444 | 2,789 | 6,655 |
| Total | <u>852</u> | <u>9,938</u> | <u>3,269</u> | <u>6,669</u> |
| Roads Services and Supplies | 13,967 | 15,131 | 22,242 | (7,111) |
| Other Charges | 9 | 21 | 17 | 4 |
| Fixed Assets - Land | 11,216 | 30,220 | 1,324 | 28,896 |
| Total | <u>25,192</u> | <u>45,372</u> | <u>23,583</u> | <u>21,789</u> |
| TOTAL PUBLIC WAYS AND FACILITIES | <u>28,731</u> | <u>63,199</u> | <u>29,206</u> | <u>33,993</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, 2005

| Description | Original Budget | Adjusted Budget | Actual on a Budgetary Basis | Actual to Adjusted Budget Over (Under) |
|---|------------------|-------------------|-----------------------------------|--|
| HEALTH AND SANITATION - EXPENDITURES | | | | |
| Community Development Services and Supplies | 4,122 | 9,544 | 4,953 | 4,591 |
| Total | 4,122 | 9,544 | 4,953 | 4,591 |
| TOTAL HEALTH AND SANITATION | 4,122 | 9,544 | 4,953 | 4,591 |
| PUBLIC ASSISTANCE - EXPENDITURES | | | | |
| Ca Health Care Indigent Program Services and Supplies | 458 | 761 | 404 | 357 |
| Total | 458 | 761 | 404 | 357 |
| County Medical Services Prog. Salaries Wages Benefits | 955 | 956 | 872 | 84 |
| Services and Supplies | 2,558 | 3,665 | 2,719 | 946 |
| Other Financing Uses | 21 | 21 | 18 | 3 |
| Total | 3,534 | 4,642 | 3,609 | 1,033 |
| Emergency Medical Services Services and Supplies | 345 | 457 | 178 | 279 |
| Other Charges | 846 | 846 | 831 | 15 |
| Total | 1,191 | 1,303 | 1,009 | 294 |
| TOTAL PUBLIC ASSISTANCE | 5,183 | 6,706 | 5,022 | 1,684 |
| EDUCATION - EXPENDITURES | | | | |
| Driving under the influence programs Salaries Wages Benefits | 626 | 655 | 654 | 1 |
| Services and Supplies | 369 | 389 | 384 | 5 |
| Other Financing Uses | 15 | 15 | 15 | - |
| Appropriations for Contingency | 89 | 41 | - | 41 |
| Total | 1,099 | 1,100 | 1,053 | 47 |
| Library Salaries Wages Benefits | 3,990 | 3,990 | 3,901 | 89 |
| Services and Supplies | 2,318 | 3,671 | 2,112 | 1,559 |
| Other Charges | 1 | 1 | 1 | - |
| Other Financing Uses | 95 | 95 | 95 | - |
| Appropriations for Contingency | 201 | 201 | - | 201 |
| Total | 6,605 | 8,476 | 6,627 | 1,849 |
| TOTAL EDUCATION | 7,704 | 9,576 | 7,680 | 1,896 |
| RECREATIONAL AND CULTURAL SERVICES - EXPENDITURES | | | | |
| Parks Salaries Wages Benefits | 3,238 | 3,238 | 3,132 | 106 |
| Services and Supplies | 2,085 | 2,230 | 1,493 | 737 |
| Other Charges | 486 | 526 | 173 | 353 |
| Other Financing Uses | - | - | 66 | (66) |
| Fixed Assets - Buildings | - | 1,603 | 306 | 1,297 |
| Appropriations for Contingency | 113 | 113 | - | 113 |
| Total | 5,922 | 7,710 | 5,170 | 2,540 |
| TOTAL RECREATIONAL/CULTURAL | 5,922 | 7,710 | 5,170 | 2,540 |
| TOTAL SPECIAL REVENUE-NON SPECIAL DISTRICTS - EXPENDITURES | \$ 54,703 | \$ 113,490 | \$ 65,644 | \$ 47,846 |

**SPECIAL REVENUE – SPECIAL DISTRICTS
DETAIL BUDGETARY COMPARISON 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, 2005

| Description | Original Budget | Adjusted Budget | Actual | Final Budget Positive (Negative) |
|-------------------------------------|------------------------|------------------------|----------------------|--|
| PUBLIC PROTECTION - REVENUES | | | | |
| SLO Flood Control, Water | | | | |
| Taxes | \$ 639 | \$ 427 | \$ 543 | \$ 116 |
| Fines, Forfeits & Penalties | 5 | 5 | - | (5) |
| Revs from Use of Money/Prop | 11 | 11 | 41 | 30 |
| Aid from Govt Agencies | 8 | 8 | 22 | 14 |
| Total | <u>663</u> | <u>451</u> | <u>606</u> | <u>155</u> |
| Flood Control Zone 1 | | | | |
| Taxes | 39 | 35 | 38 | 3 |
| Revs from Use of Money/Prop | 1 | 1 | 2 | 1 |
| Aid from Govt Agencies | - | - | 2 | 2 |
| Charges for Current Services | 15 | 15 | 16 | 1 |
| Total | <u>55</u> | <u>51</u> | <u>58</u> | <u>7</u> |
| Flood Control Zone 1-A | | | | |
| Taxes | 9 | 8 | 11 | 3 |
| Total | <u>11</u> | <u>10</u> | <u>13</u> | <u>3</u> |
| Flood Control Zone 4 | | | | |
| Charges for Current Services | 3 | 3 | 3 | - |
| Total | <u>3</u> | <u>3</u> | <u>3</u> | <u>-</u> |
| Flood Control Zone 9 | | | | |
| Taxes | 278 | - | 12 | 12 |
| Revs from Use of Money/Prop | 12 | 12 | 27 | 15 |
| Aid from Govt Agencies | 3 | 3 | 4 | 1 |
| Total | <u>293</u> | <u>15</u> | <u>43</u> | <u>28</u> |
| Flood Control Zone 16 | | | | |
| Taxes | 10 | 10 | 10 | - |
| Revs from Use of Money/Prop | - | - | 1 | 1 |
| Charges for Current Services | 11 | 11 | 10 | (1) |
| Other Revenues | - | - | 1 | 1 |
| Total | <u>21</u> | <u>21</u> | <u>22</u> | <u>1</u> |
| Flood Control Zone Cambria | | | | |
| Revs from Use of Money/Prop | 7 | 7 | 11 | 4 |
| Aid from Govt Agencies | 987 | 987 | 54 | (933) |
| Total | <u>994</u> | <u>994</u> | <u>65</u> | <u>(929)</u> |
| Nipomo Lighting | | | | |
| Taxes | 25 | 23 | 23 | - |
| Revs from Use of Money/Prop | 4 | 4 | 5 | 1 |
| Aid from Govt Agencies | - | - | 59 | 59 |
| Charges for Current Services | - | - | 2 | 2 |
| Total | <u>29</u> | <u>27</u> | <u>89</u> | <u>62</u> |
| CSA 22 Airport Area | | | | |
| Revs from Use of Money/Prop | 1 | 1 | 1 | - |
| Total | <u>1</u> | <u>1</u> | <u>1</u> | <u>-</u> |
| TOTAL PUBLIC PROTECTION | <u>\$ 2,070</u> | <u>\$ 1,573</u> | <u>\$ 900</u> | <u>\$ (673)</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, 2005

