

Disclosure Categories

Financial interests of employees holding positions designated in Exhibit "A" are to be reported in Statements of Economic Interest (Form 700) as follows:

Category 1:

Schedule A-1 - Investments – Stocks, Bonds and Other Interests (>\$2000)

For this category, "investment" means any financial interest in any business entity which is located in, doing business in, planning to do business in or which has done business during the previous two years in Lake Elsinore and in which the employee/spouse or registered domestic partner/dependent children had a direct, indirect or beneficial interest totaling \$2,000 or more at any time during a reporting period. "Doing business in Lake Elsinore" means the entity has business contacts on a regular or substantial basis with a person who maintains a physical presence in Lake Elsinore (e.g., manufacturing, distributing, selling, purchasing, or providing services or goods.)

Category 2:

Schedule A-2 - Investments, Income, Assets of Business Entities/Trusts

This category requires reporting investments in and income derived from a business entity or trust in which employee/spouse or registered domestic partner/dependent children have a 10% or greater interest valued at \$2,000 or more during the reporting period, and, which is located in, doing business in, planning to do business in or which has done business during the previous two years in Lake Elsinore. This category includes commission income in excess of \$10,000 and real property interests held by the business entity or trust.

Category 3:

Schedule B - Interests in Real Property

This category requires disclosure of interests in real property located in Lake Elsinore (in whole or in part), or not more than two miles outside the boundaries of the City, other than a residence, including an ownership interest, deed of trust, easement, option, leasehold interest, or interest in real property held by a business entity in which the employee has 10% or more ownership interest. Note that this category also requires disclosure of a spouse's or registered domestic partner's separate interest in real property as well.

Category 4:

Schedule C – Income, Loans and Business Positions

This category would require disclosure if the employee/member receives a gross income exceeding \$500.00 from any source located in, doing business in, planning to do business in or which has done business in Lake Elsinore within the previous two years. It would include salary, wages, per diem, expense reimbursement, the employee's community property interest in a spouse's or registered domestic partner's income from such a business, commission income, gross income from the sale of a house or car not otherwise reported on another schedule, honoraria, payments received on loans made to others, etc.

Category 5:

Schedules D and E – Loans, Gifts, Honoraria, Travel Payments, etc.

These categories relate to reporting requirements for any income received from non-government sources located in or doing business in Lake Elsinore whether it be in the form of loans, gifts, honoraria, or travel payments, advances and reimbursements. We believe that absent some extraordinary circumstance, these categories should still be applicable to all designated

employees, and board and commission members and all should disclose in these categories. A gift is reportable if its fair market value is \$50 or more. In addition, multiple gifts totaling \$50 or more received during the reporting period from a single source must be reported. Gifts are reportable regardless of where the donor is located. Travel payments reportable on Schedule E include advances and reimbursements for travel and related expenses, including lodging and meals. Gifts of travel may be subject to the gift limit. In addition, certain travel payments are reportable gifts, but are not subject to the gift limit. To avoid possible misinterpretation or the perception that you have received a gift in excess of the gift limit, you may wish to provide a specific description of the purpose of your travel.