

CITY OF SANTA PAULA
FINANCIAL STATEMENTS
Year Ended June 30, 2009

City of Santa Paula
Financial Statements
Year Ended June 30, 2009

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INDEPENDENT AUDITORS' REPORT

Honorable City Council of
the City of Santa Paula

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Santa Paula, California, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the basic financial statement 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 aggregate remaining fund information of the City of Santa Paula as of June 30, 2009, 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.

As described in Note IV D to the financial statements, the City adopted the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2009 on our consideration of the City's internal control over financial reporting and 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 the internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Required Supplementary Information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit and do not express an opinion on such information.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Teaman Ramirez & Smith

December 14, 2009

CITY OF SANTA PAULA

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2009

As management of the City of Santa Paula, we offer readers of the City of Santa Paula's financial statements this narrative overview and analysis of the financial activities of the City of Santa Paula for the fiscal year ended June 30, 2009.

Financial Highlights

- The assets of the City of Santa Paula exceeded its liabilities at the close of the recent year by \$47,110,135 (*net assets*). Of this amount, \$8,448,373 (*unrestricted net assets*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$3,681,655.
- As of the close of the current fiscal year, the City of Santa Paula's governmental funds reported combined ending fund balances of \$9,386,512 an increase of \$446,279 from the ending balance of 2008 that was \$8,940,233. Approximately \$7,297,608 is *available for spending* at the government's discretion or with guidance from special fund restrictions (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance from the general fund was \$2,600,842 or 21.4 percent of the total general fund expenditures and transfers equaling \$12,170,633. This is a decrease of \$584,558 from the prior year, mostly from salary and benefits savings.
- The City of Santa Paula's total liabilities at year-end were \$5,130,934 a decrease of \$2,111,868 from the prior year. Overall expenditure reductions make up the major decreases.

Impact of FY 2008-09 State Fiscal Crisis

During FY 2008-09 the financial condition of the City of Santa Paula was strained. Although the final results are not yet in as of this report date, it is clear that revenues have decreased more than anticipated due to the on-going state fiscal crisis. All revenue and expenditure categories will suffer and the City's ending balance sheet will show significant weakness.

Overview of the Financial Statements

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

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

The *statement of net assets* presents information on all of the City of Santa Paula'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 City of Santa Paula 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 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 vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Santa Paula 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 costs through user fees and charges (*business-type activities*). The governmental activities of the City of Santa Paula include general government, public safety, streets, economic development, and culture and recreation. The business-type activities of the City of Santa Paula include Water, Refuse and Sewer enterprises.

The government-wide financial statements include not only the City of Santa Paula itself (known as *the primary government*), but also a legally separate Redevelopment Agency and a legally separate Financing Authority for which the City of Santa Paula is financially accountable. Financial information for *these component units* is included in the financial information presented for the primary government itself. The Water, Refuse, and Sewer enterprises, function for all practical purposes as departments of the City of Santa Paula, and therefore have been included as a integral part of the *primary government*.

The government-wide financial statements can be found on pages 1-3 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 City of Santa Paula, 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 City of Santa Paula 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 *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.

Since the focus of governmental funds is narrower, then 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 governmental-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the government fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Santa Paula maintains seventy-five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in the fund balances for the general fund (which is made up of seven separate funds), which is considered to be a major fund. Data from

the other sixty-eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Santa Paula adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 4-7 of this report.

Proprietary funds. The City of Santa Paula maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Santa Paula uses enterprise funds to account for its Water, Refuse, and Sewer operations. These funds are reported separately as Proprietary Funds. *Internal service funds* are accounting devices used to accumulate and allocate costs internally among the City of Santa Paula's various functions. The City of Santa Paula uses a quasi internal service fund to account for its fleet of vehicles and equipment. Because the Fund's services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Refuse, and Sewer operations, which are considered to be major funds of the City of Santa Paula. Conversely, the quasi internal service fund is combined into the General Fund classification, aggregated presentation in the governmental fund financial statements.

The basic proprietary fund financial statements can be found on pages 8-11 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 statement because the resources of those funds are *not* available to support the City of Santa Paula's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

There are no Fiduciary Fund financial statements included in this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13-33 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Santa Paula's General Fund Actual to Budget comparison. Required supplementary information can be found on page 32-34 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 35-62 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Santa Paula, assets exceeded liabilities by \$43,428,480 at the close of fiscal year ended June 30, 2008 and \$47,110,135 at June 30, 2009.

A large portion of the City of Santa Paula's net assets include \$35,664,419 (75.7 percent) as its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Santa Paula uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Santa Paula'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.

Government-Wide Financial Statements
Table 1: Summary of Net Assets

	June 30, 2008			June 30, 2009		
	Governmental Activities	Business -Type Activities	Total	Governmental Activities	Business -Type Activities	Total
Assets						
Current and other assets	\$15,532,351	\$15,774,486	\$31,306,837	\$13,735,163	\$15,284,635	\$29,019,798
Capital Assets (net of depreciation)	13,468,341	46,452,998	59,921,339	12,985,062	49,614,773	62,599,835
Total Assets	29,000,692	62,227,484	91,228,176	26,720,225	64,899,408	91,619,633
Liabilities						
Long-term liabilities outstanding	9,418,075	30,575,386	39,993,461	8,800,052	30,310,284	39,110,336
Other liabilities	6,520,946	1,285,289	7,806,235	4,282,744	1,116,418	5,399,162
Total liabilities	15,939,021	31,860,675	47,799,696	13,082,796	31,426,702	44,509,498
Net Assets:						
Invested in capital assets, not of related debt	13,468,341	19,452,998	32,921,339	12,816,173	22,848,246	35,664,419
Restricted For:						
Transportation and other	2,663,492		2,663,492	2,663,492		2,663,492
Debt Services	333,851	-	333,851	333,851		333,851
Unrestricted	(3,404,013)	10,913,811	7,509,798	(2,176,087)	10,624,460	8,448,373
Total net assets	\$13,061,671	\$30,366,809	\$43,428,480	\$13,637,429	\$33,472,706	\$47,110,135

An additional portion of the City of Santa Paula's net assets (6.3 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* \$8,448,373 may be used to meet the government's ongoing obligations to citizens and creditors. This is an increase of \$938,575 or 12 percent over the prior year.

At the end of the current fiscal year, the City of Santa Paula is able to report positive balances in two of the three categories of net assets, both for the government as-a-whole and also business-type activities. Separately, the City's governmental *unrestricted net assets* show a negative balance of (\$2,176,087), which is a reduction from the prior year negative balance of (\$3,404,013) and is a reduction of \$1,227,926. This is the result of the increase in unrestricted net assets while restricted remain unchanged.

**Government-Wide Financial Statements
Table 2: Summary Changes of Net Assets**

	June 30,2008			June 30,2009		
	Governmental Activities	Business - Type Activities	Total	Governmental Activities	Business - Type Activities	Total
Revenues						
Charges for services	\$2,786,923	\$14,144,426	\$16,931,349	\$2,096,797	\$13,208,256	\$15,305,053
Operating grants	2,837,775		2,837,775	1,972,851		1,972,851
Capital grants	1,747,446		1,747,446	679,336		679,336
General revenues:						
Property taxes	5,657,316		5,657,316	5,487,559		5,487,559
Tax increment	3,661,207		3,661,207	3,709,390		3,709,390
Sales taxes	1,453,013		1,453,013	1,344,085		1,344,085
Other taxes	791,411		791,411	779,209		779,209
Investments	302,171	745,847	1,048,018	153,445	337,287	490,732
Other revenues	530,331		530,331	152,634		152,634
Total Assets	19,767,593	14,890,273	34,657,866	16,375,306	13,545,543	29,920,849
Expenses						
General administration	1,491,003		1,491,003	1,311,219		1,311,219
Building and safety	883,565		883,565	882,417		882,417
Community services	5,097,157		5,097,157	4,681,489		4,681,489
Financial Services	389,588		389,588	402,987		402,987
Fire	2,044,049		2,044,049	2,266,484		2,266,484
Planning	1,053,307		1,053,307	621,186		621,186
Police	5,803,863		5,803,863	5,738,870		5,738,870
Public Works	1,774,947		1,774,947	1,550,058		1,550,058
Economic development	167,773		167,773	214,279		214,279
Non-departmental	6,273		6,273	2,686		2,686
Interest	235,382		235,382	227,107		227,107
Refuse		1,574,615	1,574,615		1,598,118	1,598,118
Water		4,889,356	4,889,356		4,718,493	4,718,493
Sewer		3,048,447	3,048,447		2,719,310	2,719,310
Total expenses	18,946,907	9,512,418	28,459,325	17,898,782	9,035,921	26,934,703
Increase in Net Assets before Transfers	820,686	5,377,855	6,198,541	(1,523,476)	4,509,622	2,986,146
Transfers	1,286,937	(1,286,937)		1,403,725	(1,403,725)	-
Increase in Net Assets	2,107,623	4,090,918	6,198,541	(119,751)	3,105,897	2,986,146
Beginning Net Assets	15,477,542	26,591,951	42,069,493	13,061,671	30,366,809	43,428,480
Prior period adjustment	(4,523,494)	(316,060)	(4,839,554)	695,509		695,509
Ending Net Assets	\$13,061,671	\$30,366,809	\$43,428,480	\$13,637,429	\$33,472,706	\$47,110,135

The business-type activities *unrestricted net assets* show a positive balance of \$10,624,460, a decrease of \$289,351 or 3 percent over the prior year. The governmental activities showed a decrease of (\$652,168) for *Invested in Capital Assets*. The business-type activities reported for *Invested in Capital Assets* at \$22,848,246 resulting in an increase of \$3,395,248 or 17.4 percent over the prior year.

There was an increase of \$3,105,897 in total net assets reported in connection with the City of Santa Paula's business-type activities. Governmental activities net assets increased by \$575,758 during the fiscal year. This increase represents the degree to which decreases in ongoing expenses have kept up with similar decreases in ongoing revenues. Key elements of this increase are as follows:

Governmental activities. Governmental activities increased the City of Santa Paula's net assets by \$575,758 or thereby reducing the impact of the negative unrestricted net assets on the total growth in the net assets of the City of Santa Paula.

Expenses for governmental activities decreased from \$18,946,907 in 2008 to \$17,898,782 in 2009, a decrease of (\$1,119,764) or (5.0) percent.

Business-type activities. Business-type activities increased the City of Santa Paula's net assets by \$3,105,897 accounting for 9.2 percent of the total business-type activities net assets. Key elements of this increase are as follows:

- Total charges for services for business-type activities decreased by 7.0 percent or (\$936,170) due primarily to lower water consumption.
- Net revenue for all enterprise funds was lower than the prior year by \$459,673.
- The PERS side-fund prior year adjustment of negative \$316,060 further decreased the difference year over year.
- The transfers-out are 45 percent of the total change in net assets for 2009.

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City of Santa Paula's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spending* resources. Such information is useful in assessing the City of Santa Paula'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 City of Santa Paula's governmental funds reported combined total ending fund balances of \$9,386,512.

The general fund is the chief operating fund of the City of Santa Paula. At the end of this current fiscal year, unreserved fund balance of the general fund was \$2,600,842, while total fund balance reached \$2,661,668. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 21.4 percent of the total general fund expenditures, while total fund balance represents 21.9 percent of that same amount.

Proprietary funds. The City of Santa Paula's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The net assets of the Water, Refuse, and Sewer enterprises at the end of the year amounted to \$33,472,706 an increase of \$3,105,897 or 10.2 percent over the prior year. The increase in net assets for each fund was \$592,492, \$155,477, and \$2,357,928, respectively. Other factors concerning the finances of these funds are addressed in the discussion of the City of Santa Paula's business-type activities.

Statement of Revenues, Expenses and Changes in Net Assets

Table 3: Proprietary Funds

	Business-Type Activities			
	Water	Refuse	Sewer	Total
Operating Revenues	\$5,366,017	\$2,141,175	\$5,610,614	\$13,117,806
Operating Expenses	3,479,771	1,598,118	2,675,660	\$7,753,549
Operating Income (loss)	1,886,246	543,057	2,934,954	5,364,257
Total non-operating revenues (expenses)	(879,058)	22,412	2,011	(854,635)
Transfer in	217,206			\$217,206
Transfers out	(631,902)	(409,992)	(579,037)	(\$1,620,931)
Change in Net Assets	592,492	155,477	2,357,928	3,105,897
Total Net Assets, Beginning	14,282,389	1,030,167	15,054,253	30,366,809
Total Net Assets, Ending	\$14,874,881	\$1,185,644	\$17,412,181	\$33,472,706

General Fund Budgetary Highlights

The difference between the final budget and the actual expenditures was a negative (\$822,966) after accounting for transfers-in and transfers-out. Overall the General Fund expenditures came in over-budget by \$919,212 or 8.1 percent. Revenue was 3.0 percent lower than anticipated with the categories of taxes representing (\$113,159) and other revenue of (\$139,885) accounting for the shortfall. Five out of the seven categories showed shortfalls in revenue collections.

Capital Asset and Debt Administration

Capital assets. The City of Santa Paula's investment in capital assets for its governmental and business type activities as of June 30, 2009, amounts to \$62,599,835 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements other than buildings, machinery and equipment, as well as construction in progress.

	Capital Assets		
	Table 4		
	(Net of Depreciation)		
	Governmental Activities	Business-Type Activities	Total
Land	\$504,119	\$6,742,631	\$7,246,750
Construction in progress	316,041	12,411,717	\$12,727,758
Buildings and system	1,984,110	11,481,023	\$13,465,133
Machinery and equipment	1,016,018	1,380,345	\$2,396,363
Improvements other than buildings	9,164,774	17,599,057	\$26,763,831
Total Capital Assets	\$12,985,062	\$49,614,773	\$62,599,835

The value of assets has increased by \$10,188,069 during this reporting period. Major capital asset events during the current fiscal year included the following:

- The continuation of the City's Water Main Replacement Program
- Additional projects completed during the fiscal year included, Well Rehabilitation, Las Piedras Park Improvements, Arterial Street Paving, and Paseo Accessibility.