| Description | Original Budget | Adjusted Budget | Actual | Final Budget Positive (Negative) |
|---|-----------------|-----------------|-----------------|--|
| PUBLIC WAYS AND FACILITIES - REVENUES | | | | |
| CSA 7 | | | | |
| Taxes | 29 | 26 | 28 | 2 |
| Revs from Use of Money/Prop | - | - | 1 | 1 |
| Total | <u>29</u> | <u>26</u> | <u>29</u> | <u>3</u> |
| CSA 7-B | | | | |
| Taxes | 15 | 14 | 14 | - |
| Revs from Use of Money/Prop | 3 | 3 | 4 | 1 |
| Total | <u>18</u> | <u>17</u> | <u>18</u> | <u>1</u> |
| CSA 10-Parent (w/ Lighting) | | | | |
| Taxes | 96 | 29 | 50 | 21 |
| Revs from Use of Money/Prop | 8 | 8 | 17 | 9 |
| Aid from Govt Agencies | 1 | 1 | 1 | - |
| Total | <u>105</u> | <u>38</u> | <u>68</u> | <u>30</u> |
| CSA 16 | | | | |
| Taxes | 20 | 20 | 16 | (4) |
| Revs from Use of Money/Prop | 2 | 2 | 4 | 2 |
| Total | <u>22</u> | <u>22</u> | <u>20</u> | <u>(2)</u> |
| CSA 17 | | | | |
| Revs from Use of Money/Prop | 1 | 1 | 2 | 1 |
| Total | <u>1</u> | <u>1</u> | <u>2</u> | <u>1</u> |
| CSA 21 | | | | |
| Revs from Use of Money/Prop | 1 | 1 | 2 | 1 |
| Charges for Current Services | 8 | 8 | 8 | - |
| Total | <u>9</u> | <u>9</u> | <u>10</u> | <u>1</u> |
| CSA 21 Coop Rd Imp Constr | | | | |
| Revs from Use of Money/Prop | 1 | 1 | 1 | - |
| Total | <u>1</u> | <u>1</u> | <u>1</u> | <u>-</u> |
| CSA 21 Coop Rd Imp Assmnt | | | | |
| Taxes | 729 | 729 | 2 | (727) |
| Revs from Use of Money/Prop | 1 | 1 | 1 | - |
| Charges for Current Services | - | - | 83 | 83 |
| Total | <u>730</u> | <u>730</u> | <u>86</u> | <u>(644)</u> |
| CSA 9 Coop Road Imp Assmt | | | | |
| Revs from Use of Money/Prop | 1 | 1 | 1 | - |
| Charges for Current Services | 14 | 14 | 14 | - |
| Total | <u>15</u> | <u>15</u> | <u>15</u> | <u>-</u> |
| TOTAL PUBLIC WAYS AND FACILITIES | <u>930</u> | <u>859</u> | <u>249</u> | <u>(610)</u> |
| TOTAL SPECIAL REVENUE - SPECIAL DISTRICTS - REVENUES | <u>\$ 3,000</u> | <u>\$ 2,432</u> | <u>\$ 1,149</u> | <u>\$ (1,283)</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, 2005

| Description | Original Budget | Adjusted Budget | Actual on a Budgetary Basis | Variance with Final Budget Positive (Negative) |
|---|-----------------|-----------------|-----------------------------------|---|
| PUBLIC PROTECTION - EXPENDITURES | | | | |
| SLO Flood Control, Water | | | | |
| Services and Supplies | \$ 1,189 | \$ 1,349 | \$ 910 | \$ 439 |
| Total | 1,189 | 1,349 | 910 | 439 |
| Flood Control Zone 1 | | | | |
| Services and Supplies | 125 | 125 | 125 | - |
| Total | 125 | 125 | 125 | - |
| Flood Control Zone 1-A | | | | |
| Services and Supplies | 3 | 3 | 2 | 1 |
| Other Financing Uses | 9 | 9 | - | 9 |
| Total | 12 | 12 | 2 | 10 |
| Flood Control Zone 4 | | | | |
| Services and Supplies | 5 | 5 | 3 | 2 |
| Total | 5 | 5 | 3 | 2 |
| Flood Control Zone 9 | | | | |
| Services and Supplies | 242 | 145 | 24 | 121 |
| Fixed Assets - Equipment | 11 | - | - | - |
| Total | 253 | 145 | 24 | 121 |
| Flood Control Zone 16 | | | | |
| Salaries Wages Benefits | - | - | 6 | (6) |
| Services and Supplies | 22 | 22 | - | 22 |
| Total | 22 | 22 | 6 | 16 |
| Flood Control Zone Cambria | | | | |
| Services and Supplies | - | 211 | 45 | 166 |
| Fixed Assets - Building | 1,520 | 1,520 | 277 | 1,243 |
| Total | 1,520 | 1,731 | 322 | 1,409 |
| Nipomo Lighting | | | | |
| Services and Supplies | 26 | 26 | 16 | 10 |
| Total | 26 | 26 | 16 | 10 |
| CSA 22 Airport Area | | | | |
| Services and Supplies | 1 | 1 | 1 | - |
| Total | 1 | 1 | 1 | - |
| TOTAL PUBLIC PROTECTION | 3,153 | 3,416 | 1,409 | 2,007 |