Additional information on the City of Santa Paula's capital assets can be found in note III.C on pages 22 and 23 of this report.

Long-term debt. At the end of the current fiscal year, the City of Santa Paula had total debt outstanding, excluding compensated absences and estimated claims, of \$35,029,107. This is a decrease of \$604,278 from the prior period's level of \$35,633,385. The governmental activity decrease was \$618,023. The business-type activity debt decrease was \$265,102. Of the current citywide long-term debt \$3,172,191 is secured by tax allocation proceeds. Bonds secured solely by specified revenue sources (i.e., revenue bonds) equal \$26,360,000. The remaining \$9,578,145 comprises debt backed by the full faith and credit of the government.

Outstanding Debt

Table 5

	Governmental Activities	Business-Type Activities	Total
Tax Allocation Bonds	\$3,172,191		\$3,172,191
Capital Lease Payable	168,889	406,527	\$575,416
Lease Revenue Bonds		26,360,000	\$26,360,000
Notes Payable		496,500	\$496,500
OPEB Obligation	71,639		\$71,639
Pension Related Debt	4,056,911	296,451	\$4,353,362
Compensated Absences	469,071	136,376	\$605,447
Contracts Payable	861,351	2,614,430	\$3,475,781
Total	\$8,800,052	\$30,310,284	\$39,110,336
June 30, 2009	\$9,418,075	\$30,575,386	\$39,993,461
Change in debt service	(\$618,023)	(\$265,102)	(\$883,125)

The City of Santa Paula's total outstanding debt decreased \$883,125 during the current fiscal year. The largest single portion of the decreases was from \$755,000 in principal payments for the Tax Allocation and Lease Revenue Bonds. Capital leases increased City-wide by \$355,510. Additional information on the City of Santa Paula's long-term debt can be found in note III.E on page 25 of this report.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate estimated by the State of California Employment Development Department (October 2009) for the City of Santa Paula is 10.1% up from last year's 8.2 percent. The unemployment has now reached its highest point in two years.

The occupancy rate of the government's central business district is at 85-90%, which is about 5 percent lower than 2008.

Both the Water and Sewer rates were approved for increases in June 2009 for implementation October 1, 2009. The most recent sewer rates were increased by 30 percent for residential customers, while the average increase in the water rates was 12.0 percent. These rate increases were necessary to cover operating expenses and to fund significant capital investments in infrastructure. To continue this effort, the Council anticipates near future rate increases that will partially fund the new wastewater treatment plant scheduled for completion in mid 2010.

Requests for Information

This financial report is designed to provide a general overview of the City of Santa Paula's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Santa Paula, Finance Director, P.O. Box 569, Santa Paula, CA 93061.

BASIC FINANCIAL STATEMENTS

City of Santa Paula
Statement of Net Assets
June 30, 2009

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Investments	\$ 11,167,227	\$ 10,642,660	\$ 21,809,887
Receivables (Net of Allowance)	910,866	1,668,853	2,579,719
Loans Receivable	1,006,639	-	1,006,639
Deferred Charges	82,926	951,222	1,034,148
Internal Balances	(100,000)	100,000	-
Cash - Restricted	387,154	1,907,874	2,295,028
Prepaid Insurance	75,130	14,026	89,156
Property Held for Resale	205,221	-	205,221
Capital Assets Not Being Depreciated			
Land	504,119	6,742,631	7,246,750
Construction in Progress	316,041	12,411,717	12,727,758
Capital Assets Net of Accumulated Depreciation			
Buildings and System	1,984,110	11,481,023	13,465,133
Machinery and Equipment	1,016,018	1,380,345	2,396,363
Improvements Other Than Buildings	9,164,774	17,599,057	26,763,831
Total Assets	<u>26,720,225</u>	<u>64,899,408</u>	<u>91,619,633</u>
LIABILITIES			
Accounts Payable and Accrued Liabilities	3,291,264	1,116,418	4,407,682
Accrued Interest Payable	17,019	-	17,019
Deferred Revenue	974,461	-	974,461
Noncurrent Liabilities			
Due Within One Year	144,492	988,142	1,132,634
Due in More Than One Year	8,655,560	29,322,142	37,977,702
Total Liabilities	<u>13,082,796</u>	<u>31,426,702</u>	<u>44,509,498</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	12,816,173	22,848,246	35,664,419
Restricted for:			
Transportation and Other Purposes	2,663,492	-	2,663,492
Debt Service	333,851	-	333,851
Unrestricted	(2,176,087)	10,624,460	8,448,373
Total Net Assets	<u>\$ 13,637,429</u>	<u>\$ 33,472,706</u>	<u>\$ 47,110,135</u>

The accompanying notes are an integral part of this statement.

**City of Santa Paula
Statement of Activities
For the Year Ended June 30, 2009**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 1,311,219	\$ 25,541	\$ -	\$ -
Building and Safety	882,417	257,195	345,235	-
Community Services	4,681,489	305,106	32,096	19,483
Financial Services	402,987	22,173	-	-
Fire	2,266,484	262,592	70,686	2,416
Planning	621,186	279,403	-	-
Police	5,738,870	307,958	302,854	2,320
Public Works	1,550,058	607,293	1,221,980	655,117
Economic Development	214,279	-	-	-
Non-departmental	2,686	29,536	-	-
Interest on Long-term Debt	227,107	-	-	-
Total Governmental Activities	17,898,782	2,096,797	1,972,851	679,336
Business-type Activities:				
Refuse	1,598,118	2,145,805	-	-
Water	4,718,493	5,451,837	-	-
Sewer	2,719,310	5,610,614	-	-
Total Business-type Activities	9,035,921	13,208,256	-	-
Total Government	\$ 26,934,703	\$ 15,305,053	\$ 1,972,851	\$ 679,336

General Revenues:
 Property Taxes
 Tax Increment
 Sales Taxes
 Transient Occupancy Taxes
 Franchise Taxes
 Business License Taxes
 Motor Vehicle In-Lieu
 Unrestricted Investment Earnings
 Miscellaneous Revenues
 Special Item
 Transfers
Total General Revenues and Transfers

Change in Net Assets

Net Assets - Beginning

Prior Period Adjustments

Net Assets - Ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (1,285,678)	\$ -	\$ (1,285,678)
(279,987)	-	(279,987)
(4,324,804)	-	(4,324,804)
(380,814)	-	(380,814)
(1,930,790)	-	(1,930,790)
(341,783)	-	(341,783)
(5,125,738)	-	(5,125,738)
934,332	-	934,332
(214,279)	-	(214,279)
26,850	-	26,850
(227,107)	-	(227,107)
<u>(13,149,798)</u>	<u>-</u>	<u>(13,149,798)</u>
-	547,687	547,687
-	733,344	733,344
-	2,891,304	2,891,304
<u>-</u>	<u>4,172,335</u>	<u>4,172,335</u>
<u>(13,149,798)</u>	<u>4,172,335</u>	<u>(8,977,463)</u>
5,487,559	-	5,487,559
3,709,390	-	3,709,390
1,344,085	-	1,344,085
92,002	-	92,002
463,687	-	463,687
121,038	-	121,038
102,482	-	102,482
153,445	337,287	490,732
152,634	-	152,634
-	-	-
1,403,725	(1,403,725)	-
<u>13,030,047</u>	<u>(1,066,438)</u>	<u>11,963,609</u>
(119,751)	3,105,897	2,986,146
13,061,671	30,366,809	43,428,480
695,509	-	695,509
<u>\$ 13,637,429</u>	<u>\$ 33,472,706</u>	<u>\$ 47,110,135</u>

**City of Santa Paula
Balance Sheet
Governmental Funds
June 30, 2009**

	<u>General</u>	<u>Redevelopment Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Investments	\$ 2,282,275	\$ 1,621,656	\$ 7,263,296	\$ 11,167,227
Cash with Fiscal Agent	-	241,670	89,660	331,330
Receivables	610,449	2,630	297,787	910,866
Due from Other Funds	765,209	-	-	765,209
Loans Receivable	13,174	-	993,465	1,006,639
Cash - Restricted	-	-	55,824	55,824
Prepaid Insurance	55,237	-	19,893	75,130
Property Held for Resale	-	-	205,221	205,221
	<u>3,726,344</u>	<u>1,865,956</u>	<u>8,925,146</u>	<u>14,517,446</u>
Total Assets	<u>\$ 3,726,344</u>	<u>\$ 1,865,956</u>	<u>\$ 8,925,146</u>	<u>\$ 14,517,446</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable and Accrued Liabilities	\$ 1,051,502	\$ 2,146,404	\$ 93,358	\$ 3,291,264
Due to Other Funds	-	-	765,209	765,209
Deferred Revenue	13,174	-	961,287	974,461
Advances From Other Funds	-	-	100,000	100,000
	<u>1,064,676</u>	<u>2,146,404</u>	<u>1,919,854</u>	<u>5,130,934</u>
Total Liabilities	<u>1,064,676</u>	<u>2,146,404</u>	<u>1,919,854</u>	<u>5,130,934</u>
Fund Balances:				
Reserved for:				
Prepaid Expenses	55,237	-	109,553	164,790
Encumbrances	5,589	-	135,749	141,338
Loans	-	-	45,559	45,559
Debt Service	-	241,670	-	241,670
Property Held for Resale	-	-	205,221	205,221
Unreserved, Reported In:				
General Fund	2,600,842	-	-	2,600,842
Special Revenue Funds	-	-	1,235,758	1,235,758
Capital Projects Funds	-	-	3,812,734	3,812,734
Debt Service Funds	-	(522,118)	(784)	(522,902)
Permanent Funds	-	-	1,461,502	1,461,502
	<u>2,661,668</u>	<u>(280,448)</u>	<u>7,005,292</u>	<u>9,386,512</u>
Total Fund Balances	<u>2,661,668</u>	<u>(280,448)</u>	<u>7,005,292</u>	<u>9,386,512</u>
Total Liabilities and Fund Balances	<u>\$ 3,726,344</u>	<u>\$ 1,865,956</u>	<u>\$ 8,925,146</u>	<u>\$ 14,517,446</u>

The accompanying notes are an integral part of this statement.

City of Santa Paula
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2009

Fund balances of governmental funds		\$ 9,386,512
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		12,985,062
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Obligations under capital lease agreement		(168,889)
Tax allocation refunding bonds, net of unamortized discount		(3,172,191)
Compensated Absences		(469,071)
Claims payable		(861,351)
OPEB Obligation		(71,639)
Pension Related Debt		(4,056,911)
Accrued interest payable is not reported in the funds.		(17,019)
Unamortized issuance costs on the tax allocation bonds have not been reported in the governmental funds.		82,926
		82,926
Net assets of governmental activities		\$ 13,637,429

The accompanying notes are an integral part of this statement.

City of Santa Paula
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2009

	General	Redevelopment Debt Service	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 7,397,424	\$ 2,967,499	\$ 1,451,089	\$ 11,816,012
Licenses and Permits	272,546	-	-	272,546
Intergovernmental	614,202	-	1,661,869	2,276,071
Charges for Services	1,156,047	-	185,862	1,341,909
Fines and Forfeitures	166,150	-	5,897	172,047
Investment Earnings	32,352	28,759	165,764	226,875
Other Revenues	5,693	-	264,153	269,846
	<u>9,644,414</u>	<u>2,996,258</u>	<u>3,734,634</u>	<u>16,375,306</u>
EXPENDITURES				
Current:				
General Government	1,465,159	43,729	51,296	1,560,184
Building and Safety	509,733	-	369,102	878,835
Community Services	1,315,926	-	1,051,166	2,367,092
Financial Services	396,970	-	4,584	401,554
Fire	2,237,102	-	28,074	2,265,176
Planning	609,216	-	-	609,216
Police	5,476,626	-	233,225	5,709,851
Public Works	99,527	-	1,604,892	1,704,419
Economic Development	-	-	-	-
Non-departmental	-	-	2,182	2,182
Pass-thru Payments	-	2,143,319	-	2,143,319
Debt Service:				
Principal	26,017	80,500	59,500	166,017
Interest	11,587	146,180	62,649	220,416
	<u>12,147,863</u>	<u>2,413,728</u>	<u>3,466,670</u>	<u>18,028,261</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,503,449)</u>	<u>582,530</u>	<u>267,964</u>	<u>(1,652,955)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,560,693	-	309,126	1,869,819
Transfers Out	(22,770)	-	(443,324)	(466,094)
	<u>1,537,923</u>	<u>-</u>	<u>(134,198)</u>	<u>1,403,725</u>
Net Change in Fund Balances	(965,526)	582,530	133,766	(249,230)
Fund Balances, Beginning	2,931,685	(862,978)	6,871,526	8,940,233
Prior Period Adjustment	695,509	-	-	695,509
Fund Balances, Ending	<u>\$ 2,661,668</u>	<u>\$ (280,448)</u>	<u>\$ 7,005,292</u>	<u>\$ 9,386,512</u>

The accompanying notes are an integral part of this statement.

City of Santa Paula
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2009

Net change in fund balances-total governmental funds \$ (249,230)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation of \$870,983 exceeded capital outlay of \$531,283 in the current period. (339,700)

The net effect of disposals of capital assets is to decrease net assets (143,579)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 115,000

Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 51,017

Repayment of Pension Related Debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 267,159

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Compensated Absences	10,983
Claims and Judgments	246,929
OPEB Obligation	(71,639)
Accrued Interest	(82)
Amortization of bond discounts and issuance costs	(6,609)
	(6,609)

Change in net assets of governmental activities \$ (119,751)

City of Santa Paula
Statement of Net Assets
Proprietary Funds
June 30, 2009

	Business-Type Activities - Enterprise Funds			
	Water	Refuse	Sewer	Totals
ASSETS				
Current Assets:				
Cash and Investments	\$ 6,990,253	\$ 894,858	\$ 2,757,549	\$ 10,642,660
Receivables	868,789	242,750	557,314	1,668,853
Total Current Assets	<u>7,859,042</u>	<u>1,137,608</u>	<u>3,314,863</u>	<u>12,311,513</u>
Noncurrent Assets:				
Restricted Cash:				
Cash with Fiscal Agents	1,907,874	-	-	1,907,874
Advances to Other Funds	2,100,000	-	-	2,100,000
Deferred Charges	951,222	-	-	951,222
Prepaid Insurance	12,688	1,338	-	14,026
Capital Assets:				
Land	1,965,000	-	4,777,631	6,742,631
Buildings	12,178,061	57,250	7,126,145	19,361,456
Improvements	17,736,839	-	111,617	17,848,456
Machinery and Equipment	1,499,620	1,480,654	190,118	3,170,392
Construction in Progress	3,259,817	-	9,151,900	12,411,717
Less: Accumulated Depreciation	<u>(3,955,382)</u>	<u>(915,919)</u>	<u>(5,048,578)</u>	<u>(9,919,879)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>32,683,955</u>	<u>621,985</u>	<u>16,308,833</u>	<u>49,614,773</u>
Total Noncurrent Assets	<u>37,655,739</u>	<u>623,323</u>	<u>16,308,833</u>	<u>54,587,895</u>
Total Assets	<u>45,514,781</u>	<u>1,760,931</u>	<u>19,623,696</u>	<u>66,899,408</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	867,400	67,266	181,752	1,116,418
Compensated Absences	79,232	27,381	29,763	136,376
Bonds Payable - Current	660,000	-	-	660,000
Capital Lease Payable - Current	-	66,818	-	66,818
Contracts Payable - Current	124,948	-	-	124,948
Total Current Liabilities	<u>1,731,580</u>	<u>161,465</u>	<u>211,515</u>	<u>2,104,560</u>
Noncurrent Liabilities:				
Advances from Other Funds	-	-	2,000,000	2,000,000
Bonds Payable	25,700,000	-	-	25,700,000
Notes Payable	496,500	-	-	496,500
Capital Lease Payable	-	339,709	-	339,709
Contracts Payable	2,489,482	-	-	2,489,482
Pension Related Debt	222,338	74,113	-	296,451
Total Noncurrent Liabilities	<u>28,908,320</u>	<u>413,822</u>	<u>2,000,000</u>	<u>31,322,142</u>
Total Liabilities	<u>30,639,900</u>	<u>575,287</u>	<u>2,211,515</u>	<u>33,426,702</u>
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	6,323,955	215,458	16,308,833	22,848,246
Unrestricted	8,550,926	970,186	1,103,348	10,624,460
Total Net Assets	<u>\$ 14,874,881</u>	<u>\$ 1,185,644</u>	<u>\$ 17,412,181</u>	<u>\$ 33,472,706</u>

The accompanying notes are an integral part of this statement.

City of Santa Paula
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2009

	Business-Type Activities - Enterprise Funds			
	Water	Refuse	Sewer	Totals
OPERATING REVENUES				
Water Sales	\$ 5,324,491	\$ -	\$ -	\$ 5,324,491
Refuse Sales	-	2,138,342	-	2,138,342
Sewer Sales	-	-	5,569,661	5,569,661
Other Revenues	41,526	2,833	40,953	85,312
Total Operating Revenues	5,366,017	2,141,175	5,610,614	13,117,806
OPERATING EXPENSES				
Cost of Sales	2,086,123	1,372,894	2,169,063	5,628,080
Administration	895,961	160,248	278,173	1,334,382
Depreciation	458,596	64,976	228,424	751,996
Amortization	39,091	-	-	39,091
Total Operating Expenses	3,479,771	1,598,118	2,675,660	7,753,549
Operating Income (Loss)	1,886,246	543,057	2,934,954	5,364,257
NONOPERATING REVENUES (EXPENSES)				
Investment Earnings	273,844	17,782	45,661	337,287
Interest Expense	(1,238,722)	-	(43,650)	(1,282,372)
Gain/(Loss) on Disposal of Capital Assets	85,820	4,630	-	90,450
Total Nonoperating Revenues (Expenses)	(879,058)	22,412	2,011	(854,635)
Income Before Contributions and Transfers	1,007,188	565,469	2,936,965	4,509,622
Capital Contributions	-	-	-	-
Transfers In	217,206	-	-	217,206
Transfers Out	(631,902)	(409,992)	(579,037)	(1,620,931)
Change in Net Assets	592,492	155,477	2,357,928	3,105,897
Total Net Assets, Beginning	14,282,389	1,030,167	15,054,253	30,366,809
Total Net Assets, Ending	\$ 14,874,881	\$ 1,185,644	\$ 17,412,181	\$ 33,472,706

The accompanying notes are an integral part of this statement.

**City of Santa Paula
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2009**

	Water	Refuse
Cash Flows from Operating Activities		
Receipts from Customers and Users	\$ 5,877,090	\$ 2,129,431
Payments to Suppliers	(2,014,226)	(1,359,218)
Payments to Employees	(887,520)	(155,784)
	2,975,344	614,429
Net Cash Provided (Used) by Operating Activities		
Cash Flows from Noncapital Financing Activities		
Transfers In	217,206	-
Advances Received (Paid)	-	-
Transfers Out	(631,902)	(409,992)
Principal Paid on Pension Related Debt	(8,020)	(2,673)
	(422,716)	(412,665)
Net Cash Provided by (Used in) Noncapital Financing Activities		
Cash Flows from Capital and Related Financing Activities		
Proceeds from Capital Debt	-	438,854
Acquisition of Capital Assets	(2,104,891)	(462,560)
Sale of Property	85,820	4,630
Interest Paid on Capital Debt	(1,238,722)	-
Principal Paid on Capital Debt	(683,704)	(32,327)
	(3,941,497)	(51,403)
Net Cash Provided (Used) by Capital and Related Financing Activities		
Cash Flows from Investing Activities		
Investment Earnings	273,844	17,782
	273,844	17,782
Net Cash Provided (Used) by Investing Activities		
	(1,115,025)	168,143
Net Increase (Decrease) in Cash and Cash Equivalents		
Cash and Cash Equivalents, Beginning	10,013,152	726,715
Cash and Cash Equivalents, End	\$ 8,898,127	\$ 894,858
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating income	\$ 1,886,246	\$ 543,057
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation Expense	458,596	64,976
Amortization Expense	39,091	-
(Increase) Decrease in Receivables	511,073	(11,744)
(Increase) Decrease in Prepaid Insurance	(12,688)	(1,338)
Increase (Decrease) in Accounts Payable	84,585	15,014
Increase (Decrease) in Compensated Absences	8,441	4,464
	2,975,344	614,429
Net Cash Provided By Operating Activities	\$ 2,975,344	\$ 614,429

The accompanying notes are an integral part of this statement.

<u>Sewer</u>	<u>Total</u>
\$ 5,647,551	\$ 13,654,072
(2,437,533)	(5,810,977)
<u>(268,310)</u>	<u>(1,311,614)</u>
2,941,708	6,531,481
-	217,206
-	-
(579,037)	(1,620,931)
-	<u>(10,693)</u>
<u>(579,037)</u>	<u>(1,414,418)</u>
-	438,854
(1,346,319)	(3,913,770)
-	90,450
(43,650)	(1,282,372)
-	<u>(716,031)</u>
<u>(1,389,969)</u>	<u>(5,382,869)</u>
45,661	337,287
45,661	337,287
1,018,363	71,481
1,739,186	12,479,053
<u>\$ 2,757,549</u>	<u>\$ 12,550,534</u>
\$ 2,934,954	\$ 5,364,257
228,424	751,996
-	39,091
36,937	536,266
-	(14,026)
(268,470)	(168,871)
9,863	<u>22,768</u>
<u>\$ 2,941,708</u>	<u>\$ 6,531,481</u>

City of Santa Paula
Notes to Financial Statements
June 30, 2009

<u>NOTE</u>	<u>DESCRIPTION</u>	<u>PAGE</u>
I	Summary of Significant Accounting Policies	13 - 18
II	Stewardship, Compliance and Accountability	18
III	Detailed Notes on All Funds	19 - 29
IV	Other Information	30 - 34

City of Santa Paula
Notes to Financial Statements
June 30, 2009

I) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Description of Reporting Entity

The City of Santa Paula (the "City") is a municipal corporation operating as a general law city governed by a city council of five members. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

Blended Component Units

The Santa Paula Redevelopment Agency (the Agency) is governed by the City Council of the City of Santa Paula. Although it is legally separate from the City, the Agency is reported as if it were part of the primary government because the City Council is the governing board. Separate financial statements are available at the City of Santa Paula.

The Santa Paula Public Financing Authority (the Authority) is governed by the City Council of the City of Santa Paula. Although it is legally separate from the City, the Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct the City's public facilities.

B) Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all the nonfiduciary activities of the City of Santa Paula and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter, if any, are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement focus and the accrual basis of accounting*, as are the proprietary funds' financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

City of Santa Paula
Notes to Financial Statements
June 30, 2009

D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual, and therefore have been recognized as revenues within the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue within the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Redevelopment Agency Debt Service Fund* is used to account for the accumulation of resources for, and the retirement of, general long-term debt principal and interest.

The City reports the following major proprietary funds:

The water, refuse and sewer funds account for the operation of the City's water distribution system, refuse collection operations, the City's sewage treatment plant, and sewage pumping stations.

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 have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. In the fund financial statements, quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursement fund and as revenues in the fund that is reimbursed. All other interfund transaction except quasi-external transactions and reimbursements are reported as transfers.

City of Santa Paula
Notes to Financial Statements
June 30, 2009

I) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. 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 principle ongoing operations. The principle operating revenues of the City's enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise 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.

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

D) Assets, Liabilities, and Net Assets or Equity

1) Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments (including restricted assets) with original maturities of three months or less from the date of acquisition.

Investments are included within the financial statement caption "Cash and Investments." Investments for the government, as well as for its component units, are stated at their fair value, the value at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Local Agency Investment Fund operates in accordance with the appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

2) Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is 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.

City of Santa Paula
Notes to Financial Statements
June 30, 2009

D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D) Assets, Liabilities, and Net Assets or Equity - Continued

2) Receivables and Payables - Continued

All trade and property taxes receivable are shown net of an allowance for uncollectibles. Property taxes in the State of California are administered for all local agencies at the County level, and consist of secured, unsecured, and utility tax roles.

Property taxes are levied as of January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property, as it exists at the time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

Tax levies are limited to 1% of full market value which results in a tax of \$1.00 per \$100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

The Assessor of the County of Ventura establishes property valuations for the secured and unsecured property tax rolls; the State Board of Equalization values the utility property tax roll. Under the provisions of Article XIII A of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978) properties are assessed at 100% of full value. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

Tax collections are the responsibility of the County Tax Collector. Taxes and assessments on secured and utility rolls which constitute a lien against the property, may be paid in two installments; the first is due on November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on February 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payments.

Due to the nature of the City-wide maximum levy, it is not possible to identify general-purpose tax rates for specific entities. Under state legislation adopted subsequent to the passage of Proposition 13, appropriations to local agencies are made by the County Auditor-Controller based primarily on the ratio that each agency represented of the total City-wide levy for the three years prior to fiscal year 1979.

The State of California FY 90-91 Budget Act authorized counties to collect an administrative fee for collection and distribution of property taxes. Property taxes are recorded as net of administration fees withheld during the fiscal year.

3) Restricted Assets

Certain proceeds of the City's tax allocation refunding bonds and the enterprise fund lease revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

**City of Santa Paula
Notes to Financial Statements
June 30, 2009**

D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D) Assets, Liabilities, and Net Assets or Equity - Continued

4) Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000, or \$25,000 for capital projects. 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.

The costs of normal maintenance and repairs that do not add to the value of the asset or materiality extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	30 - 50
Building Improvements	10 - 30
Infrastructure	25 - 60
Vehicles	3 - 10
Equipment	7 - 10
Computer Equipment	5

5) Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Cash compensations for accrued vacations are generally not payable until the employee terminates employment with the City. Sick leave may be accumulated to a maximum of 960 hours. Cash compensation for unused sick leave for employees hired prior to September 27, 1988 is payable to an employee only upon termination of employment with the City and the employee is compensated at the rate of 50% of their daily rate. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in the government funds only if they have matured, for example, as a result of employee resignations and retirements.

6) 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 straight-line method. Bonds

City of Santa Paula
Notes to Financial Statements
June 30, 2009

I) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D) Assets, Liabilities, and Net Assets or Equity - Continued

6) Long-term Obligations - Continued

payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

7) 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 for outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

II) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A) Deficit Fund Equity

The following funds had a deficit fund balance at June 30, 2009:

Mobile Home Rent Review	\$	147,666
State Gas Tax	\$	417,103
Local Transportation TDA	\$	21,215
CA Oil Museum	\$	8,984
Hillsborough Open Space Assessment	\$	3,017
Local Transportation TDA Article 3	\$	6,140
GHAD-GEO Hazardous Abatement District	\$	455
State Homeland Security	\$	13,298
Cable Television Fund	\$	17,651
Safe Routes to School	\$	849
Weed and Seed Support GRT-DOJ	\$	1,913
Fire Protection Facilities	\$	15,288
Corp Yard Facilities	\$	1,977

These deficits are expected to be reduced by future revenue or transfer from other funds.