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, 2005

| Description | Original Budget | Adjusted Budget | Actual on a Budgetary Basis | Final Budget Positive (Negative) |
|---|-----------------|-----------------|-----------------------------------|--|
| PUBLIC WAYS AND FACILITIES EXPENDITURES | | | | |
| CSA 7 | | | | |
| Services and Supplies | 2 | 2 | 1 | 1 |
| Other Financing Uses | 98 | 98 | 87 | 11 |
| Total | <u>100</u> | <u>100</u> | <u>88</u> | <u>12</u> |
| CSA 7-B | | | | |
| Services and Supplies | 36 | 36 | - | 36 |
| Total | <u>36</u> | <u>36</u> | <u>-</u> | <u>36</u> |
| CSA 10-Parent (w/ Lighting) | | | | |
| Services and Supplies | 38 | 38 | 28 | 10 |
| Other Financing Uses | 313 | 313 | 54 | 259 |
| Total | <u>351</u> | <u>351</u> | <u>82</u> | <u>269</u> |
| CSA 16 | | | | |
| Services and Supplies | 10 | 10 | 7 | 3 |
| Total | <u>10</u> | <u>10</u> | <u>7</u> | <u>3</u> |
| CSA 17 | | | | |
| Services and Supplies | 1 | 1 | 1 | - |
| Total | <u>1</u> | <u>1</u> | <u>1</u> | <u>-</u> |
| CSA 21 | | | | |
| Services and Supplies | 13 | 13 | 13 | - |
| Total | <u>13</u> | <u>13</u> | <u>13</u> | <u>-</u> |
| CSA 21 Coop Rd Imp Constr | | | | |
| Services and Supplies | - | - | 38 | (38) |
| Fixed Assets - Building | 191 | 271 | 226 | 45 |
| Total | <u>191</u> | <u>271</u> | <u>264</u> | <u>7</u> |
| CSA 21 Coop Rd Imp Assmnt | | | | |
| Services and Supplies | 3 | 3 | 2 | 1 |
| Other Financing Uses | 727 | 727 | 11 | 716 |
| Total | <u>730</u> | <u>730</u> | <u>13</u> | <u>717</u> |
| CSA 9 Coop Road Imp Assmt | | | | |
| Services and Supplies | 1 | 1 | - | 1 |
| Other Financing Uses | 14 | 14 | 2 | 12 |
| Total | <u>15</u> | <u>15</u> | <u>2</u> | <u>13</u> |
| TOTAL PUBLIC WAYS AND FACILITIES | <u>1,447</u> | <u>1,527</u> | <u>470</u> | <u>1,057</u> |
| TOTAL SPECIAL REVENUE - SPECIAL DISTRICTS - EXPENDITURES | <u>\$ 4,600</u> | <u>\$ 4,943</u> | <u>\$ 1,879</u> | <u>\$ 3,064</u> |

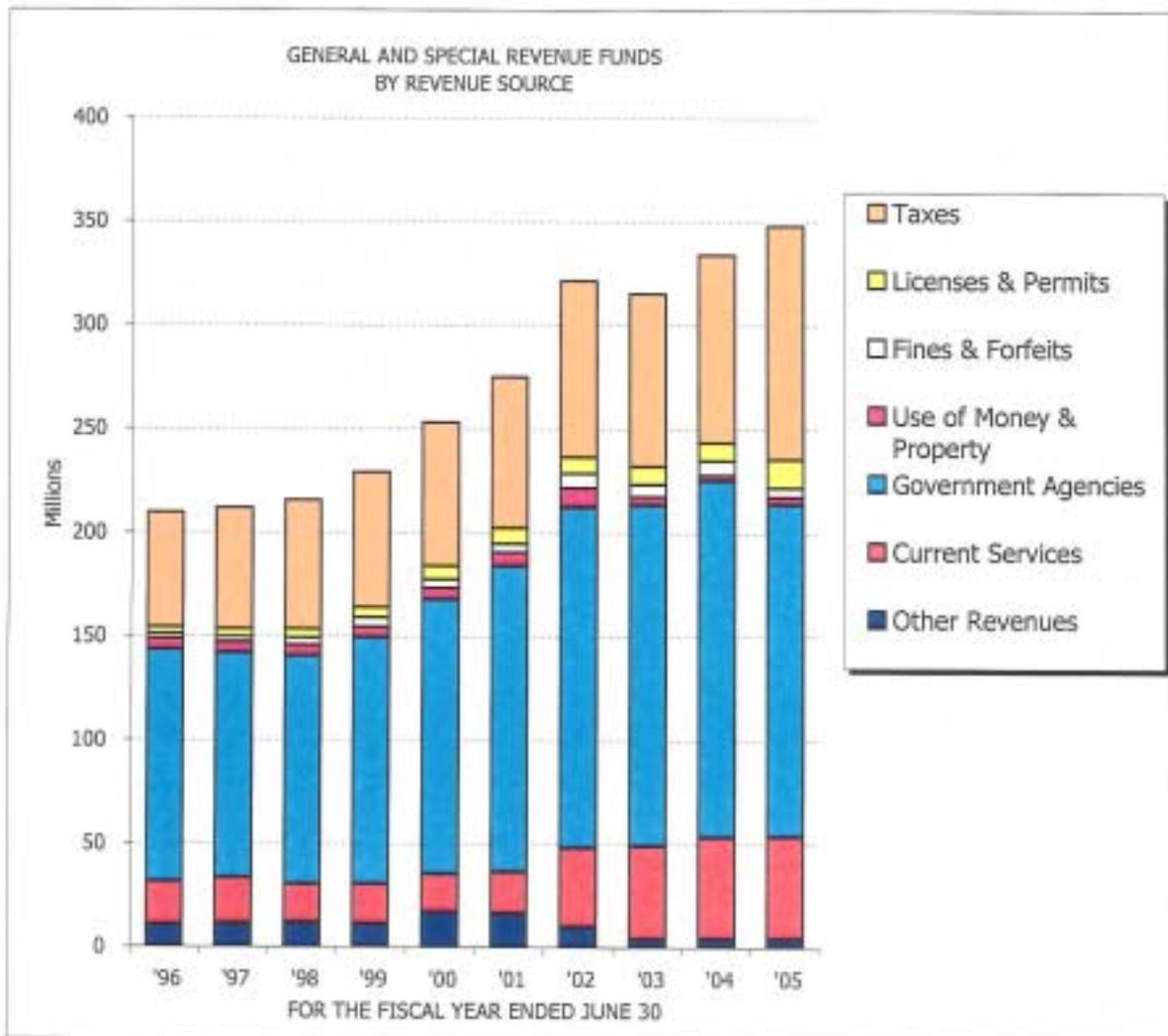


STATISTICAL SECTION



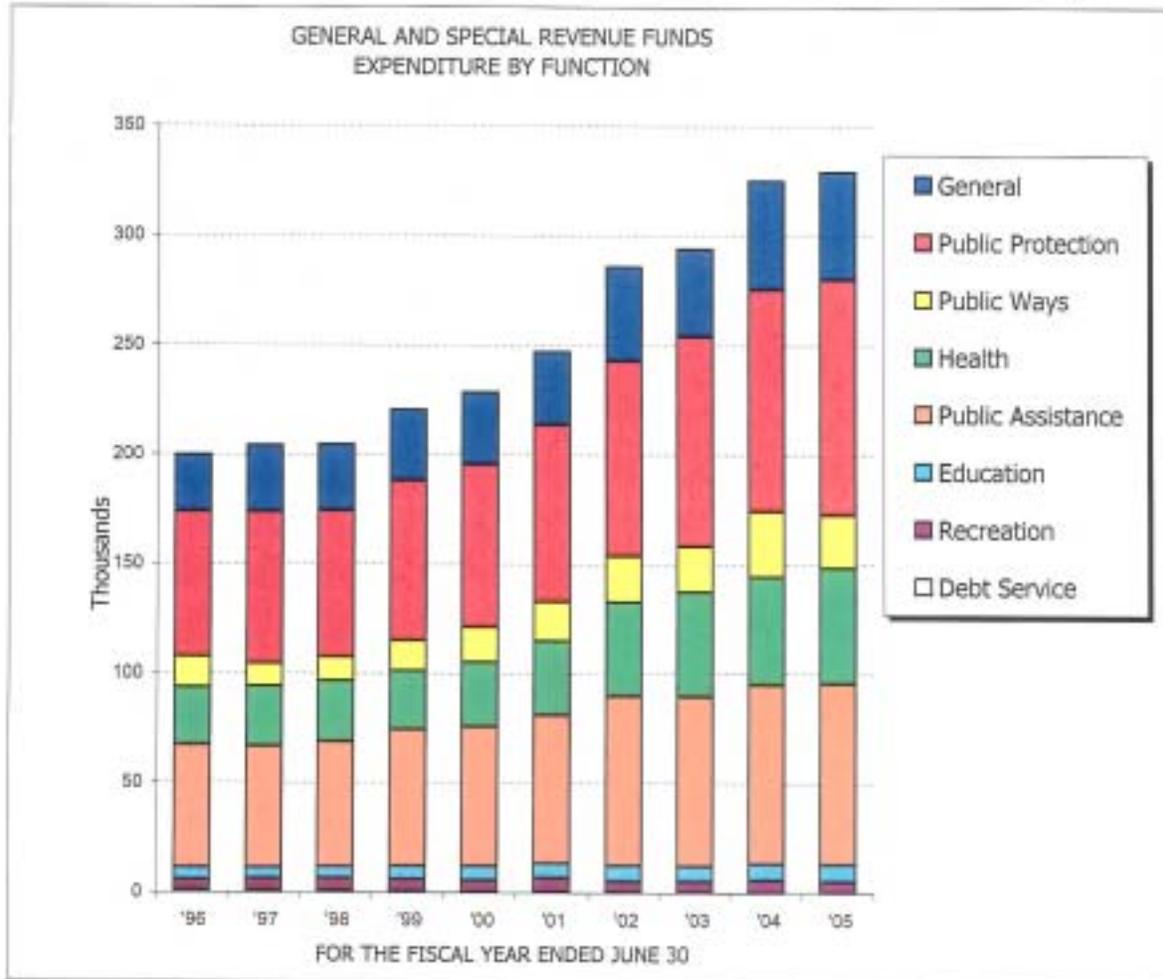
COUNTY OF SAN LUIS OBISPO
 GENERAL AND SPECIAL REVENUE FUND REVENUES BY SOURCE
 LAST TEN FISCAL YEARS
 (in thousands)
 (UNAUDITED)