**City of Santa Paula
Notes to Financial Statements
June 30, 2009**

III) DETAILED NOTES ON ALL FUNDS

A) Cash and Investments

The City's cash and investments consist of the following at June 30, 2009:

Petty Cash	\$	5,500
Deposits		1,909,164
Investments		<u>19,895,223</u>
 Total Cash and Investments - Unrestricted		 <u>21,809,887</u>
 Cash and Investments with Fiscal Agents		 2,239,204
Other Restricted Cash		<u>55,824</u>
 Total Restricted Cash and Investments		 <u>2,295,028</u>
 Total Cash and Investments		 <u>\$ 24,104,915</u>

Investments Authorized by the California Government Code and the City's Investment Policy

The investments are managed by the City Treasurer and Fiscal agents (Bond trustees acting in accordance with bond covenants). Investments managed by the City Treasurer are invested in accordance with the City's investment policy. Investments managed by bond trustees are invested in accordance with provisions of the respective bond agreements, which generally are in accordance with provisions of the California Government Code 53601.

The City Treasurer has direct oversight over the City's pooled investment fund which covers cash and cash equivalents of the City's governmental funds, enterprise funds, and agency funds which are invested in accordance with the City's investment policy. The investment policy generally complies with California Government Code Section 53601.

The table below identifies the investment types that are authorized by the City's investment policy and the California Government Code. The table also identifies certain provisions that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Authorized by Investment Policy	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment In One Issuer	Minimum Ratings
U.S. Treasury	Yes	3 years	None	None	None
U.S. Agencies	Yes	3 years	20%	None	AAA
Bankers Acceptances	Yes	0.5 years	10%	2%	None
Certificate of Deposits (CDs)	Yes	N/A	40%	15%	AAA
Mutual Funds	Yes	N/A	15%	15%	AAA
Local Agency Investment Funds	Yes	N/A	None	None	None

City of Santa Paula
Notes to Financial Statements
June 30, 2009

III) DETAILED NOTES ON ALL FUNDS - Continued

A) Cash and Investments - Continued

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rates risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Carrying Amount	Remaining Maturity (in Months)			
		12 Months Or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
State Investment Pool - LAIF	\$ 19,895,223	\$ 19,895,223	\$ -	\$ -	\$ -
Held by Bond Trustees:					
LAIF	1,907,833	1,907,833	-	-	-
Mutual Funds	331,330	331,330	-	-	-
Total	\$22,134,386	\$22,134,386	\$ -	\$ -	\$ -

Disclosures Relating to Credit Risk

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

Investment Type	Carrying Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End		
				AAA	Aa	Not Rated
State Investment Pool - LAIF	\$ 21,803,056	N/A	\$ -	\$ -	\$ -	\$ 21,803,056
Mutual Funds	331,330	N/A	-	-	-	331,330
Total	\$22,134,386		\$ -	\$ -	\$ -	\$ 22,134,386

City of Santa Paula
Notes to Financial Statements
June 30, 2009

III) DETAILED NOTES ON ALL FUNDS - Continued

A) Cash and Investments - Continued

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer (other than external investment pools) that represent 5% or more of total City investments.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2009, the City held deposits of \$606,401 with financial institutions in excess of the Federal Depository Insurance Corporation's limits in uncollateralized accounts.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investments in securities through the use of mutual funds or government investment pools (such as LAIF).

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based on the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

City of Santa Paula
Notes to Financial Statements
June 30, 2009

III) DETAILED NOTES ON ALL FUNDS - Continued

B) Receivables

Receivables as of year-end for the City's individual major funds and non-major funds in the aggregate, are as follows:

	General	Water Utility	Refuse Fund	Sewer Utility	Nonmajor and Other Funds	Total
Receivables:						
Interest	\$ 4,573	\$ 25,040	\$ 3,401	\$ 9,308	\$ 31,025	\$ 73,347
Taxes	408,142	-	-	-	-	408,142
Accounts	52,504	843,749	239,349	548,006	123,345	1,806,953
Intergovernmental	113,879	-	-	-	143,417	257,296
Miscellaneous	31,351	-	-	-	-	31,351
Total Receivables	\$ 610,449	\$ 868,789	\$ 242,750	\$ 557,314	\$ 297,787	\$ 2,577,089

C) Capital Assets

Capital asset activity for the year ended June 30, 2009, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated				
Land	\$ 504,119	\$ -	\$ -	\$ 504,119
Construction in Progress	210,510	196,075	(90,544)	316,041
Total Capital Assets, Not Being Depreciated	714,629	196,075	(90,544)	820,160
Capital Assets Being Depreciated:				
Buildings and System	2,735,671	215,537	(179,068)	2,772,140
Machinery and Equipment	2,967,305	89,369	(50,661)	3,006,013
Improvements Other Than Buildings	11,599,543	120,846	-	11,720,389
Total Capital Assets Being Depreciated	17,302,519	425,752	(229,729)	17,498,542
Less Accumulated Depreciation:				
Buildings and System	(697,443)	(126,076)	35,489	(788,030)
Machinery and Equipment	(1,738,758)	(301,898)	50,661	(1,989,995)
Improvements Other Than Buildings	(2,112,606)	(443,009)	-	(2,555,615)
Total Accumulated Depreciation	(4,548,807)	(870,983)	86,150	(5,333,640)
Total Capital Assets Being Depreciated, Net	12,753,712	(445,231)	(143,579)	12,164,902
Governmental Activities Capital Assets, Net	<u>\$ 13,468,341</u>	<u>\$ (249,156)</u>	<u>\$ (234,123)</u>	<u>\$ 12,985,062</u>

City of Santa Paula
Notes to Financial Statements
June 30, 2009

III) DETAILED NOTES ON ALL FUNDS - Continued

C) Capital Assets - Continued

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities:				
Capital Assets, Not Being Depreciated				
Land	\$ 6,742,631	\$ -	\$ -	\$ 6,742,631
Construction in Progress	<u>9,886,351</u>	<u>2,525,366</u>	<u>-</u>	<u>12,411,717</u>
Total Capital Assets, Not Being Depreciated	<u>16,628,982</u>	<u>2,525,366</u>	<u>-</u>	<u>19,154,348</u>
Capital Assets Being Depreciated:				
Buildings and System	19,361,456	-	-	19,361,456
Machinery and Equipment	2,798,729	701,304	(329,640)	3,170,393
Improvements Other Than Buildings	<u>17,161,355</u>	<u>687,101</u>	<u>-</u>	<u>17,848,456</u>
Total Capital Assets Being Depreciated	<u>39,321,540</u>	<u>1,388,405</u>	<u>(329,640)</u>	<u>40,380,305</u>
Less Accumulated Depreciation:				
Buildings and System	(7,386,786)	(493,647)	-	(7,880,433)
Machinery and Equipment	(1,977,289)	(142,399)	329,640	(1,790,048)
Improvements Other Than Buildings	<u>(133,449)</u>	<u>(115,950)</u>	<u>-</u>	<u>(249,399)</u>
Total Accumulated Depreciation	<u>(9,497,524)</u>	<u>(751,996)</u>	<u>329,640</u>	<u>(9,919,880)</u>
Total Capital Assets Being Depreciated, Net	<u>29,824,016</u>	<u>636,409</u>	<u>-</u>	<u>30,460,425</u>
Business-type Activities Capital Assets, Net	<u>\$ 46,452,998</u>	<u>\$ 3,161,775</u>	<u>\$ -</u>	<u>\$ 49,614,773</u>

Depreciation was charged to functions/programs of the City as follows:

Governmental Activities:	
General Government	\$ 59,313
Community Services	152,452
Fire	76,133
Planning	9,821
Police	132,302
Public Works	226,179
Economic Development	214,279
Non-departmental	<u>504</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 870,983</u>
Business-type Activities:	
Water	\$ 458,596
Sewer	228,424
Refuse	<u>64,976</u>
Total Depreciation Expense – Business-type Activities	<u>\$ 751,996</u>

City of Santa Paula
Notes to Financial Statements
June 30, 2009

III) DETAILED NOTES ON ALL FUNDS - Continued

D) Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2009, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 765,209

The outstanding balances between funds result mainly from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

Advances from/to other funds:

Receivable Fund	Payable Fund	Amount
Water	Sewer	\$ 2,000,000
Water	Nonmajor Governmental Funds	100,000
		\$ 2,100,000

Amounts payable to the Water fund relate to working capital loans made to the Sewer fund and the Corporate Yard Facilities fund. None of these balances are scheduled to be collected in the subsequent year.

Interfund transfers:

Transfer Out	Transfer In			Total
	General Fund	Water Fund	Other Governmental Funds	
General Fund	\$ -	\$ -	\$ 22,770	\$ 22,770
Water Fund	631,902	-	-	631,902
Refuse Fund	241,103	108,603	60,286	409,992
Sewer Fund	410,148	108,603	60,286	579,037
Other Governmental Funds	277,540	-	165,784	443,324
	\$ 1,560,693	\$ 217,206	\$ 309,126	\$ 2,087,025

Transfers were made during the 2008-09 fiscal year from the enterprise and other funds to the general fund, to reimburse overhead expenditures. Transfers were made from the Refuse and Sewer funds to the Water fund to reimburse various costs. Transfers were made between nonmajor funds as necessary to properly allocate costs among the funds.

City of Santa Paula
Notes to Financial Statements
June 30, 2009

III DETAILED NOTES ON ALL FUNDS - Continued

E) Long-Term Debt

Changes in Long-Term Debt

Long-term debt activity for the year ended June 30, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Tax Allocation Refunding Bonds	\$ 3,310,000	\$ -	\$ (115,000)	\$ 3,195,000	\$ 120,000
Less Deferred Amounts:					
For Issuance Discounts	(24,235)	1,426	-	(22,809)	-
Total Bonds Payable	<u>3,285,765</u>	<u>1,426</u>	<u>(115,000)</u>	<u>3,172,191</u>	<u>120,000</u>
Compensated Absences	480,054	36,727	(47,710)	469,071	-
Claims Payable	1,108,280	-	(246,929)	861,351	-
Capital Lease Payable	219,906	-	(51,017)	168,889	24,492
OPEB Obligation	-	71,639	-	71,639	-
Pension Related Debt	<u>4,324,070</u>	<u>-</u>	<u>(267,159)</u>	<u>4,056,911</u>	<u>-</u>
Governmental Activities Long-term Liabilities	<u>\$ 9,418,075</u>	<u>\$ 109,792</u>	<u>\$ (727,815)</u>	<u>\$ 8,800,052</u>	<u>\$ 144,492</u>
Business-Type Activities:					
Lease Revenue Bonds	\$ 27,000,000	\$ -	\$ (640,000)	\$ 26,360,000	\$ 660,000
Notes Payable	496,500	-	-	496,500	-
Capital Lease Payable	-	438,854	(32,327)	406,527	66,818
Contracts Payable	2,658,134	-	(43,704)	2,614,430	124,948
Compensated Absences	113,608	22,768	-	136,376	136,376
Pension Related Debt	<u>307,144</u>	<u>-</u>	<u>(10,693)</u>	<u>296,451</u>	<u>-</u>
Business-type Activities Long-term Liabilities	<u>\$ 30,575,386</u>	<u>\$ 461,622</u>	<u>\$ (726,724)</u>	<u>\$ 30,310,284</u>	<u>\$ 988,142</u>

Tax Allocation Bonds

On March 21, 1994, the Redevelopment Agency of the City of Santa Paula adopted a resolution authorizing the sale of \$6,900,000 aggregate principal amount of Santa Paula Redevelopment Project 1994 Tax Allocation Refunding Bonds at interest rates ranging from 6.345% to 6.548% for the purpose of retiring \$6,000,000 of Tax Allocation Notes issued on November 1, 1992. The bonds mature on December 1 of each year to 2024 with interest payable semi-annually. On June 7, 2000, the Agency defeased \$2,285,000 of the \$6,900,000 Tax Allocation Refunding Bonds by purchasing United States government securities in an irrevocable trust with an escrow agent utilizing existing funds. The bonds are considered to be partially defeased and the related liability has been removed from long-term debt.

City of Santa Paula
Notes to Financial Statements
June 30, 2009

III DETAILED NOTES ON ALL FUNDS - Continued

E) Long-Term Debt - Continued

Debt service requirements to maturity on the remaining bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2010	\$ 120,000	\$ 204,225
2011	130,000	196,770
2012	140,000	188,550
2013	150,000	179,650
2014	150,000	170,150
2015-2019	935,000	692,420
2020-2024	1,265,000	351,300
2025	305,000	19,575
	\$ 3,195,000	\$ 2,002,640

Capital Leases

The City, at various occasions, enters into lease agreements that qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

Assets acquired through capital leases are as follows:

	Governmental Activities	Business-Type Activities
Asset:		
Machinery and Equipment	\$ 345,772	\$ 438,854
Less: Accumulated Depreciation	(98,792)	-
Total	\$ 246,980	\$ 438,854

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2009 were as follows:

Fiscal Year Ending June 30,	Governmental Activities	Business-Type Activities
2010	\$ 35,498	\$ 84,095
2011	35,498	84,095
2012	35,498	84,095
2013	35,498	84,095
2014	35,498	84,095
2015-2016	34,078	42,050
Total Minimum Lease Payments	211,568	462,525
Less: Interest Amounts	(42,679)	(55,998)
Present Value of Minimum Lease Payments	\$ 168,889	\$ 406,527

**City of Santa Paula
Notes to Financial Statements
June 30, 2009**

III DETAILED NOTES ON ALL FUNDS - Continued

E) Long-Term Debt - Continued

Revenue Bonds

On October 21, 2003, the Santa Paula Public Financing Authority issued \$29,430,000 of lease revenue bonds to refund on a current basis the outstanding 1996 Revenue Bonds and to finance certain improvements to the City's water treatment and distribution system. The bonds have a variable interest rate with an initial rate of 2.50%. The interest rate at June 30, 2009 was 1.75%. The bonds mature on February 1 of each year through 2033.