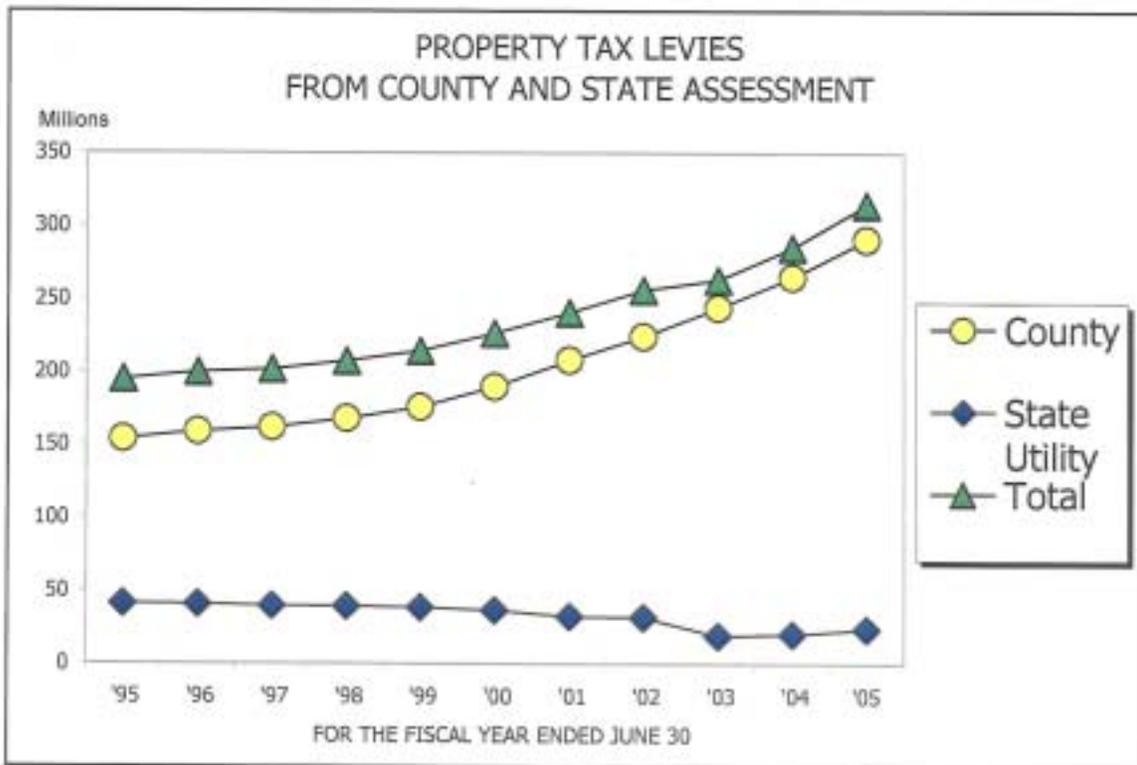
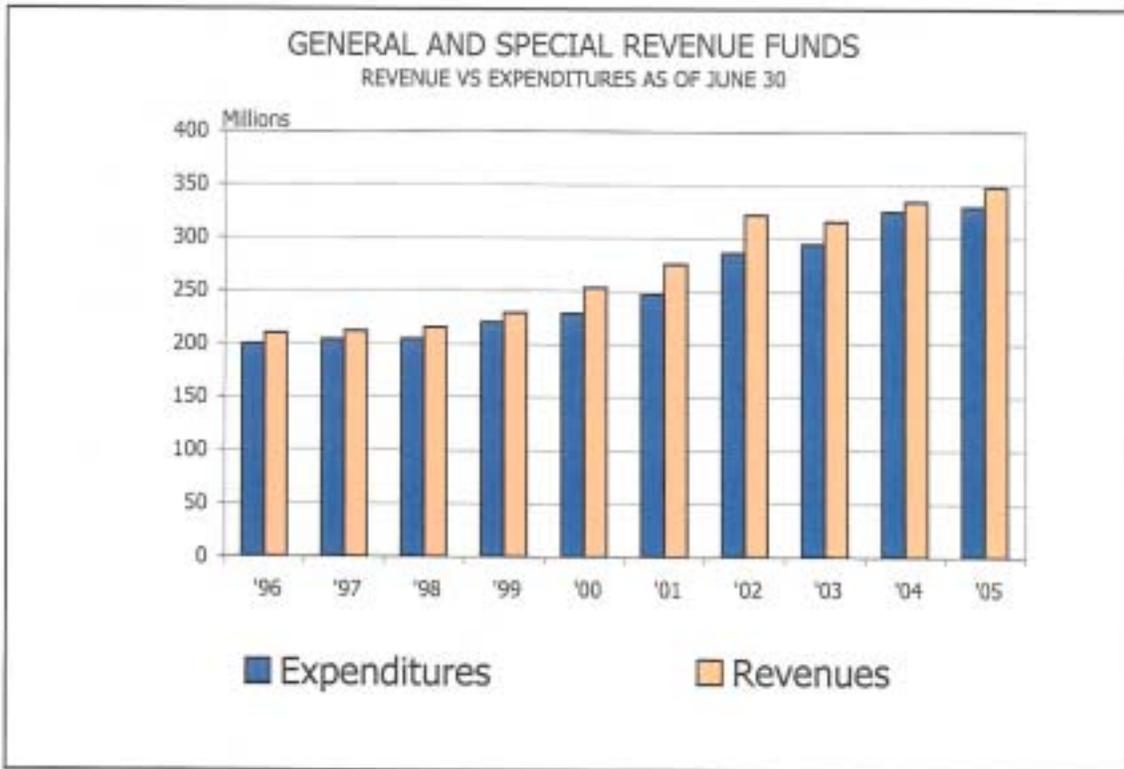
| Fiscal Year | Taxes | Licenses, Permits & Franchises | Fines Forfeits & Penalties | Revenues from Use of Money & Property | Aid from Governmental Agencies | Charges for Current Services | Other Revenues | Total Revenues | Percentage Change From Prior Year |
|-------------|---------|--------------------------------|----------------------------|---------------------------------------|--------------------------------|------------------------------|----------------|----------------|-----------------------------------|
| 1995-96 | 55,288 | 3,295 | 2,233 | 5,321 | 111,918 | 20,797 | 10,834 | 209,686 | 7.17 |
| 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) |
| 2003-04 | 90,553 | 8,674 | 7,056 | 2,535 | 171,967 | 49,055 | 4,303 | 334,143 | 5.96 |
| 2004-05 | 112,565 | 13,637 | 4,589 | 3,526 | 160,049 | 49,360 | 4,290 | 348,016 | 4.15 |



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 |
|-------------|--------------------|-------------------|--------------------------|---------------------|-------------------|-----------|-------------------------|--------------|--------------------|-----------------------------------|
| 1995-96 | 25,927 | 66,308 | 13,998 | 26,409 | 55,872 | 5,449 | 4,628 | 1,084 | 199,675 | 7.37 |
| 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 |
| 2003-04 | 49,491 | 101,203 | 29,718 | 49,542 | 81,616 | 7,606 | 5,645 | 18 | 324,839 | 10.55 |
| 2004-05 | 49,074 | 107,355 | 24,096 | 52,894 | 82,673 | 7,802 | 5,092 | 30 | 329,016 | 1.29 |