Revenue bond debt service requirements to maturity are as follows:

<u>Fiscal Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 660,000	\$ 1,220,813
2011	680,000	1,201,013
2012	700,000	1,178,913
2013	725,000	1,154,413
2014	750,000	1,128,131
2015-2019	4,235,000	5,166,519
2020-2024	5,260,000	4,135,000
2025-2029	6,685,000	2,701,500
2030-2033	6,665,000	853,500
	<u>\$ 26,360,000</u>	<u>\$ 18,739,802</u>

Notes Payable

On January 2, 1996, the City of Santa Paula purchased surface water rights and groundwater rights from the Santa Paula Waterworks, Ltd. by issuing notes for \$496,500 at an interest rate of 9.87% per annum. Interest only payments are due annually with principal to be paid in full (\$496,500) on January 2, 2026. Debt Service requirements to maturity are as follows:

<u>Fiscal Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ -	\$ 25,000
2011	-	25,000
2012	-	73,000
2013	-	73,000
2014	-	73,000
2015-2019	-	365,000
2020-2024	-	365,000
2025-2026	496,500	146,136
	<u>\$ 496,500</u>	<u>\$ 1,145,136</u>

City of Santa Paula
Notes to Financial Statements
June 30, 2009

III) DETAILED NOTES ON ALL FUNDS - Continued

E) Long-Term Debt - Continued

Contracts Payable

On January 2, 1996, the City of Santa Paula Public Financing Authority purchased the water system from Santa Paula Waterworks, Ltd. As part of the purchase, the Authority assumed Santa Paula Waterworks, Ltd. main line extension contracts payable to property owners. The contracts call for annual payments over 40 years with no interest, for main line extensions paid by property owners. Debt service requirements to maturity are as follows:

Fiscal Year Ending June 30.	Principal
2010	\$ 124,948
2011	124,948
2012	124,948
2013	124,948
2014	124,948
2015-2019	624,738
2020-2024	606,070
2025-2029	527,768
2030-2034	208,380
2035-2038	22,734
	\$ 2,614,430

Pension-Related Debt

As of June 30, 2003, CalPERS implemented risk pooling for the City's multiple-employer public employee defined benefit pension plan. At that point, in accordance with generally accepted accounting principles, the City's Miscellaneous and Safety Plans converted from an "agent" multiple-employer plan to a "cost-sharing" multiple-employer plan. Although a portion of the City's annual required contributions are actuarially determined and shared by all employers of the risk pool, the City is also required to make annual payments on a "Side Fund" which was created when the City entered the risk pool. The responsibility for funding the Side Fund is specific to the City and is not shared by all employers in the plan. Therefore, the Side Fund falls under the definition of pension-related debt, as described in GASB Statement No. 27. The annual payments on the Side Fund represent principal and interest payments on the pension-related debt. Principal and interest are included in the retirement expenditures in the various functions of the governmental funds and the principal is reported as a reduction of the liability in the proprietary funds.

City of Santa Paula
Notes to Financial Statements
June 30, 2009

III) DETAILED NOTES ON ALL FUNDS - Continued

E) Long-Term Debt - Continued

Pension Related Debt - Continued

The future debt service requirements on the Miscellaneous Plan Side Fund are as follows:

Year Ending June 30,	Pension-related Debt		Total
	Principal	Interest	
2010	\$ 79,817	\$ 136,807	\$ 216,624
2011	93,311	130,353	223,664
2012	108,088	122,845	230,933
2013	124,256	114,183	238,439
2014	141,929	104,258	246,187
2015	161,234	92,955	254,189
2016	182,305	80,145	262,450
2017	205,288	65,692	270,980
2018	230,339	49,447	279,786
2019	257,629	31,250	288,879
2020	287,342	10,927	298,269
Total	<u>\$ 1,871,538</u>	<u>\$ 938,862</u>	<u>\$ 2,810,400</u>

The future debt service requirements on the Safety Plan Side Fund are as follows:

Year Ending June 30,	Pension-related Debt		Total
	Principal	Interest	
2010	\$ 240,264	\$ 176,493	\$ 416,757
2011	272,945	157,358	430,303
2012	308,614	135,673	444,287
2013	347,520	111,206	458,726
2014	389,929	83,706	473,635
2015	436,127	52,901	489,028
2016	486,425	18,497	504,922
Total	<u>\$ 2,481,824</u>	<u>\$ 735,834</u>	<u>\$ 3,217,658</u>

City of Santa Paula
Notes to Financial Statements
June 30, 2009

IV) OTHER INFORMATION

A) Risk Management

1. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City of Santa Paula is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 109 California public entities and is organized under a joint powers agreement pursuant to California Governments Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other coverages. The Authority's pool began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a 9-member Executive Committee. Prior to joining the Authority, the City was a member of Central Coast Cities Self-Insurance Fund.

2. Self-Insurance Programs of the Authority

General Liability - Each member government pays a primary deposit to cover estimated losses for a fiscal year (claims year). Six months after the costs of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Claims are pooled separately between police and non-police. Loss development reserves are allocated by pool and by loss layer. Costs are spread to members as follows: the first \$30,000 of each occurrence is charged directly to the member; costs from \$30,000 to \$750,000 and the loss development reserves associated with losses up to \$750,000 are pooled based on the member's share of losses under \$30,000. Losses from \$750,000 to \$10,000,000 and the loss development reserve associated with losses \$750,000 to \$10,000,000 are pooled based on payroll. Costs of covered claims above \$10,000,000 are currently paid by excess insurance. The protection for each member is \$50,000,000 per occurrence and \$50,000,000 annual aggregate. Administrative expenses are paid from the Authority's investment earnings.

Workers Compensation - The City of Santa Paula also participates in the workers compensation pool administered by the Authority. Claims are pooled separately between public safety and non-public safety. Loss development reserves are allocated by pool and by loss layer. Members retain the first \$50,000 of each claim. Losses from \$50,000 to \$100,000 and the loss development reserve associated with losses up to \$100,000 are pooled based on the member's share of losses under \$50,000. Losses from \$100,000 to \$2,000,000 and loss development reserves associated with losses from \$100,000 to \$2,000,000 are pooled based on payroll. Costs from \$2,000,000 to \$150,000,000 are transferred to an excess insurance policy. Costs in excess of \$150,000,000 are pooled among the Members based on payroll. Administrative expenses are paid from the Authority's investment earnings.

3. Purchased Insurance

Property Insurance - The City of Santa Paula participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. The City of Santa Paula's property is currently insured according to a schedule of covered property submitted by the City of Santa Paula to the Authority. There is a \$5,000 per loss deductible. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

**City of Santa Paula
Notes to Financial Statements
June 30, 2009**

IV) OTHER INFORMATION - Continued

A) Risk Management - Continued

4. Adequacy of Protection

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

5. Claims Liabilities

The liability for estimated claims is based upon the accumulation of individual case estimates of related expense for settlement of the reported claims, including the effects of inflation and other societal and economic factors, as well as an estimate of claims expense incurred but not reported and adverse development of existing case estimates. Such estimates may be less than amounts ultimately paid when the claims are settled. The City finances its self-insurance activities through the General Fund and operating transfers from its Enterprise funds.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses included an estimate of claims that have been incurred but not reported. At June 30, 2009, the amount of these liabilities was \$861,351. This liability is the City's best estimate based on available information. Changes in the balances of claims liabilities during the past two years are as follows:

	Year Ended June 30, 2009	Year Ended June 30, 2008
Unpaid Claims, Beginner of Year	\$ 1,108,280	\$ 1,047,793
Incurred Claims	-	60,487
Claim Payments	(246,929)	-
Unpaid Claims, End of Year	\$ 861,351	\$ 1,108,280

The separate financial statements of the California Joint Powers Insurance Authority may be obtained by writing: City of La Palma, 8081 Moody Street, La Palma, CA 90623.

B) Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City entered into a stipulated consent judgment and final order ("Consent Decree") with the California Regional Water Quality Control Board-Los Angeles Region ("Regional Board") on September 24, 2007 to satisfy pending violations of the City's NPDES permit. As a result of these violations, the City faced penalties amounting to nearly \$8.7 million. The Consent Decree allows the City to resolve the Regional Board's enforcement action by constructing a new water recycling facility by December 2010 (estimated to cost approximately \$70 million); pay a

**City of Santa Paula
Notes to Financial Statements
June 30, 2009**

IV) OTHER INFORMATION - Continued

B) Contingent Liabilities - Continued

civil penalty of \$350,000; implement a supplemental environmental program costing \$50,000; and pay the Regional Board's administrative and legal costs amounting to approximately \$27,000. The new water recycling facility must be built by September 14, 2010 and be fully operational by December 15, 2010. It will be fully compliant with the effluent and other conditions articulated in the Consent Decree and applicable law.

The City is a defendant in various other lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

C) Employee Retirement Systems and Pension Plans

Defined Benefit Pension Plan

Plan Description. The City of Santa Paula's Defined Benefit Pension Plan (Plan) provides retirement, disability, annual cost of living adjustments and death benefits to plan members and their beneficiaries. The Plan is part of the public agency portion of the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the state of California. State statutes establish a menu of benefit provisions as well as other requirements with the Public Employees' Retirement Law.

The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through City ordinance. CalPERS issue a publicly available financial report that includes the applicable financial statements and required supplementary information. The report may be obtained from their executive office: 400 P Street, Sacramento, CA 95814.

Funding Policy. Safety and miscellaneous plan members are required to contribute 8% and 9%, respectively of their annual covered salary. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. As of the 2007-08 fiscal year, both plans were required to participate in risk pools, which includes pooled employer contribution rates.

The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the year ended June 30, 2009 was 13.679% for miscellaneous employees and 32.484% for safety employees. The contribution requirements of plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Three Year Trend Information for the Miscellaneous and Safety Plans

<u>Fiscal Year</u>	<u>Required Contributions</u>	<u>Percentage Contributed</u>
6/30/07	\$ 2,042,411	100%
6/30/08	\$ 1,429,597	100%
6/30/09	\$ 1,547,880	100%

**City of Santa Paula
Notes to Financial Statements
June 30, 2009**

IV) OTHER INFORMATION - Continued

D) Post Employment Benefits

Plan Description. The City of Santa Paula's defined benefit postemployment healthcare plan, (DPHP), provides medical benefits to eligible retired City employees. DPHP is part of the Public Agency portion of the California Employers' Retiree Benefit Trust Fund (CERBT), an agent multiple-employer plan administered by California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements is established by State statute within the Public Employees' Retirement Law. DPHP selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through City resolution. CalPERS issues a Comprehensive Annual Financial Report (CAFR). The CAFR is issued in aggregate and includes the sum of all CalPERS plans. Copies of the CalPERS CAFR may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Funding Policy. The contribution requirements of plan members and the City are established and may be amended by the Council. The City contributes \$101 per employee per month.

Annual OPEB Cost. For 2009, the City's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC). The City has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$	102,042
Interest on net OPEB obligation		0
Adjustment to annual required contribution		0
Annual OPEB cost (expense)		102,042
Contributions made		(30,403)
Increase in net OPEB obligation		71,639
Net OPEB obligation – beginning of the year		0
Net OPEB obligation – end of the year	\$	71,639

The City's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ending June 30, 2009 and the two preceding fiscal years as follows:

THREE-YEAR TREND INFORMATION FOR CERBT			
Fiscal Year	Annual OPEB Cost (AOC)	Percentage of OPEB Cost Contributed	Net OPEB Obligation
6/30/09	\$ 102,042	29.8%	71,639
6/30/08	*	*	*
6/30/07	*	*	*

*The information for the two preceding years is unavailable. GASB 45 was implemented in fiscal year 2009.

City of Santa Paula
Notes to Financial Statements
June 30, 2009

IV) OTHER INFORMATION - Continued

D) Post Employment Benefits - Continued

Funded Status and Funding Progress. As of June 30, 2009, the actuarial valuation accrued liability for benefits was \$1,115,534, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$2,199,767 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 50 percent.

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

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following is a summary of the actuarial assumptions and methods:

Valuation Date	June 30, 2009
Discount Rate	0.05
Ultimate Trend Rate	0.05
HealthCare trend rates	0.07
Dental	0.04
Vision (tied to dental)	0.04
Other (tied to dental)	0.04
Age-adjustment factor	0
Cap inflator	0.04
(neg = full inflation, 0 = frozen)	
Percent of Retirees with Spouses)	0.6

E) Prior Period Adjustments

The prior period adjustment for \$695,509 is due to prior year payments made in the General Fund that should have reduced the liability, however, it was recorded as an expenditure.

F) Subsequent Events

Subsequent to June 30, 2009, the State of California passed legislation to divert approximately \$2.05 billion of local redevelopment funds to use for State purposes, as part of the 2009/10 State budget. This includes \$1.7 billion in fiscal year 2009-10 and another \$350 million in fiscal year 2010-11. The California Redevelopment Association (CRA) has filed a lawsuit in Sacramento Superior Court to challenge the constitutionality of this legislation. Currently, the effect that this legislation and resulting lawsuit will have on the Agency's future revenues is unknown.

REQUIRED SUPPLEMENTARY INFORMATION

City of Santa Paula
Notes to Required Supplementary Information
June 30, 2009

Budgetary Information

Budgeted revenue and expenditure amounts shown represent the City's originally adopted legal budget adjusted for unanticipated revenues and appropriations during the course of the fiscal year. Budget amounts, as adjusted, reported for the governmental funds of the City are adopted on a basis consistent with generally accepted accounting principles (GAAP).

All appropriations lapse at the end of the fiscal year to the extent that they have not been expended. Lease contracts and projects entered into by the City are subject to annual review by the City Council; hence, they legally are one-year contracts with an option for renewal for another fiscal year.

The City Council has the responsibility for adoption of the City's Budget. Budgets are adopted for the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds. From the effective date of the budget, the amounts stated as proposed expenditures become appropriations to the various City departments. The City Council may amend the budget by motion during each fiscal year. The City Manager is authorized to transfer funds from one major expenditure category to another within the same department and fund. Any revisions that alter the total expenditures of any fund must be approved by City Council. The level at which expenditures may not legally exceed appropriations is therefore established at the department level. Budgeted amounts may be transferred between programs with City Manager approval.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

City of Santa Paula
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 7,837,000	\$ 7,510,583	\$ 7,397,424	\$ (113,159)
Licenses & Permits	376,342	277,052	272,546	(4,506)
Intergovernmental	537,542	582,042	614,202	32,160
Charges for Services	1,148,020	1,219,892	1,156,047	(63,845)
Fines and Forfeitures	121,500	118,500	166,150	47,650
Investment Earnings	100,000	54,705	32,352	(22,353)
Other Revenues	178,868	139,305	5,693	(133,612)
	<u>10,299,272</u>	<u>9,902,079</u>	<u>9,644,414</u>	<u>(257,665)</u>
EXPENDITURES				
Current:				
General Government	1,500,904	1,444,629	1,465,159	(20,530)
Building and Safety	553,825	469,079	509,733	(40,654)
Community Services	1,152,098	1,130,129	1,315,926	(185,797)
Financial Services	427,814	411,924	396,970	14,954
Fire	1,881,025	1,862,363	2,237,102	(374,739)
Planning	597,583	573,738	609,216	(35,478)
Police	5,203,694	5,208,514	5,476,626	(268,112)
Public Works	68,884	67,134	99,527	(32,393)
Debt Service:				
Principal	26,000	26,000	26,017	(17)
Interest	10,000	10,000	11,587	(1,587)
	<u>11,421,827</u>	<u>11,203,510</u>	<u>12,147,863</u>	<u>(944,353)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,122,555)</u>	<u>(1,301,431)</u>	<u>(2,503,449)</u>	<u>(1,202,018)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,165,002	1,165,002	1,560,693	395,691
Transfers Out	(22,770)	(22,770)	(22,770)	-
	<u>1,142,232</u>	<u>1,142,232</u>	<u>1,537,923</u>	<u>395,691</u>
Net Change in Fund Balances	19,677	(159,199)	(965,526)	(806,327)
Fund Balances, Beginning	2,931,685	2,931,685	2,931,685	-
Prior Period Adjustment			695,509	695,509
Fund Balances, Ending	<u>\$ 2,951,362</u>	<u>\$ 2,772,486</u>	<u>\$ 2,661,668</u>	<u>\$ (110,818)</u>

SUPPLEMENTARY INFORMATION

City of Santa Paula Nonmajor Governmental Funds

Special Revenue Funds

Mobile Home Rent Review Fund - This fund is used to administer the Mobile Home Rent Review Program.

State Gas Tax Fund - This fund is to be used for street repairs and maintenance.

Local Transportation TDA Fund - This fund is to be used for local streets and roads.

Proposition 1B - Proposition 1B funds were awarded by the State to the City to fund maintenance and improvements of local transportation facilities.

Housing and Community Development I - This fund is to be used for housing needs.

HUD CDBG Fund - This fund is used to account for the CDBG program run through the County of Ventura.

CA Oil Museum Fund - This fund is used to account for money derived from Police Asset Forfeiture and expenses directly related to law enforcement.

Asset Forfeiture Fund - To account for money derived from police asset forfeitures and related law enforcement expenses.

Hillsborough Open Space Assessment Fund - This fund is used to account for the Maintenance Assessment District for Tract #4486-1 (except parcels D & E) and Tract 4486-2.

DOJ-BJA Local Law Enforcement Fund (2003-04) - This fund is used to account for law enforcement for specified purposes.

Local Transportation TDA Article 3 Fund - This fund is set aside for bicycle and pedestrian facilities.

Weed and Seed Support Grant - DOJ - This fund is used to account for law enforcement for specified purposes.

Traffic Congestion (Relief) Fund - This fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

Congestion Management and Air Quality Fund - This fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

Redevelopment Agency Set-Aside Fund - This fund is used to account for 20% of tax increment proceeds.

Cal Home Grant Fund - This fund is used to account for funds received from the CA Housing and Community Development Department for assisting individuals with housing loans.

NPDES Storm Water Quality Fund - This fund is only for use in relation to storm water quality.

SLESF - COPS (State) Fund - This fund is used to account for law enforcement for additional public safety use.

CLEEP Fund - This fund is used to account for law enforcement equipment.

City of Santa Paula
Nonmajor Governmental Funds - Continued

COPS State Fund - This fund is used to account for law enforcement for specified purposes.

Beverage Container Recycling Fund - This fund is used to account for the recycling program state grants.

Area Agency on Aging Fund - This fund is used to account or the Senior Citizen program.

State Homeland Security Grant Fund - This fund is used to account for grant proceeds from the state that are to be used to enhance public safety and security.

Federal STP Fund - This fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

FEMA Seismic Retrofit Grant Fund - This fund is used to provide grants for seismic retrofit.

CA Used Oil Block Grant Fund - This fund is used to account for grant proceeds from the State that are to be used for used oil collection projects.

Cable Television Fund - This fund is used to account for cable television fees.

Stormwater Program Fund - This fund is used to account for storm water program activities.

Safe Routes to School - This fund is used to account for money received from the State of California Department of Transportation to be used for maintenance and improvements to sidewalks and crosswalks.

Transportation Enhancement Grant Fund - This fund is used to account for Transportation Enhancement Grant activities.

BJA Vest Grant Fund - This fund is used to account for BJA Vest Grant activities.

Miscellaneous State Grants Fund - Used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

Capital Project Funds

Redevelopment Agency Exempt Fund - This fund is used to account for the 80% of the tax increments that are required by law to be used on projects that will benefit the Redevelopment Project Area.

Redevelopment Agency Housing Bond Fund - This fund is used to account for resources utilized for the Clean and Safe Projects.

Library Expansion Facilities Fund - This fund is used to account for developers fees collected to be used for Library Facility Expansion projects.

City of Santa Paula
Nonmajor Governmental Funds

Law Enforcement Facilities Fund - This fund is used to account for developers fees collected to be used for Law Enforcement Facilities projects.

Water Distribution Facility - This fund is used to account for developers fees collected to be used for Water Distribution Facilities projects.

Inclusionary Housing Ordinance Improvement - This fund is used to account for developers fees collected to be used for future Inclusionary Housing Ordinance Implementation Programs.

Fire Protection Facilities Fund - This fund is used to account for developers fees collected to be used for Fire Protection Facilities projects.

Public Meeting Facilities Fund - This fund is used to account for developers fees collected to be used for Public Meeting Facilities projects.

General Government Facilities Fund - This fund is used to account for developers fees collected to be used for General Government Facilities projects.

Traffic Impact Fee Fund - This fund is used to account for developers fees collected to be used for traffic related projects. This fund is legally restricted to capital acquisition or related debt service.

Parks and Recreation Facilities Fund - This fund is used to account for developer fees collected to be used for Parks and Recreation Facilities related projects. This fund is legally restricted to capital acquisition or related debt service.

Parkland Facilities Fund - This fund is used to account for developers fees collected to be used for Parkland Facilities projects.

Corporate Yard Facilities Fund - This fund is used to account for the funds for the Corporate Yard Facilities activities.

Sewer Collection Facilities Fund - This fund is used to account for developers fees collected to be used for Sewer Collection Facilities projects.

Storm Drain Facilities Fund - This fund is used to account for developers fees collected to be used for Storm Drain Facilities projects.

Debt Service Funds

Redevelopment Set-Aside Debt Service Fund - This fund is used to account for the accumulation of resources for, and the retirement of, general long-term debt principal and interest.

City of Santa Paula
Nonmajor Governmental Funds

Permanent Funds

Community Center Endowment Fund - This fund is used to account for principal trust amounts received and related investment earnings. Investment earnings may be used to support the Center.

Museum Endowment Fund - This fund is used to account for principal trust amounts received and related investment earnings. Investment earnings may be used to support the Museum.

Harding Park Trust Fund - This fund is used to account for principal trust amounts received and related investment earnings. Investment earnings may be used to support the Harding Park Trust Fund subject to the approval of the Harding Park Advisory Committee.

**City of Santa Paula
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009**

	Special Revenue	Capital Projects	Debt Service	Permanent Funds	Total
ASSETS					
Cash and Investments	\$ 1,827,518	\$ 3,979,473	\$ -	\$ 1,456,305	\$ 7,263,296
Cash with Fiscal Agent	-	-	89,660	-	89,660
Receivables	277,549	15,008	-	5,230	297,787
Due From Other Funds	-	-	-	-	-
Loans Receivable	422,119	571,346	-	-	993,465
Prepaid Insurance	19,727	166	-	-	19,893
Cash - Restricted	55,824	-	-	-	55,824
Property Held for Resale	-	205,221	-	-	205,221
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 2,602,737</u>	<u>\$ 4,771,214</u>	<u>\$ 89,660</u>	<u>\$ 1,461,535</u>	<u>\$ 8,925,146</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 84,630	\$ 7,911	\$ 784	\$ 33	\$ 93,358
Due to Other Funds	749,921	15,288	-	-	765,209
Deferred Revenue	422,119	539,168	-	-	961,287
Advances From Other Funds	-	100,000	-	-	100,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>1,256,670</u>	<u>662,367</u>	<u>784</u>	<u>33</u>	<u>1,919,854</u>
Fund Balances:					
Reserved for:					
Encumbrances	77,201	58,548	-	-	135,749
Loans	13,381	32,178	-	-	45,559
Prepays	19,727	166	89,660	-	109,553
Property Held for Resale	-	205,221	-	-	205,221
Unreserved, Reported in:					
Special Revenue Funds	1,235,758	-	-	-	1,235,758
Capital Project Funds	-	3,812,734	-	-	3,812,734
Debt Service Funds	-	-	(784)	-	(784)
Permanent Funds	-	-	-	1,461,502	1,461,502
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>1,346,067</u>	<u>4,108,847</u>	<u>88,876</u>	<u>1,461,502</u>	<u>7,005,292</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 2,602,737</u>	<u>\$ 4,771,214</u>	<u>\$ 89,660</u>	<u>\$ 1,461,535</u>	<u>\$ 8,925,146</u>

**City of Santa Paula
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2009**

	<u>Mobile Home Rent Review</u>	<u>State Gas Tax</u>	<u>Local Transportation TDA</u>	<u>Proposition 1B</u>	<u>Housing and Community Development I</u>
ASSETS					
Cash and Investments	\$ -	\$ -	\$ -	\$ 600,151	\$ 69,580
Receivables	-	93,464	6	2,164	251
Due from Other Funds	-	-	-	-	-
Loans Receivable	-	-	-	-	-
Prepaid Insurance	9	9,244	6	-	-
Cash - Restricted	-	-	-	-	-
Total Assets	<u>\$ 9</u>	<u>\$ 102,708</u>	<u>\$ 12</u>	<u>\$ 602,315</u>	<u>\$ 69,831</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 460	\$ 32,391	\$ 119	\$ -	\$ -
Due to Other Funds	147,215	487,420	21,108	-	-
Deferred Revenue	-	-	-	-	-
Total Liabilities	<u>147,675</u>	<u>519,811</u>	<u>21,227</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Reserved for:					
Encumbrances	-	34,324	-	-	-
Loans	-	-	-	-	-
Prepays	9	9,244	6	-	-
Unreserved, Reported in:					
Special Revenue Funds	<u>(147,675)</u>	<u>(460,671)</u>	<u>(21,221)</u>	<u>602,315</u>	<u>69,831</u>
Total Fund Balances	<u>(147,666)</u>	<u>(417,103)</u>	<u>(21,215)</u>	<u>602,315</u>	<u>69,831</u>
Total Liabilities and Fund Balances	<u>\$ 9</u>	<u>\$ 102,708</u>	<u>\$ 12</u>	<u>\$ 602,315</u>	<u>\$ 69,831</u>

(CDBG) Housing and Community Development II	CA Oil Museum	Asset Forfeiture	Hillsborough Open Space Assessment	DOJ-BJA Local Law Enforcement 03/04	Local Transportation TDA Article 3	Weed and Seed Support GRT-DOJ
\$ -	\$ -	\$ 7,985	\$ -	\$ -	\$ -	\$ -
46,488	2	21	156	-	-	-
-	-	-	-	-	-	-
205,570	-	-	-	-	-	-
3,132	782	-	-	-	-	-
55,824	-	-	-	-	-	-
<u>\$ 311,014</u>	<u>\$ 784</u>	<u>\$ 8,006</u>	<u>\$ 156</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 27,553	\$ 9,679	\$ -	\$ 110	\$ -	\$ -	\$ 38
46,879	89	-	3,063	-	6,140	1,875
205,570	-	-	-	-	-	-
<u>280,002</u>	<u>9,768</u>	<u>-</u>	<u>3,173</u>	<u>-</u>	<u>6,140</u>	<u>1,913</u>
-	8,996	-	660	-	-	-
13,381	-	-	-	-	-	-
3,132	782	-	-	-	-	-
<u>14,499</u>	<u>(18,762)</u>	<u>8,006</u>	<u>(3,677)</u>	<u>-</u>	<u>(6,140)</u>	<u>(1,913)</u>
<u>31,012</u>	<u>(8,984)</u>	<u>8,006</u>	<u>(3,017)</u>	<u>-</u>	<u>(6,140)</u>	<u>(1,913)</u>
<u>\$ 311,014</u>	<u>\$ 784</u>	<u>\$ 8,006</u>	<u>\$ 156</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**City of Santa Paula
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
June 30, 2009**