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

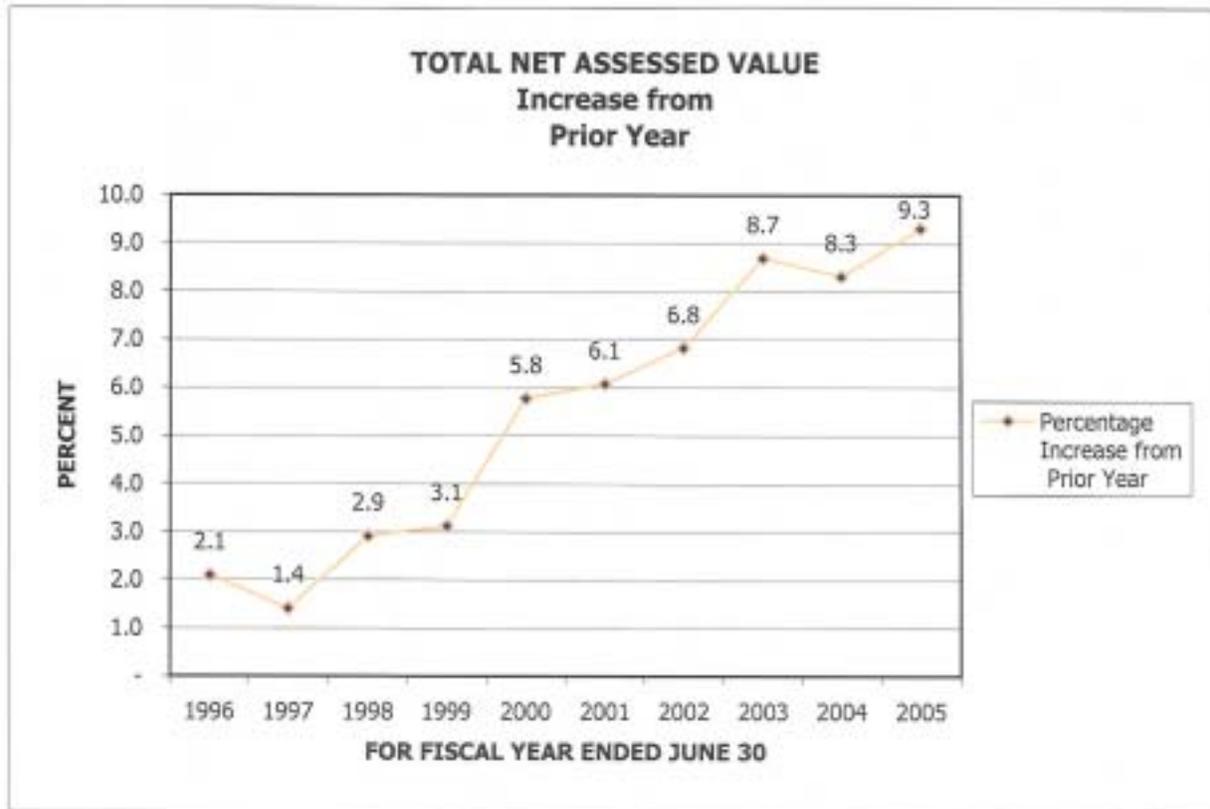
| FISCAL YEAR | COUNTY PORTION | COLLECTIONS | | DELINQUENCY | |
|-------------|----------------|-------------|---------|-------------|---------|
| | | AMOUNT | PERCENT | AMOUNT | PERCENT |
| 1995-96 | 47,863 | 46,719 | 97.6 % | 1,144 | 2.4 % |
| 1996-97 | 48,541 | 47,504 | 97.9 | 1,037 | 2.1 |
| 1997-98 | 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 |
| 2003-04 | 69,746 | 68,810 | 98.7 | 936 | 1.3 |
| 2004-05 | 75,169 | 74,198 | 98.7 | 971 | 1.3 |

Source: County Property Tax System

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

| Fiscal Year | Secured | Unsecured | Exemptions | Net Assessed Valuations | Percentage Increase from Prior Year |
|-------------|------------|-----------|------------|-------------------------|-------------------------------------|
| 1995-96 | 17,991,880 | 494,255 | (446,296) | 18,039,839 | 2.1 |
| 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 | 25,052,023 | 875,457 | (634,019) | 25,293,461 | 8.7 |
| 2003-04 | 27,194,503 | 859,296 | (658,326) | 27,395,473 | 8.3 |
| 2004-05 | 29,738,552 | 836,182 | (627,983) | 29,946,751 | 9.3 |

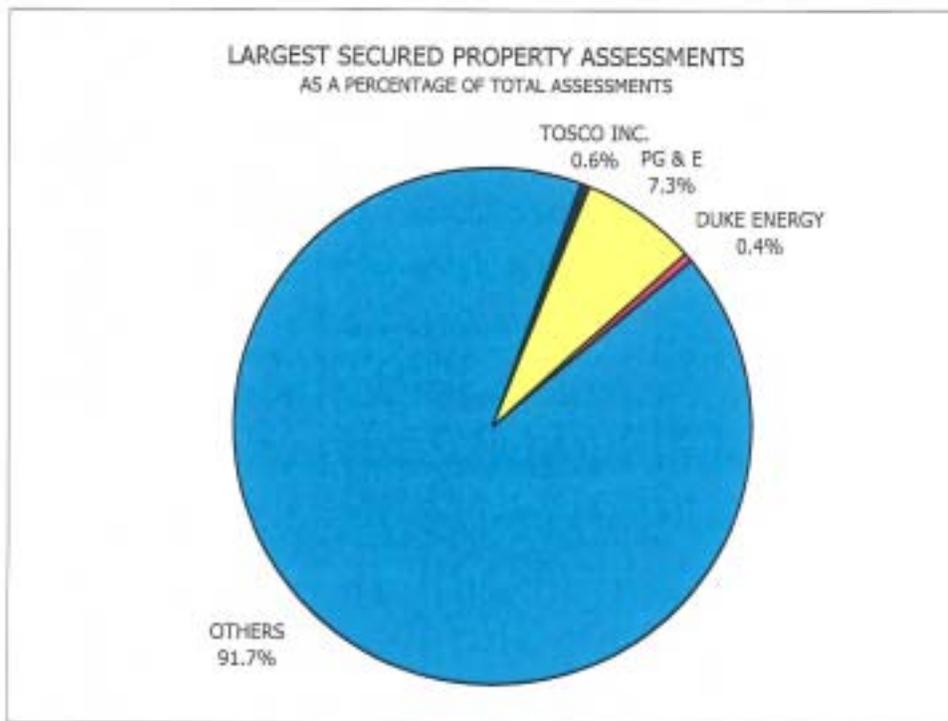
Source: County Property Tax System



COUNTY OF SAN LUIS OBISPO
 PRINCIPAL TAXPAYERS
 FISCAL YEAR 2004-05
 (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 | \$ 2,168,919 | 7.28 % |
| Tosco Corp A NV Corp. | Oil and Construction | 174,001 | 0.58 |
| Duke Energy Morro Bay LLC | Utility | 130,715 | 0.44 |
| Pacific Bell Telephone Company | Utility | 72,519 | 0.24 |
| Beringer Wine Estates Co. | Agriculture | 65,500 | 0.22 |
| UHS-Corona Inc. A DE Corp | Health Care | 55,470 | 0.19 |
| Southern California Gas Company | Utility | 48,983 | 0.16 |
| Sierra Vista Hospital Inc. | Health Care | 45,941 | 0.15 |
| Charter Communications Properties LLC | Utility | 40,246 | 0.14 |
| ESJ Centers LLC ETAL | Real Estate | 32,432 | 0.11 |
| Total | | <u>\$ 2,834,726</u> | <u>9.51</u> |