	Traffic Congestion Relief	Congestion Management and Air Quality	Redevelopment Agency Housing Set-Aside	Cal Home Grant Dept. of HCD	NPDES Storm Water Quality
ASSETS					
Cash and Investments	\$ 137,175	\$ -	\$ 862,843	\$ 8,301	\$ 55,269
Receivables	60,408	-	3,103	-	45,803
Due from Other Funds	-	-	-	-	-
Loans Receivable	-	-	-	216,549	-
Prepaid Insurance	-	-	-	-	686
Cash - Restricted	-	-	-	-	-
Total Assets	\$ 197,583	\$ -	\$ 865,946	\$ 224,850	\$ 101,758
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 10,018	\$ -	\$ -
Due to Other Funds	-	-	-	-	-
Deferred Revenue	-	-	-	216,549	-
Total Liabilities	-	-	10,018	216,549	-
Fund Balances:					
Reserved for:					
Encumbrances	33,221	-	-	-	-
Loans	-	-	-	-	-
Prepays	-	-	-	-	686
Unreserved, Reported in:					
Special Revenue Funds	164,362	-	855,928	8,301	101,072
Total Fund Balances	197,583	-	855,928	8,301	101,758
Total Liabilities and Fund Balances	\$ 197,583	\$ -	\$ 865,946	\$ 224,850	\$ 101,758

<u>SLESF-COPS State</u>	<u>CLEEP</u>	<u>COPS State</u>	<u>Beverage Container Recycling</u>	<u>Area Agency on Aging</u>	<u>State Homeland Security Grant</u>
\$ 57,290	\$ -	\$ -	\$ 17,073	\$ 7	\$ -
5,613	-	-	62	1,273	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	65	52	-
-	-	-	-	-	-
<u>\$ 62,903</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,200</u>	<u>\$ 1,332</u>	<u>\$ -</u>
\$ 293	\$ -	\$ -	\$ -	\$ 1,291	\$ -
-	-	-	-	-	13,298
-	-	-	-	-	-
<u>293</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,291</u>	<u>13,298</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	65	52	-
<u>62,610</u>	<u>-</u>	<u>-</u>	<u>17,135</u>	<u>(11)</u>	<u>(13,298)</u>
<u>62,610</u>	<u>-</u>	<u>-</u>	<u>17,200</u>	<u>41</u>	<u>(13,298)</u>
<u>\$ 62,903</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,200</u>	<u>\$ 1,332</u>	<u>\$ -</u>

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**City of Santa Paula
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
June 30, 2009**

	Federal STP	FEMA Seismic Retrofit Grant	CA Used Oil Block Grant	Cable Television Fund	Stormwater Program
ASSETS					
Cash and Investments	\$ -	\$ 11	\$ 6,861	\$ -	\$ -
Receivables	-	-	28	4,776	13,913
Due from Other Funds	-	-	-	-	-
Loans Receivable	-	-	-	-	-
Prepaid Insurance	-	-	-	15	5,736
Cash - Restricted	-	-	-	-	-
Total Assets	\$ -	\$ 11	\$ 6,889	\$ 4,791	\$ 19,649
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 15	\$ 912	\$ 1,751
Due to Other Funds	-	-	-	21,530	-
Deferred Revenue	-	-	-	-	-
Total Liabilities	-	-	15	22,442	1,751
Fund Balances:					
Reserved for:					
Encumbrances	-	-	-	-	-
Loans	-	-	-	-	-
Prepays	-	-	-	15	5,736
Unreserved, Reported in:					
Special Revenue Funds	-	11	6,874	(17,666)	12,162
Total Fund Balances	-	11	6,874	(17,651)	17,898
Total Liabilities and Fund Balances	\$ -	\$ 11	\$ 6,889	\$ 4,791	\$ 19,649

<u>Safe Routes To School</u>	<u>Transportation Enhancement Grant</u>	<u>BJA Vest Grant</u>	<u>Miscellaneous State Grants</u>	<u>EPA Grant</u>	<u>GHAD-GEO Hazardous Abatement Dist</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 4,972	\$ -	\$ 1,827,518
-	-	-	-	18	-	277,549
-	-	-	-	-	-	-
-	-	-	-	-	-	422,119
-	-	-	-	-	-	19,727
-	-	-	-	-	-	55,824
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,990</u>	<u>\$ -</u>	<u>\$ 2,602,737</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84,630
849	-	-	-	-	455	749,921
-	-	-	-	-	-	422,119
<u>849</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>455</u>	<u>1,256,670</u>
-	-	-	-	-	-	77,201
-	-	-	-	-	-	13,381
-	-	-	-	-	-	19,727
<u>(849)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,990</u>	<u>(455)</u>	<u>1,235,758</u>
<u>(849)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,990</u>	<u>(455)</u>	<u>1,346,067</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,990</u>	<u>\$ -</u>	<u>\$ 2,602,737</u>

**City of Santa Paula
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2009**

	Redevelopment Agency Exempt	Redevelopment Agency Housing Bond	Library Expansion Facilities	Law Enforcement Facilities	Water Distribution Facilities
ASSETS					
Cash and Investments	\$ 807,609	\$ 452,525	\$ 145,450	\$ 26,007	\$ 153,629
Receivables	3,532	1,631	524	94	554
Loans Receivable	32,178	539,168	-	-	-
Prepaid Insurance	166	-	-	-	-
Property Held for Resale	205,221	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 1,048,706</u>	<u>\$ 993,324</u>	<u>\$ 145,974</u>	<u>\$ 26,101</u>	<u>\$ 154,183</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable and Accrued Liabilities	\$ 7,320	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-
Deferred Revenue	-	539,168	-	-	-
Advances From Other Funds	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>7,320</u>	<u>539,168</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Reserved for:					
Encumbrances	44,806	13,742	-	-	-
Loans	32,178	-	-	-	-
Prepays	166	-	-	-	-
Property Held for Resale	205,221	-	-	-	-
Unreserved, Reported in:					
Capital Projects Funds	<u>759,015</u>	<u>440,414</u>	<u>145,974</u>	<u>26,101</u>	<u>154,183</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>1,041,386</u>	<u>454,156</u>	<u>145,974</u>	<u>26,101</u>	<u>154,183</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 1,048,706</u>	<u>\$ 993,324</u>	<u>\$ 145,974</u>	<u>\$ 26,101</u>	<u>\$ 154,183</u>

<u>Inclusionary Housing Ordinance</u>	<u>Fire Protection Facilities</u>	<u>Public Meeting Facilities</u>	<u>General Government Facilities</u>	<u>Traffic Impact Fees</u>	<u>Parks and Recreation Facilities</u>	<u>Parkland Facilities</u>
\$ 505,914	\$ -	\$ 131,795	\$ 138,003	\$ 498,255	\$ 124,468	\$ 836,468
1,824	-	475	497	1,813	449	3,015
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 507,738</u>	<u>\$ -</u>	<u>\$ 132,270</u>	<u>\$ 138,500</u>	<u>\$ 500,068</u>	<u>\$ 124,917</u>	<u>\$ 839,483</u>
\$ -	\$ -	\$ -	\$ -	\$ 591	\$ -	\$ -
-	15,288	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	15,288	-	-	591	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>507,738</u>	<u>(15,288)</u>	<u>132,270</u>	<u>138,500</u>	<u>499,477</u>	<u>124,917</u>	<u>839,483</u>
<u>507,738</u>	<u>(15,288)</u>	<u>132,270</u>	<u>138,500</u>	<u>499,477</u>	<u>124,917</u>	<u>839,483</u>
<u>\$ 507,738</u>	<u>\$ -</u>	<u>\$ 132,270</u>	<u>\$ 138,500</u>	<u>\$ 500,068</u>	<u>\$ 124,917</u>	<u>\$ 839,483</u>

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City of Santa Paula
Combining Balance Sheet
Nonmajor Capital Projects Funds - Continued
June 30, 2009

	<u>Corp Yard Facilities</u>	<u>Sewer Collection Facilities</u>	<u>Storm Drain Facilities</u>	<u>Total</u>
ASSETS				
Cash and Investments	\$ 97,645	\$ 32,832	\$ 28,873	\$ 3,979,473
Receivables	378	118	104	15,008
Loans Receivable	-	-	-	571,346
Loans Receivable	-	-	-	166
Property Held for Resale	-	-	-	205,221
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 98,023</u>	<u>\$ 32,950</u>	<u>\$ 28,977</u>	<u>\$ 4,771,214</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable and Accrued				
Liabilities:	\$ -	\$ -	\$ -	\$ 7,911
Due to Other Funds	-	-	-	15,288
Deferred Revenue	-	-	-	539,168
Advances From Other Funds	100,000	-	-	100,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>662,367</u>
Fund Balances:				
Reserved for:				
Encumbrances	-	-	-	58,548
Loans	-	-	-	32,178
Prepays	-	-	-	166
Property Held for Resale	-	-	-	205,221
Unreserved, Reported in:				
Capital Projects Funds	(1,977)	32,950	28,977	3,812,734
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>(1,977)</u>	<u>32,950</u>	<u>28,977</u>	<u>4,108,847</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 98,023</u>	<u>\$ 32,950</u>	<u>\$ 28,977</u>	<u>\$ 4,771,214</u>

**City of Santa Paula
Combining Balance Sheet
Nonmajor Debt Service Funds
Year Ended June 30, 2009**

	<u>Redevelopment Set-Aside Debt Service</u>	<u>Total</u>
ASSETS		
Cash and Investments	\$ -	\$ -
Cash with Fiscal Agent	89,660	89,660
Receivables	-	-
	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 89,660</u>	<u>\$ 89,660</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 784	\$ 784
Advances From Other Funds	-	-
	<u>-</u>	<u>-</u>
Total Liabilities	<u>784</u>	<u>784</u>
Fund Balances:		
Reserved for:		
Debt Service	89,660	89,660
Unreserved, Reported in:		
Debt Service	(784)	(784)
	<u>(784)</u>	<u>(784)</u>
Total Fund Balances	<u>88,876</u>	<u>88,876</u>
Total Liabilities and Fund Balances	<u>\$ 89,660</u>	<u>\$ 89,660</u>

**City of Santa Paula
Combining Balance Sheet
Nonmajor Permanent Funds
June 30, 2009**

	Community Center Endowment	Museum Endowment	Harding Park Trust	Total
ASSETS				
Cash and Investments	\$ 502,536	\$ 210,520	\$ 743,249	\$ 1,456,305
Receivables	1,818	761	2,651	5,230
Total Assets	\$ 504,354	\$ 211,281	\$ 745,900	\$ 1,461,535
LIABILITIES AND FUND BALANCES				
Accounts Payable	\$ -	\$ -	\$ 33	\$ 33
Total Liabilities	-	-	33	33
Fund Balances:				
Unreserved, Reported in:				
Permanent Funds	504,354	211,281	745,867	1,461,502
Total Liabilities and Fund Balances	\$ 504,354	\$ 211,281	\$ 745,900	\$ 1,461,535

City of Santa Paula
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2009

	Special Revenue	Capital Projects	Debt Service	Permanent Funds	Total
REVENUES					
Taxes	\$ 1,329,847	\$ 121,242	\$ -	\$ -	\$ 1,451,089
Intergovernmental	1,661,869	-	-	-	1,661,869
Charges for Services	182,718	3,144	-	-	185,862
Fines and Forfeitures	5,897	-	-	-	5,897
Investment Earnings	40,829	93,570	562	30,803	165,764
Other Revenues	184,906	461	-	78,786	264,153
Total Revenues	3,406,066	218,417	562	109,589	3,734,634
EXPENDITURES					
General Government	47,548	2,250	1,498	-	51,296
Building and Safety	369,102	-	-	-	369,102
Community Services	715,191	322,157	-	13,818	1,051,166
Financial Services	4,584	-	-	-	4,584
Fire	13,404	14,670	-	-	28,074
Police	230,254	2,971	-	-	233,225
Public Works	1,518,752	58,581	-	27,559	1,604,892
Non-departmental	-	2,182	-	-	2,182
Pass-through Payments	-	-	-	-	-
Debt Service:					
Principal	25,000	-	34,500	-	59,500
Interest	-	-	62,649	-	62,649
Total Expenditures	2,923,835	402,811	98,647	41,377	3,466,670
Excess (Deficiency) of Revenues Over (Under) Expenditures	482,231	(184,394)	(98,085)	68,212	267,964
OTHER FINANCING SOURCES (USES)					
Transfers In	223,724	-	85,402	-	309,126
Transfers Out	(218,737)	(224,587)	-	-	(443,324)
Total Other Financing Sources (Uses)	4,987	(224,587)	85,402	-	(134,198)
Net Change in Fund Balances	487,218	(408,981)	(12,683)	68,212	133,766
Fund Balances - Beginning	858,849	4,517,828	101,559	1,393,290	6,871,526
Fund Balances - Ending	\$ 1,346,067	\$ 4,108,847	\$ 88,876	\$ 1,461,502	\$ 7,005,292

City of Santa Paula
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2009

	Mobile Home Rent Review	State Gas Tax	Local Transportation TDA	Proposition 1B	Housing and Community Development I
REVENUES					
Taxes	\$ -	\$ -	\$ 466,343	\$ -	\$ -
Intergovernmental	-	443,334	-	433,830	-
Charges for Services	10,337	24,350	-	-	-
Fines and Forfeitures	-	-	-	-	-
Investment Earnings	-	-	941	8,107	1,814
Other Revenues	-	4,610	-	-	-
Total Revenues	10,337	472,294	467,284	441,937	1,814
EXPENDITURES					
General Government	47,548	-	-	-	-
Building and Safety	-	-	-	-	-
Community Services	-	-	-	-	29,256
Financial Services	-	-	4,584	-	-
Fire	-	-	-	-	-
Police	-	-	-	-	-
Public Works	-	566,178	628,795	8,695	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	47,548	566,178	633,379	8,695	29,256
Excess (Deficiency) of Revenues Over Expenditures	(37,211)	(93,884)	(166,095)	433,242	(27,442)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	22,770	-	-	-
Transfers Out	-	(80,381)	-	-	-
Total Other Financing Sources (Uses)	-	(57,611)	-	-	-
Net Change in Fund Balances	(37,211)	(151,495)	(166,095)	433,242	(27,442)
Fund Balances - Beginning	(110,455)	(265,608)	144,880	169,073	97,273
Fund Balances - Ending	<u>\$ (147,666)</u>	<u>\$ (417,103)</u>	<u>\$ (21,215)</u>	<u>\$ 602,315</u>	<u>\$ 69,831</u>