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)

| Fiscal Year | County Wide | | Cities, Schools and Special Districts Combined Rates | | | | | | |
|-------------|-------------------------------|---------------------------|--|----------------|--------------------|----------------|-----------------|--------------|------------|
| | General County Tax Rate | State Water Project | Arroyo Grande | Paso Robles | San Luis Obispo | Pismo Beach | Grover Beach | Morro Bay | Atascadero |
| 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 |
| 2003-04 | 1.0 | .0023 | .0403 | .1775 | - | .0273 | .0273 | .0082 | .0975 |
| 2004-05 | 1.0 | .0022 | .0593 | .1775 | - | .04629 | .0463 | .0081 | .0975 |

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

Source: County Property Tax System

COUNTY OF SAN LUIS OBISPO
 ASSESSED VALUATION AND LEGAL DEBT MARGIN
 FISCAL YEAR 2004-05
 (in thousands)
 (UNAUDITED)

SECURED ROLL

| | | | |
|--------------------|----|------------|------------|
| Land | \$ | 12,657,076 | |
| Improvements | | 16,401,364 | |
| Personal Property | | 275,429 | |
| Fixtures | | 238,421 | |
| Total Secured Roll | | \$ | 29,572,290 |

UNSECURED ROLL

| | | | |
|--------------------------------|--|---------|---------------|
| Improvements | | 96,608 | |
| Personal Property | | 571,733 | |
| Fixtures | | 167,842 | |
| Total Unsecured Roll | | | 836,182 |
| LESS: EXEMPTIONS | | | (611,285) |
| NET ASSESSED VALUE - ALL ROLLS | | | \$ 29,797,187 |

LEGAL DEBT MARGIN

| | | | |
|---|--|----|---------|
| Debt Limitation - 1.25% of net assessed value | | \$ | 372,465 |
| County Debt Applicable to Limit | | | 12,510 |
| Legal Debt Margin | | \$ | 359,955 |

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> |
|--------------------|--------------------------------|-----------------------|-----------------------------|-----------------------------|-------------------|---|-------------------|--|
| 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 | 124,669 |
| 2002-03 | 34,668 | 40,302 | 75 | 13,610 | 25 | 4,093 | 37,999 | 130,772 |
| 2003-04 | 34,265 | 64,562 | 71 | 12,750 | 24 | 3,906 | 37,524 | 153,102 |
| 2004-05 | 34,162 | 66,026 | 66 | 12,510 | 23 | 3,709 | 35,738 | 152,234 |

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> |
|--------------------|---|---|---|--|---|--------------------------|---|
| 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 | 25,293,461 | 0 | 256,300 | 0 |
| 2003-04 | 12,821 | (12,821) | 0 | 27,395,472 | 0 | 258,200 | 0 |
| 2004-05 | 12,576 | (12,576) | 0 | 29,946,751 | 0 | 260,727 | 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> |
|--------------------|------------------|-----------------|---------------------------|--|---|
| 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% |
| 2003-04 | 1,114 | 3,241 | 4,355 | 324,893 | 1.34% |
| 2004-05 | 1,164 | 4,174 | 5,338 | 329,016 | 1.62% |

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> |
| 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) | | | | | | |
| 2002-03 | | | | | | | |
| 2003-04 | | | | | | | |
| 2004-05 | | | | | | | |

(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> |
|--------------------|-------------------------------|--------------------------------------|-----------------------------|------------------------------------|------------------------------------|
| 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 |
| 2003-04 | 258,200 | 30,145 | 39.40 | 45,539 | 3.4 |
| 2004-05 | 260,727 | 30,228 | 38.20 | 45,268 | 4.2 |

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.

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

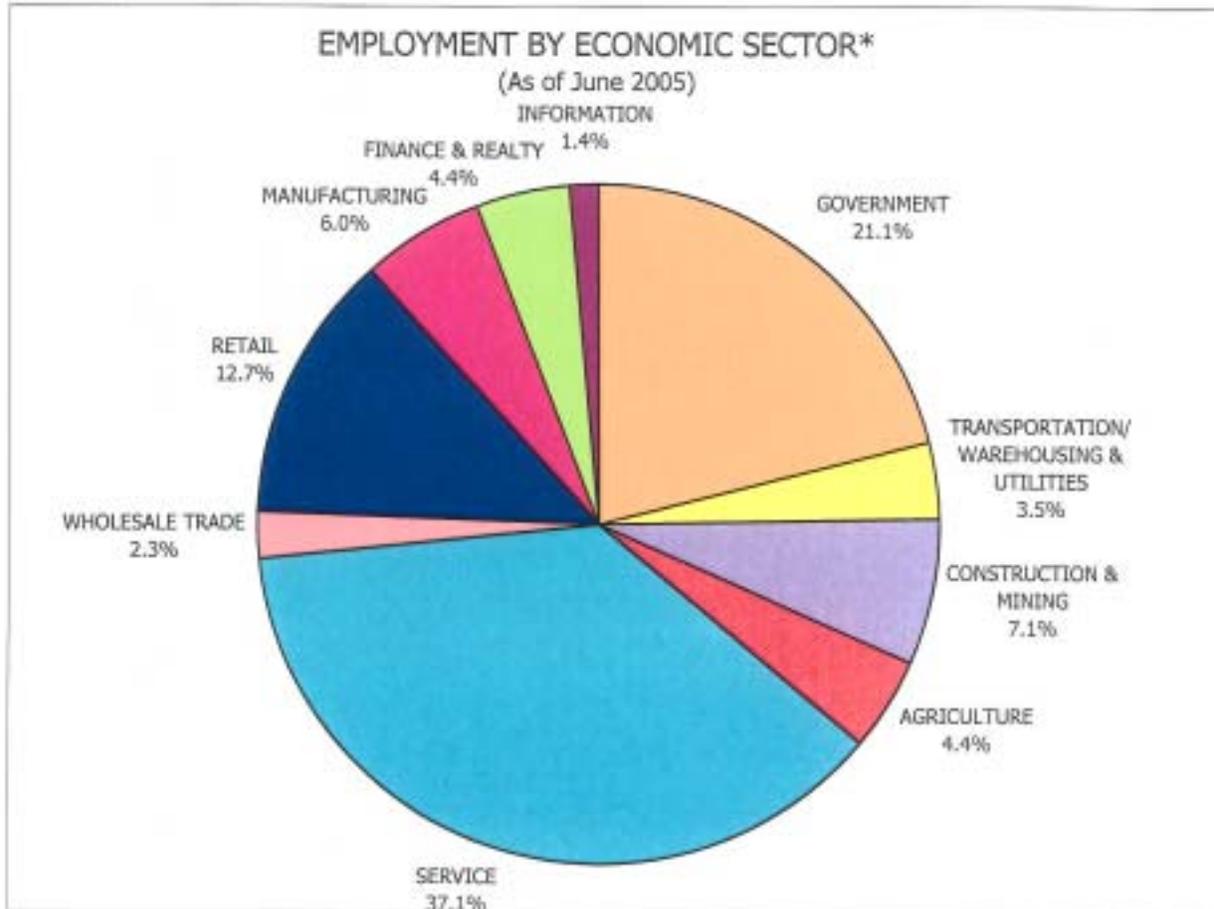
| Calendar Year | Valuation (in thousands) (1) | | | New Dwelling Units (1) | | | Bank Deposits (in thousands) (3) |
|---------------|------------------------------|-----------------|-----------------|------------------------|--------------------|----------------|-------------------------------------|
| | Residential | Non-Residential | Total Values | Single Family | Multiple Family | Total Units | |
| 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 |
| 2003 | 447,150 | 111,511 | 558,661 | 1,943 | 279 | 2,222 | 3,687,231 |
| 2004 | 451,651 | 115,941 | 567,592 | 1,900 | 363 | 2,263 | 3,998,938 |