<u>(CDBG) Housing and Community Development II</u>	<u>CA Oil Museum</u>	<u>Asset Forfeiture</u>	<u>Hillsborough Open Space Assessment</u>	<u>DOJ-BJA Local Law Enforecment 03/04</u>	<u>Local Transportation TDA Article 3</u>	<u>Weed and Seed Support GRT-DOJ</u>
\$ -	\$ -	\$ -	\$ 7,254	\$ -	\$ 355	\$ -
253,611	-	-	-	-	-	40,674
52,263	19,049	-	-	-	-	-
-	-	5,897	-	-	-	-
4,216	4,351	167	-	-	-	-
35,145	129,983	3,711	-	-	-	-
<u>345,235</u>	<u>153,383</u>	<u>9,775</u>	<u>7,254</u>	<u>-</u>	<u>355</u>	<u>40,674</u>
-	-	-	-	-	-	-
367,549	-	-	-	-	-	-
3,575	164,944	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	19,732	-	-	-	42,587
3,544	-	-	9,594	-	-	-
25,000	-	-	-	-	-	-
<u>399,668</u>	<u>164,944</u>	<u>19,732</u>	<u>9,594</u>	<u>-</u>	<u>-</u>	<u>42,587</u>
<u>(54,433)</u>	<u>(11,561)</u>	<u>(9,957)</u>	<u>(2,340)</u>	<u>-</u>	<u>355</u>	<u>(1,913)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(54,433)	(11,561)	(9,957)	(2,340)	-	355	(1,913)
85,445	2,577	17,963	(677)	-	(6,495)	-
<u>\$ 31,012</u>	<u>\$ (8,984)</u>	<u>\$ 8,006</u>	<u>\$ (3,017)</u>	<u>\$ -</u>	<u>\$ (6,140)</u>	<u>\$ (1,913)</u>

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City of Santa Paula
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Continued
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2009

	Traffic Congestion State	Congestion Management and Air Quality	Redevelopment Agency Housing Set-Aside	CAL Home Grant Dept. of HCD	NPDES Storm Water Quality
REVENUES					
Taxes	\$ -	\$ -	\$ 741,891	\$ -	\$ 114,004
Intergovernmental	250,311	-	-	10,345	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Investment Earnings	1,480	-	15,528	63	1,102
Charges for Services	360	-	-	-	-
Total Revenues	252,151	-	757,419	10,408	115,106
EXPENDITURES					
General Government	-	-	-	-	-
Building and Safety	-	-	-	-	-
Community Services	-	-	405,101	2,107	-
Financial Services	-	-	-	-	-
Fire	-	-	-	-	-
Police	-	-	-	-	-
Public Works	55,170	-	-	-	15,857
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	55,170	-	405,101	2,107	15,857
Excess (Deficiency) of Revenues Over Expenditures	196,981	-	352,318	8,301	99,249
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	(99,627)	-	(6,353)
Total Other Financing Sources (Uses)	-	-	(99,627)	-	(6,353)
Net Change in Fund Balances	196,981	-	252,691	8,301	92,896
Fund Balances - Beginning	602	-	603,237	-	8,862
Fund Balances - Ending	\$ 197,583	\$ -	\$ 855,928	\$ 8,301	\$ 101,758

<u>SLESF-COPS State</u>	<u>CLEEP</u>	<u>COPS State</u>	<u>Beverage Container Recycling</u>	<u>Area Agency on Aging</u>	<u>State Homeland Security Grant</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60,628	-	63,000	16,189	9,678	805
-	-	-	-	-	-
2,339	-	-	340	108	-
-	-	-	-	11,097	-
<u>62,967</u>	<u>-</u>	<u>63,000</u>	<u>16,529</u>	<u>20,883</u>	<u>805</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	27,386	-
-	-	-	-	-	-
-	-	-	-	-	13,404
104,501	-	63,000	-	-	-
-	-	-	8,251	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>104,501</u>	<u>-</u>	<u>63,000</u>	<u>8,251</u>	<u>27,386</u>	<u>13,404</u>
<u>(41,534)</u>	<u>-</u>	<u>-</u>	<u>8,278</u>	<u>(6,503)</u>	<u>(12,599)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(41,534)	-	-	8,278	(6,503)	(12,599)
104,144	-	-	8,922	6,544	(699)
<u>\$ 62,610</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,200</u>	<u>\$ 41</u>	<u>\$ (13,298)</u>

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City of Santa Paula
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Continued
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2009

	Federal STP	FEMA Seismic Retrofit Grant	CA Used Oil Block Grant	Cable Television Fund	Stormwater Program Fund
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	14,027	-	-
Charges for Services	-	-	-	17,975	58,744
Fines and Forfeitures	-	-	-	-	-
Investment Earnings	-	11	172	-	39
Other Revenues	-	-	-	-	-
Total Revenues	-	11	14,199	17,975	58,783
EXPENDITURES					
General Government	-	-	-	-	-
Building and Safety	-	1,553	-	-	-
Community Services	-	-	-	21,422	-
Financial Services	-	-	-	-	-
Fire	-	-	-	-	-
Police	-	-	-	-	-
Public Works	-	-	8,694	-	213,974
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	-	1,553	8,694	21,422	213,974
Excess (Deficiency) of Revenues Over Expenditures	-	(1,542)	5,505	(3,447)	(155,191)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	200,954
Transfers Out	-	-	-	-	(32,376)
Total Other Financing Sources (Uses)	-	-	-	-	168,578
Net Change in Fund Balances	-	(1,542)	5,505	(3,447)	13,387
Fund Balances - Beginning	-	1,553	1,369	(14,204)	4,511
Fund Balances - Ending	\$ -	\$ 11	\$ 6,874	\$ (17,651)	\$ 17,898

<u>Safe Routes To School</u>	<u>Transportation Enhancement Grant</u>	<u>BJA Vest Grant</u>	<u>Miscellaneous State Grants</u>	<u>EPA Grant</u>	<u>GHAD-GEO Hazardous Abatement Dist</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,329,847
60,498	-	-	-	4,939	-	1,661,869
-	-	-	-	-	-	182,718
-	-	-	-	-	-	5,897
-	-	-	-	51	-	40,829
-	-	-	-	-	-	184,906
<u>60,498</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,990</u>	<u>-</u>	<u>3,406,066</u>
-	-	-	-	-	-	47,548
-	-	-	-	-	-	369,102
60,945	-	-	-	-	455	715,191
-	-	-	-	-	-	4,584
-	-	-	-	-	-	13,404
-	434	-	-	-	-	230,254
-	-	-	-	-	-	1,518,752
-	-	-	-	-	-	25,000
-	-	-	-	-	-	-
<u>60,945</u>	<u>434</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>455</u>	<u>2,923,835</u>
<u>(447)</u>	<u>(434)</u>	<u>-</u>	<u>-</u>	<u>4,990</u>	<u>(455)</u>	<u>482,231</u>
-	-	-	-	-	-	223,724
-	-	-	-	-	-	(218,737)
-	-	-	-	-	-	4,987
<u>(447)</u>	<u>(434)</u>	<u>-</u>	<u>-</u>	<u>4,990</u>	<u>(455)</u>	<u>487,218</u>
<u>(402)</u>	<u>434</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>858,849</u>
<u>\$ (849)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,990</u>	<u>\$ (455)</u>	<u>\$ 1,346,067</u>

City of Santa Paula
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Project Funds
For the Year Ended June 30, 2009

	Redevelopment Agency Exempt	Redevelopment Agency Housing Bond	Library Expansion Facilities	Law Enforcement Facilities	Water Distribution Facilities
REVENUES					
Taxes	\$ -	\$ -	\$ 5,599	\$ 1,747	\$ 21,697
Charges for Services	3,144	-	-	-	-
Investment Earnings	25,999	9,708	3,065	574	3,108
Other Revenues	461	-	-	-	-
Total Revenues	29,604	9,708	8,664	2,321	24,805
EXPENDITURES					
General Government	-	-	788	-	-
Building and Safety	-	-	-	-	-
Community Services	316,449	2,857	-	-	-
Fire	-	-	-	-	-
Police	-	-	-	2,971	-
Public Works	-	-	-	-	742
Non-Departmental	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	316,449	2,857	788	2,971	742
Excess (Deficiency) of Revenues Over Expenditures	(286,845)	6,851	7,876	(650)	24,063
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	(224,444)	(143)	-	-	-
Total Other Financing Sources (Uses)	(224,444)	(143)	-	-	-
Net Change in Fund Balances	(511,289)	6,708	7,876	(650)	24,063
Fund Balances - Beginning	1,552,675	447,448	138,098	26,751	130,120
Fund Balances - Ending	\$ 1,041,386	\$ 454,156	\$ 145,974	\$ 26,101	\$ 154,183

Inclusionary Housing Ordinance	Fire Protection Facilities	Public Meeting Facilities	General Government Facilities	Traffic Impact Fee	Parks and Recreation Facilities	Parkland Facilities
\$ -	\$ 2,416	\$ 5,510	\$ 4,698	\$ 42,848	\$ -	\$ 26,433
-	-	-	-	-	-	-
10,820	-	2,774	2,913	10,854	2,657	17,673
-	-	-	-	-	-	-
<u>10,820</u>	<u>2,416</u>	<u>8,284</u>	<u>7,611</u>	<u>53,702</u>	<u>2,657</u>	<u>44,106</u>
-	-	712	750	-	-	-
-	-	-	-	-	-	-
2,851	-	-	-	-	-	-
-	14,670	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	52,990	-	4,560
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>2,851</u>	<u>14,670</u>	<u>712</u>	<u>750</u>	<u>52,990</u>	<u>-</u>	<u>4,560</u>
<u>7,969</u>	<u>(12,254)</u>	<u>7,572</u>	<u>6,861</u>	<u>712</u>	<u>2,657</u>	<u>39,546</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>7,969</u>	<u>(12,254)</u>	<u>7,572</u>	<u>6,861</u>	<u>712</u>	<u>2,657</u>	<u>39,546</u>
<u>499,769</u>	<u>(3,034)</u>	<u>124,698</u>	<u>131,639</u>	<u>498,765</u>	<u>122,260</u>	<u>799,937</u>
<u>\$ 507,738</u>	<u>\$ (15,288)</u>	<u>\$ 132,270</u>	<u>\$ 138,500</u>	<u>\$ 499,477</u>	<u>\$ 124,917</u>	<u>\$ 839,483</u>

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City of Santa Paula
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Continued
Nonmajor Capital Project Funds
For the Year Ended June 30, 2009

	Corp Yard Facilities	Sewer Collection Facilities	Storm Drain Facilities	Total
REVENUES				
Taxes	\$ -	\$ 6,722	\$ 3,572	\$ 121,242
Charges for Services	-	-	-	3,144
Investment Earnings	2,201	638	586	93,570
Other Revenues	-	-	-	461
Total Revenues	2,201	7,360	4,158	218,417
EXPENDITURES				
General Government	-	-	-	2,250
Building and Safety	-	-	-	-
Community Services	-	-	-	322,157
Fire	-	-	-	14,670
Police	-	-	-	2,971
Public Works	-	146	143	58,581
Non-Departmental	2,182	-	-	2,182
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	2,182	146	143	402,811
Excess (Deficiency) of Revenues Over Expenditures	19	7,214	4,015	(184,394)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	(224,587)
Total Other Financing Sources (Uses)	-	-	-	(224,587)
Net Change in Fund Balances	19	7,214	4,015	(408,981)
Fund Balances - Beginning	(1,996)	25,736	24,962	4,517,828
Fund Balances - Ending	\$ (1,977)	\$ 32,950	\$ 28,977	\$ 4,108,847

City of Santa Paula
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended June 30, 2009

	Redevelopment Set-Aside Debt Service	Total
REVENUES		
Taxes	\$ -	\$ -
Investment Earnings	562	562
	562	562
Total Revenues	562	562
EXPENDITURES		
General Government	1,498	1,498
Debt Service:		
Principal	34,500	34,500
Interest	62,649	62,649
	98,647	98,647
Total Expenditures	98,647	98,647
Excess (Deficiency) of Revenues Over Expenditures	(98,085)	(98,085)
OTHER FINANCING SOURCES (USES)		
Transfers In	85,402	85,402
Transfers Out	-	-
	85,402	85,402
Total Other Financing Sources (Uses)	85,402	85,402
Net Change in Fund Balances	(12,683)	(12,683)
Fund Balances - Beginning	101,559	101,559
Fund Balances - Ending	\$ 88,876	\$ 88,876

City of Santa Paula
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Permanent Funds
For the Year Ended June 30, 2009

	Community Center Endowment	Museum Endowment	Harding Park Trust	Total
REVENUES				
Investment Earnings	\$ 10,804	\$ 4,550	\$ 15,449	\$ 30,803
Other Revenues	8,184	-	70,602	78,786
Total Revenues	18,988	4,550	86,051	109,589
EXPENDITURES				
Community Services	9,723	4,095	-	13,818
Public Works	-	-	27,559	27,559
Total Expenditures	9,723	4,095	27,559	41,377
Excess (Deficiency) of Revenues Over Expenditures	9,265	455	58,492	68,212
Fund Balances - Beginning	495,089	210,826	687,375	1,393,290
Fund Balances - Ending	\$ 504,354	\$ 211,281	\$ 745,867	\$ 1,461,502