Sources:

1. Construction Industry Research Board, as of 2005
2. FDIC, Washington, D.C.

COUNTY OF SAN LUIS OBISPO
TOP TEN EMPLOYERS
FISCAL YEAR 2004-05
(UNAUDITED)

| Organization | Number of Employees |
|--|---------------------|
| 1 County of San Luis Obispo | 2,675 |
| 2 California Polytechnic State University, SLO | 2,442 |
| 3 Atascadero State Hospital | 2,057 |
| 4 Pacific Gas and Electric Company | 1,955 |
| 5 California Men's Colony | 1,700 |
| 6 Cal Poly Foundation | 1,365 |
| 7 Lucia Mar Unified School District | 1,060 |
| 8 San Luis Coastal Unified School District | 825 |
| 9 Paso Robles Public Schools | 825 |
| 10 Sierra Vista Regional Medical Center | 780 |
| Total Employees | 15,684 |



COUNTY OF SAN LUIS OBISPO
MISCELLANEOUS STATISTICAL DATA
FISCAL YEAR 2004-05
(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 61 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

| | 1950 | 1960 | 1970 | 1980 | 1990 | 2000 | 2005 |
|-----------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|
| Cities | | | | | | | |
| Arroyo Grande | 1,723 | 3,291 | 7,454 | 11,254 | 14,432 | 16,450 | 16,537 |
| Atascadero | | | | 16,797 | 23,138 | 25,800 | 27,596 |
| Grover Beach | | 5,210 | 5,939 | 8,833 | 11,602 | 12,750 | 13,248 |
| Morro Bay | | | 7,109 | 9,078 | 9,664 | 9,975 | 10,519 |
| Paso Robles | 4,835 | 6,677 | 7,168 | 9,133 | 18,583 | 22,900 | 27,207 |
| Pismo Beach | 1,425 | 1,762 | 4,043 | 5,286 | 7,669 | 8,625 | 8,716 |
| San Luis Obispo | 14,180 | 20,437 | 28,035 | 34,184 | 41,958 | 43,050 | 44,163 |
| Unincorporated | 29,274 | 43,667 | 45,942 | 60,167 | 90,116 | 105,650 | 111,728 |
| 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>259,714</u> |

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

COUNTY OF SAN LUIS OBISPO
 MISCELLANEOUS STATISTICAL DATA
 June 30, 2005
 (UNAUDITED)

County Employees

| <u>June 30</u> | <u>Number of Employees *</u> |
|----------------|----------------------------------|
| 1996 | 2,573 |
| 1997 | 2,605 |
| 1998 | 2,471 |
| 1999 | 2,489 |
| 2000 | 2,521 |
| 2001 | 2,657 |
| 2002 | 2,732 |
| 2003 | 2,630 |
| 2004 | 2,509 |
| 2005 | 2,675 |

* 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 | <u>23</u> |
| 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 | <u>34</u> |

COUNTY OF SAN LUIS OBISPO
 MISCELLANEOUS STATISTICAL DATA
 JUNE 30, 2005
 (UNAUDITED)

| <u>Education</u> | | Number of |
|-------------------|--|------------------|
| School Districts: | | <u>Districts</u> |
| Elementary | | 0 |
| High | | 0 |
| Unified | | 7 |
| Community College | | 1 |
| Total | | <u>8</u> |
| State University | | 1 |
| <u>Hospitals</u> | | |
| Private | | 4 |
| County | | 0 |
| 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 1,317 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 inter-county 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, 2005
 (in thousands)
 (UNAUDITED)

Agriculture

| Calendar Year | Field Crops | Fruit & Nut Crops | Seed & Nursery Stock | Vegetable Crops | Animal Industry | Total |
|---------------|-------------|-------------------|----------------------|-----------------|-----------------|-----------|
| 1995 | 21,340 | 70,975 | 50,534 | 147,771 | 26,188 | 316,808 |
| 1996 | 22,445 | 89,171 | 56,399 | 134,047 | 24,513 * | 326,575 * |
| 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 | 16,053 * | 166,779 | 93,171 | 175,643 | 36,012 * | 487,658 * |
| 2001 | 17,025 | 182,415 | 90,908 * | 152,531 | 46,517 | 489,396 * |
| 2002 | 15,595 | 167,555 * | 97,377 | 156,687 | 46,161 | 483,375 * |
| 2003 | 15,162 | 189,144 * | 91,476 | 168,423 | 49,181 | 513,386 * |
| 2004 | 15,342 | 195,712 | 101,156 | 167,606 | 59,620 | 539,436 |

Source: 2004 County Department of Agriculture Annual Report

* Revised

Elections

Consolidated General Election - November 2, 2004:

| | |
|-------------------|---------|
| Registered Voters | 162,459 |
| Number Voting | 130,234 |
| Percent Voting | 80.16% |

